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# Position Paper: Building Iraq's Social Protection Floor

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## Framework and Recommendations

August, 2022



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The objective of this working paper is to offer a set of strategies and options regarding the non-contributory social assistance programmes into a coherent, effective, and impactful system that contributes to the vision of Iraq as a socially inclusive and economically productive nation.

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## 1. INTRODUCTION

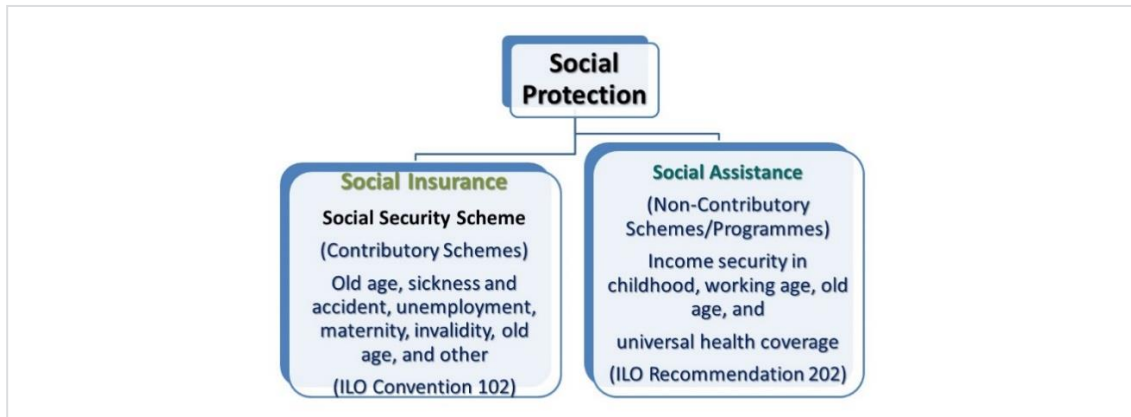
### 1.1. Objective

The rapid evolution of cash transfer social assistance programs in Iraq, most notably the Social Safety Net (SSN), over the past decade is more relevant to countries at earlier stages of development than a natural and systematic expansion reflecting Iraq's development level as an upper middle-income country. As countries get richer and extreme poverty is largely eliminated, the tendency is to move away from narrow poverty-targeted 'social safety nets' to other more socially inclusive and less stigmatizing measures. The Emergency Bill passed in the second quarter of 2022 provided sizable allocations to a variety of social assistance programs. The existing system suffered from a flaw in its complex and costly targeting approach that requires a critical review prior to adding more resources into the same system.

The objective of this working paper is to offer a set of strategies and options regarding the non-contributory social assistance programs into a coherent, effective, and impactful system that contributes to the vision of Iraq as a socially inclusive and economically productive nation. Specifically, this working paper identifies and proposes a set of operational, country specific, costed interventions that should be considered to achieve inclusive social assistance system in Iraq that ultimately leaves no one behind. At the same time, contribute to the overall macroeconomic growth path, fiscal sustainability, and non-income dimensions to development. In doing so, a costing exercise for 15 years is included to establish the need and opportunities for country-specific social sector investments that are pro-demographic window of opportunity and promote macroeconomic stability.

### 1.2. Social Protection: Definitions and Global Perspectives

Definitions and terminology used in discussing social protection have evolved over time and tend to differ slightly among different schools of thought. Social protection is generally understood as the combination of social insurance – (i.e. contributory forms of social provisioning) and social assistance (i.e. transfers which cover wide chapters of the population), and are generally funded from public sources (ILO , 2012). A life-cycle approach posits social protection in the three phases of life - infant and childhood, adulthood and working life, and old age - with access to health services as a component accompanying all three phases. This framework is used in the social protection floors initiative adopted in ILO Recommendation 202 a (ILO , 2012).

**Figure 1: Major Components of Social Protection**

Source: Based on the ILO definition of Social Protection (ILO 2012)

The focus of this working paper is **non-contributory social assistance**. Non-contributory programs have been in place in most of the higher-income countries since the 1950s, in the context of their post- World War II welfare state arrangements (Esping-Andersen 1990). While most developing countries have featured social security for the formal sector since their independence, broader forms of social protection covering rural populations and the informal economy was introduced in waves (Koehler & Chopra, 2014). The introduction or upgrading of social protection as crisis responses was the first wave. The Latin American examples of large-scale programs such as *Bolsa Familia* (the Family Grant) in Brazil, and *Oportunidades* (opportunities) program in Mexico have been in place in various forms since the 1990s, as a response to cushion the economic and social impacts of structural adjustment programs waves (Koehler & Chopra, 2014). Moreover, at the time, beyond its role as a safety net, social protection was presented as a macroeconomic stabilizer, with the argument that the higher propensity to consume of lower income quintiles would increase aggregate demand and revitalize an economy in recession. Recently, the discourse has moved on into a more normative mode, with progressive governments, Civil Society Organizations, academics and multilateral agencies make a case for social protection from a rights-based angle (Koehler & Chopra, 2014). At the global level, many of the multilateral agencies have been promoting the right to social protection. In 2012, the ILO annual conference adopted the Recommendation on the Social Protection Floors (R 202), which is now being vetted in numerous countries (ILO 2012). It uses the life cycle approach. Other notable examples include the work of the Special Rapporteurs of the Office of the High Commissioner on Human Rights (Sepulveda and Nyst 2012; Alston 2014), and the policy positions of the ADB (Handanyani 2010; ADB 2013; ESCAP 2011a). Most multilateral agencies have social protection strategies in place (UNICEF 2019; World Bank 2012; European Commission 2012) (Koehler & Chopra, 2014).

Two additional challenges are shaping the social protection agenda (Koehler & Chopra, 2014). One is the intensifying impact of climate change and civil conflict, and more recently COVID19-, which result in complex emergencies. Social protection in the form of transfers to displaced populations is increasingly important, and in many countries, social protection includes an emergency fund for social assistance that can come into play quickly if needed. The second globally recognized challenge stems from the increasingly disparate in-country income and

wealth disparities (Milanovic 2010; Ortiz, Chai and Cummins 2011; Piketty 2014). If social protection expenditures are covered from national taxation revenues, and have a pro-poor expenditure bias, they can serve to shift income from the higher to the lower income quintiles. There are also proposals for a dedicated fund to jump-start social protection in low-income countries, financed from special forms of funding in rich countries. In that format, social protection could take on a redistributive function.

### 1.3. Government Commitments to Social Protection and Iraq's Safety Net

Social protection is an important policy tool for the realization of human security and achieving equity and social justice. The Universal Declaration of Human Rights posits the right to social protection in Article 22, which guarantees the right to social security. Further article 25 recognizes the right of everyone to a standard of living adequate for the health and wellbeing of himself and of his family, including medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control (UN, 1948). Other international legal instruments and standards, to which Iraq is signatory, highlighted the right to social security. Further, Social Protection programs are aligned with the Sustainable Development Goals (SDGs). Specifically, they will contribute to achieving the third target of SDG 1 (the complete elimination of extreme poverty in the world through the establishment of social protection systems and measures for all), SDG 8 (sustained, shared and sustainable economic growth; full, productive employment and decent work for all), and SDG 10 (the reduction of inequalities between countries and within them).

At the national level, Iraq's commitment to social protection is demonstrated clearly in the -2018 2022 Poverty Reduction Strategy, in which the establishment of an effective social protection system was recognized as a strategic priority (Government of Iraq, 2018). Important milestone is the enactment of the Social Protection Law No.11 of 2014 (Government of Iraq, 2014). Further, the Iraq Social Protection Strategic Roadmap 2019-2015 was developed to support implementation of the 2014 law. Its vision was to have a comprehensive social protection system in Iraq that covers three main pillars: social safety nets, social insurance and labour market policies. For the Social Safety Net (SSN), a Social Protection Commission to manage social assistance in Iraq was established by the 2014 Law (Government of Iraq, 2014).

In terms of implementation, the SSN in Iraq is governed by the 2014 Social Protection Law, which stipulates that households below the poverty line are eligible for social assistance support (Government of Iraq, 2014). In practice, however, it is practically impossible for MoLSA to determine poverty status for all potentially eligible households. Instead, Proxy-Means testing (PMT) scoring system is deployed through a complex and costly application process that include<sup>1</sup>:

- **Application:** households must apply on the MOLSA's website, which includes screening questions to determine if a home visit is warranted. As of late, a large number of applications are still waiting to go for Ministry of Planning's (MoP) scoring.

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1 Information provided by MoLSA

- **Home visits:** for those households passing the screening question, a visit by social workers will be made to their homes to collect data on a range of indicators as advised by the PMT formula.
- **Household scoring:** household per capita consumption is estimated using the PMT indicators. models are updated when new national household survey data available.
- **Eligibility determined:** households with estimated per capita consumption below the poverty line are considered eligible and move to next step.
- **Validation:** eligible households then cross-checked with pension and land cadaster data to confirm they are not wealthy.
- **Entry or waitlisting:** verified eligible households receive benefit if sufficient allocation is available. If not, they will be in the waiting list.
- **Reverification:** the law requires households to file an annual report on the MOLSA's website, which will be verified by social workers through a revisit to the households each year.

This complex and costly model requires up-to-date household data to potentially predict consumption. Nevertheless, models used for the SSN were based on the 2012 IHSES survey, and latest updates in the models use the partial 18/2017 Rapid Welfare Monitoring Survey, also known as the Survey of Well-being via Instant and Frequent Tracking (SWIFT). Not surprisingly, reports indicated sizable errors in targeting exist, this is to add to administrative complexity and burden on social workers to conduct all these visits. Data shows that various social safety net schemes benefited only 20 per cent of the poor (MoP, 2018). In terms of coverage, the latest administrative statistics indicated that the SSN benefited a total of 5.393 million Iraqis (2.604 males and 2.789 females) (MoLSA, 2022), which represents almost 13 percent of Iraqis in 2022. It is to be noted that the SSN excludes KRI, despite hosting an overwhelming number of IDPs.



## 2. FRAMEWORK AND RECOMMENDATIONS

### 2.1. Framework for Reform

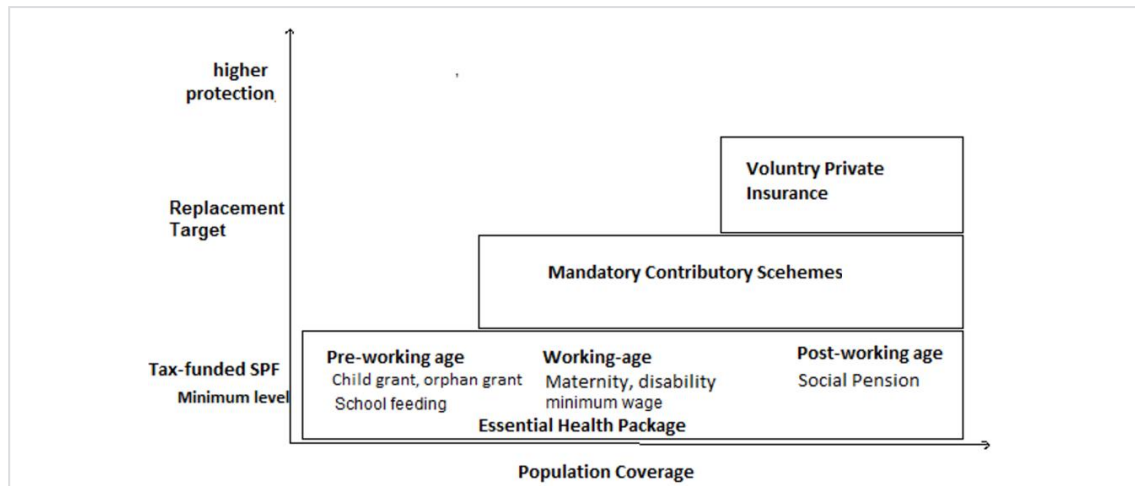
Building a coherent and inclusive system of social assistance requires the new system to ensure the following broad objectives:

- **Inclusive coverage** of contingencies (extent of coverage) for all groups (formal, informal, vulnerable, women, children, and young people, IDPs etc.).
- **Adequacy** of benefits.
- Cost containment within the fiscal envelope for **intergenerational equity**.

Generally, the above objectives conflict with one another. While ensuring comprehensive population coverage is a key objective of Iraq's commitment to leaving 'no one behind', the analysis presents recommendations to balance the other objectives to arrive the optimal mix that maximizes the societal outcome. In this regard, two more objectives are critical to cover the entire population in need and to contain costs: The overall system should promote inclusion and social solidarity through cross-subsidization (‘working’ to ‘non-working’, ‘haves’ to ‘have-nots’). It should also create synergies and ensure coordination among different arrangements to ensure efficiency, impact and coverage.

The working paper's framework is consistent with the two-dimensional approach, in line with the ILO's recommendations<sup>2</sup>, for building the social protection arrangements and closing the coverage gap.

**Figure 2: Integrated Social Protection System**



Source: based on (ILO , 2012)

<sup>2</sup> This approach is based on the two-dimensional strategy adopted by the 100th Session of the International Labour Conference in 2011, the Social Protection Floor Recommendation of 2011 (No. 202), and the Social Security (Minimum Standards) Convention of 1952 (No. 102) (ILO , 2012)

In the horizontal dimension, a coherent Social Protection Floor containing basic social assistance guarantees, which are tax-funded and provided at minimum level to ensure universal access to essential health care and income security using a life-cycle (from childhood to old-age) targeting. The vertical dimension accounts for the progressive achievement of higher levels of protection within an integrated and comprehensive social security system. By better coordinating, and emphasis on creating synergies between contributory and non-contributory programs, the overall integrated system will be more effective to not only reduce inequality, but also enhance economic security for the entire population while maintaining incentive structure for saving and participation in the labor market within Iraq's overall fiscal envelope.

## 2.2. Recommendations

To construct the non-contributory tax-funded SPF discussed earlier, a set of recommendations are presented below:

### Recommendation 1: Shift from charity-based social assistance to a rights-based, developmental approach.

The rapid evolution of cash transfer social assistance programs in Iraq, most notably the SSN, over the past decade is more relevant to countries at earlier stages of development than a natural and systematic expansion and consolidation of programs reflecting Iraq's development level as an upper middle-income country. As countries get richer and extreme poverty is largely eliminated, the tendency is to move away from narrow poverty-targeted 'social safety nets' to other more socially inclusive and less stigmatizing measures (e.g., social pensions, tax credits, child grants). Iraq seems to have moved in the opposite direction with the massive expansion of charity-like programs such as the SSN, perhaps because of pressure of populous demands and politics. Iraq needs to move away from narrowly targeted, costly, and stigmatizing approaches. In other words, instead of explicitly targeting poverty, which is not easily observable and can be manipulated<sup>3</sup>, our analysis recommends targeting underlying vulnerabilities to enhance human 'capabilities'. In this regard, risks associated with the life cycle -- such as childhood, maternity, and old-age -- coupled with the vulnerabilities associated with disability and orphanage can be targeted with social assistance programs for each of these categories. The proposed shift, from narrow poverty targeting to categorical targeting, converges with the gathering momentum for inclusive policy formulations.

This shift will achieve several key objectives:

- i. **Reduce exclusion errors associated with poverty targeting:** Available data show that the SSN has suffered from large exclusion errors (many needy citizens did not receive benefits) due to a variety of issues inherent in the PMT approach used<sup>4</sup>. It shows that

<sup>3</sup> Besides Iraq (mainly SSN's significant inclusion errors discussed earlier), see (Kidd & Wylde, 2011) for other experiences.

<sup>4</sup> The evidence shows that poverty targeting carries very significant exclusion error risks. Taking the celebrated cases, Mexico's Oportunidades excluded 70% of the poorest 20% of eligible households, while Brazil's Bolsa Familia had an exclusion error of 59% (Fiszbein, Schady, & Ferreira, 2009). Findings of another study shows that exclusion and inclusion errors in Bangladesh, Indonesia, Rwanda and Sri Lanka amounted to somewhere between 44 percent and 55 percent when 20 percent of the population is covered and between 57 percent and 71 percent when 10 percent is covered (Kidd & Wylde, 2011). In China's Minimum Livelihood Guarantee Scheme (also known as Diabo), cities that have used more targeting have been shown to be less likely to reduce poverty (Ravallion, 2007).

safety nets in Iraq benefited only 20 per cent of the poor (MoP, 2018). The expansion of the SSN does not seem to caution the welfare loss resulted from COVID19- pandemic and restriction on economic activities: UNICEF and World Bank, estimated that 4.5 million (%11.7) Iraqis has been pushed below the national poverty line as a result of the COVID19- pandemic and the associated socio-economic impact, in addition to 6,9 million poor prior to the crisis. As a result, Iraq's national poverty rate was estimated to have reached %31.7 in 2020, compared to %20 in 2018 (UNICEF, 2021).

- ii. **Administrative simplicity and efficiency:** The simplicity of the categorical targeting proposed reduces the administrative burden currently placed on the government's limited staff to verify and assess complex eligibility criteria. Categorical programs have little need for periodic reappraisal of eligibility, whereas poverty-targeted programs, as discussed earlier, require periodic retargeting to ensure ongoing eligibility, which implies more costs and complexity from an administrative perspective<sup>5</sup>. In addition to costs, complexity adversely affects coverage. As many of the vulnerable are less educated or informed, and more likely to fail to comply with the requirements of complex eligibility-determination or qualification processes, generally associated with means-tested targeted programs, they end up being excluded<sup>6</sup>. Furthermore, fragmentation of the many different social protection programs in Iraq covering multiple contingencies makes it very difficult for beneficiaries to know which benefits they are entitled to, resulting in further exclusion of those truly in need, while those with better access to information or better connected may benefit from many programs, including those they are ineligible for, i.e., contributing to inclusion errors.
  
- iii. **Dignity, solidarity, and social cohesion:** Programs supposed to be exclusively for the poor tend to be stigmatizing. Screening processes involved in determining eligibility to means-tested, or proxy-means tested benefits tend to be stigmatizing<sup>7</sup>. In contrast, categorical targeting removes screening procedures to determine eligibility (who is 'in' and who is 'out'). It further contributes to a sense of community as the entire group benefits from such inclusive programs. It removes the risk of deserving low-income families excluding themselves from entitlements due to the shame of being 'on benefits'. Further, there is a broad consensus that inclusive approaches help create social cohesion and strengthen a sense of citizenship and belonging. A life-cycle approach signals a clear message from the state that all citizens have a stake in society.

5 An ILO review concluded that the universal schemes reviewed had the lowest average administrative costs at 2.5% of total program costs, whereas administrative costs of targeted programs averaged 11% (Ortiz, Durán-Valverde, Pal, Behrendt, & Acuña-Ulate, 2017).

6 This partly explains the high exclusion 'error' among the poor in Iraq; discussed earlier

7 For example, in India Thozilurappu Paddhathi (the "work guarantee scheme"; National Rural Employment Guarantee Act – NREGA) is often referred to as Thozhiluzhappu Paddhathi (the "lazy work scheme") (Walker, 2014). As noted by another study, 'stigma – stigmatization – is an important mechanism through which shame is induced' (Roelen, 2017). It is reasoned that the social 'othering' that occurs through targeting generates strong 'in' and 'out' group dichotomy, especially in contexts where notions of 'deserving' and 'underserving' poor prevail, say for example in the Anglo-Saxon social model' (Roelen, 2017).

The intensifying impact of civil conflict, which result in complex emergencies, has highlighted the role of social protection in the form of transfers to displaced populations. UNHCR ASSIST database indicated a total of 1 million individuals have been registered as IDPs as of June 2022. The highest concentration of IDPs enrolled in ASSIST are in Duhok, with around 246,000 individuals; Erbil, with more than 142,000; and Ninewa, with more than 134,000 and Al-Sulaymaniyah with more than 75,000; with %32 living in Camp and %68 out of camps. In total, 463,000 (%59 individuals) of IDPs are living in KRI (UNHCR, 2022). Nevertheless, the current SSN in Iraq excludes KRI. In addition to this exclusion of IDPs due to geographical location, it is to be noted that the current targeting method, discussed earlier, places a lot of authority in the hands of social workers, verification, and decision-making at administrative levels to determine who gets the benefits. When resources are limited, this authority of selecting recipient from the waiting list carries the risk of systematic exclusion and othering of IDPs. Therefore, adopting an identification process that is based on clear and observable vulnerabilities (age, disability, etc as discussed next) will remove this system bias and ensure the objective of solidarity and social cohesion is met.

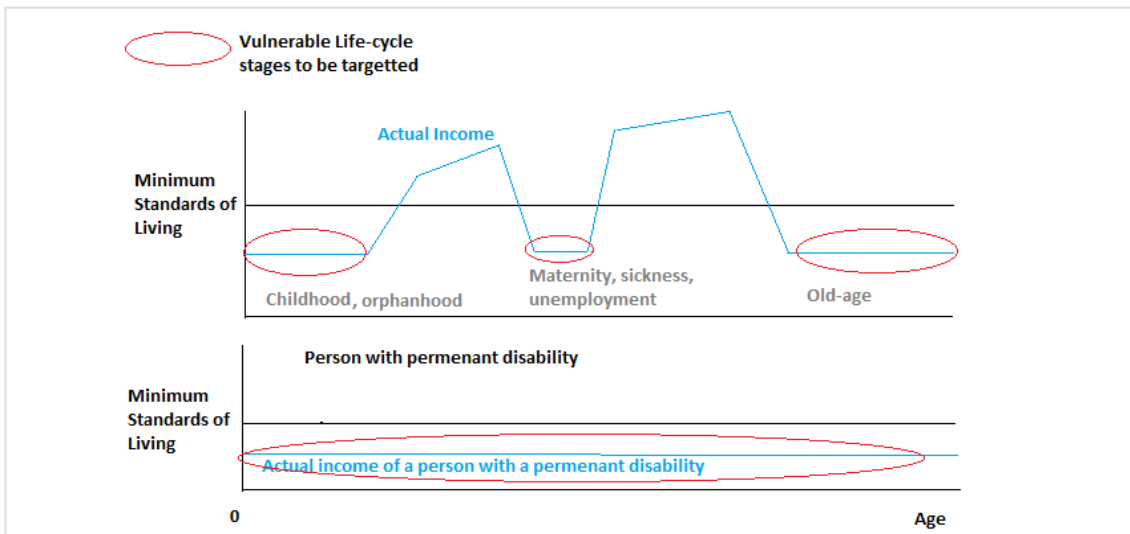
While life-cycle approach ostensibly covers all individuals in a category (e.g., if all above age 70 receive social pensions), a form of targeting is built in:

- a. **Self-selection:** The modest benefit amount (a floor level benefit that can be complemented by contributory schemes) coupled with the administrative burden of registering for and receiving benefits are likely to result in less than full take up, as some higher income individuals may not claim the benefit.
- b. **Categorical targeting:** The lifecycle approach recognizes that deprivation and vulnerability are positively correlated with age, e.g., childhood and old-age. As deprivation is positively correlated with the proposed categories, categorical targeting increases benefits based on household characteristics, even if non-poor households receive the same benefits.
- c. If financing mechanisms such as tax are progressive, **the overall impact (transfer and tax combined) is a progressive transfer** from rich to poor households at reduced cost.
- d. Furthermore, if more explicit targeting is seen needed, a **wealth test can be applied** relatively easily without the need for any complex forms and scoring. Specifically, the government of Iraq already collects data on property ownership. Instead of testing who is poor with a lengthy and complex form, our proposal is to use already available data to remove those with property ownership above certain threshold. In addition, those who are on the civil service payroll can be removed.

**Recommendation 2: Consolidate all fragmented social assistance programs into a life-cycle social protection floor (SPF)**

Administrative costs tend to accrue in absolute terms in social protection programs, which means that administrative efficiency of a program may benefit from efficiencies of scale as the scheme grows in size. A sufficiently large scheme will, therefore, typically exhibit relatively lower administration cost percentage as compared to a smaller scheme' (Ortiz, Durán-Valverde, Pal, Behrendt, & Acuña-Ulate, 2017). In addition to cost, the complex fragmented social assistance programs covering multiple contingencies make it particularly difficult for beneficiaries to learn about and qualify for the programs and benefits they may be entitled to. Therefore, consolidating these programs is very desirable for Iraq. Building on recommendation 1, which recognizes the complexity and problems of the charity approach of targeting the poor, this recommendation (2) identifies the sources of risk, vulnerability and exclusion related to life-cycle changes, and addresses them as the bases for intervention. Figure 3 summarizes how changes in individuals' and households' life-cycle (moving from one life-cycle to another) influence vulnerability.

**Figure 3: Moving from one life-cycle stage to another changes vulnerability**



Source: based on (ILO , 2012)

For example, a young couple expecting their first child will face a sudden increase in expenditure usually not matched by an income increase. The increased expenditure required for this new life-stage is, in many cases, coupled with loss of income of working mothers during late pregnancy and infancy, if childcare is not available. This situation can shift the entire household into a new, more vulnerable life-cycle, as shown in figure 3's first vulnerability period<sup>8</sup>. Yet, the period of greatest vulnerability for the survival and early development of a child is from conception to two years (UNICEF 2011).

<sup>8</sup> Evidence of this is strong in Iraq: the proportion of Iraqi children in poverty is higher than the proportion of working age adults persons in poverty. Even for those not in poverty, many households with children hover just above the (already low) poverty line.

For example, a young couple expecting their first child will face a sudden increase in expenditure usually not matched by an income increase. The increased expenditure required for this new life-stage is, in many cases, coupled with loss of income of working mothers during late pregnancy and infancy, if childcare is not available. This situation can shift the entire household into a new, more vulnerable life-cycle, as shown in figure 3's first vulnerability period. Yet, the period of greatest vulnerability for the survival and early development of a child is from conception to two years (UNICEF 2011).

Similarly, old-age protection is a major concern in Iraq. As citizens get older, vulnerability increases. While civil servants are covered by old-age protection, a small fraction in the private sector is covered (estimated at less than 10 percent of the private sector). In addition, this coverage gap has a gender dimension: The discriminatory labor market in Iraq (low participation rate among female citizens) has resulted in unequitable outcomes and differential coverage rates between male and female labor force participants. For instance, reports indicated that for every 100 males covered by the Pension and Social Security Fund for Workers, only 8.7 females are covered (MoLSA, 2022). This lack of old-age protection has placed significant pressure on social assistance programmes- out of 1.385 million Iraqis in 2020 above the age 65, a total 226,000 receive assistance from the SSN for the same year (MoLSA, 2022). This number is more significant when we know that an additional 450,000 received public pension (IMF, 2022). Old-age in Iraq can therefore be seen as a vulnerability requiring consolidation of fragmented social assistance programmes and complementary links to contributory social arrangements. Disability and orphanage are not only associated with vulnerability, state provisioning to the vulnerable broadly accepted as morally justifiable and hence legitimate.

Against this background, refocusing social protection interventions to target key stages of the life-cycle to ensure that vulnerability in one life-cycle stage is not transmitted to the next is an appropriate framework for consolidating the many social assistance programmes currently operating in Iraq. This refocus is aimed at addressing the roots of vulnerability, and to ensure that individual instruments complement one another to achieve comprehensive coverage and complementary cumulative benefits with other instruments to individuals and households to promote equitable growth and reduce social exclusion.

For these life cycle stages, the following social protection floor in Table 1 can be introduced to replace the fragmented and charity-like social assistance programmes in Iraq.

**Table 1: Social Protection Floor income protection <sup>9</sup>**

Benefit	Monthly amount	Eligibility/conditionality/description
<b>Scenario I</b>		
Pregnancy	ID50,000	Pregnant women, last 5 months of pregnancy. Conditional on health check-up. Can be provided in the form of cash and/or food nutrition supplements.
Child	ID50,000	Children under 2.
Orphan	ID100,000	Orphans 2-15 years old.
Disability	ID150,000	Persons with disability aged 2-70.
Old-age	ID150,000	All persons above 70.
<b>Scenario II</b>		
Pregnancy	ID50,000	Pregnant women, last 5 months of pregnancy. Conditional on health check-up. Can be provided in the form of cash and/or food nutrition supplements.
Child	ID50,000	Children under 4.
Preschool	ID150,000	Children aged 4 and 5. Conditional on preschool enrolment.
Orphan	ID100,000	Orphans 6-15 years-old.
Disability	ID150,000	Persons with disability aged 6-70.
Old-age	ID150,000	All persons above 70.

While the above benefit amounts are low in value as stand-alone benefits, they complement one another and provide basic income security for the household as a unit as explained in the SPF in figure 3. This is not to undermine the incentive to higher protection arrangements provided by other saving/insurance arrangements as shown in figure 2.

**Conditionality:** There is evidence on the impacts and outcomes of both conditional cash transfers and unconditional transfers.<sup>10</sup> Although there is evidence to suggest that both have positive outcomes, the attribution of these outcomes to conditionalities is questionable.

**Coverage of the Proposed SPF:** Under a set of assumptions specified in the annex, the following table summarizes the population covered under each individual benefit in thousands for a period of 15 years.

**Table 2: Number Beneficiaries in thousands, 2036-2022**

	2022	2026	2030	2036
<b>Scenario 1</b>				
<b>Beneficiaries, 000</b>	<b>2,978.9</b>	<b>3,324.4</b>	<b>3,464.7</b>	<b>3,844.4</b>
First 1000 days (Preg.+U2)	1,634.8	1,826.9	1,840.7	1,945.6
Full Disability age 2-70	586.8	641.0	699.2	785.1
Orphans age 2-15	331.4	347.8	362.5	387.5
Old-age 70+	425.9	508.7	562.3	726.2
<b>Scenario 2</b>				
<b>Beneficiaries, 000</b>	<b>4,958.3</b>	<b>5,408.5</b>	<b>5,665.9</b>	<b>6,171.0</b>
Pregnancy	537.4	610.3	614.5	648.6
Under 4 years-old	2,161.8	2,370.2	2,433.7	2,570.8
Preschool (age 4, 5)	1,083.0	1,107.2	1,181.0	1,250.5
Full Disability age 6-70	522.4	573.2	627.6	709.4
Orphans age 6-15	227.8	238.9	246.8	265.5
Old-age 70+	425.9	508.7	562.3	726.2

Source: Study calculations, see the annex

<sup>9</sup> See annex for the costing model assumptions

<sup>10</sup> Conditional cash transfers given to beneficiaries conditional on particular actions, such as sending children to school or attending regular health check-ups and immunization.



**Cost of the Proposed SPF:** Based on the coverage mentioned earlier, and using a projection framework detailed in the annex, the following table summarizes the cost of each benefit expressed in ID, and percentage of GDP.

**Table 3: Scenario I's Projected overall cost (in ID billion) and share of GDP, 2036-2022**

	2022	2026	2030	2036
<b>Total Expenditure, Billion Dinars</b>	<b>3,088.586</b>	<b>4,208.869</b>	<b>5,106.871</b>	<b>6,867.178</b>
First 1000 days (Preg.+U2)	812.60	1,102.36	1,263.29	1,565.21
Full Disability age 2-70	1,082.60	1,441.32	1,787.88	2,352.21
Orphans age 2-15	407.65	521.33	617.87	773.98
Old-age 70+	785.74	1,143.86	1,437.83	2,175.77
<b>Total Expenditure,% of GDP</b>	<b>0.881</b>	<b>0.880</b>	<b>0.846</b>	<b>0.832</b>
First 1000 days (Preg.+U2)	0.23	0.23	0.21	0.19
Full Disability age 2-70	0.31	0.30	0.30	0.28
Orphans age 2-15	0.12	0.11	0.10	0.09
Old-age 70+	0.22	0.24	0.24	0.26

Source: Study calculations, see the annex

**Table 4: Scenario II's Projected overall cost (in ID billion) and share of GDP, 2036-2022**

	2022	2026	2030	2036
<b>Total Expenditure, Billion Dinars</b>	<b>4,162.981</b>	<b>5,471.595</b>	<b>6,477.843</b>	<b>8,226.149</b>
Pregnancy	137.71	186.65	209.03	248.98
Under 4 years-old	1,329.53	1,739.55	1,987.01	2,368.37
Preschool (age 4, 5)	666.03	812.59	964.27	1,152.02
Full Disability age 6-70	963.74	1,262.07	1,537.19	1,960.53
Orphans age 6-15	280.22	350.63	402.97	489.19
Old-age 70+	785.74	1,120.12	1,377.37	2,007.07
<b>Total Expenditure,% of GDP</b>	<b>1.187</b>	<b>1.169</b>	<b>1.120</b>	<b>1.080</b>
Pregnancy	0.04	0.04	0.04	0.03
Under 4 years-old	0.38	0.37	0.34	0.31
Preschool (age 4, 5)	0.19	0.17	0.17	0.15
Full Disability age 6-70	0.27	0.27	0.27	0.26
Orphans age 6-15	0.08	0.07	0.07	0.06
Old-age 70+	0.22	0.24	0.24	0.26

Source: Study calculations, see the annex

It is to be noted that over the projection period, benefits are assumed to maintain real value (indexed with inflation). However, as the economy is expected to continue to grow in real term (economic growth is positive), benefit level will decline in relative value (relative to GDP per capita income) over the projection period. At later stage, a periodic review of the real value of the benefit can be introduced to ensure coherence and relevance, this is in addition to the automatic indexation with inflation already built in the projection.

**Implementation strategy:** If immediate introduction of the above benefits is not possible, it is proposed to set a defined, agreed and realistic timeline for its progressive realization. Universalization could in that case be achieved by continuously expanding geographical targeting. For example, the above-described cash transfer system could be introduced at a universal level



in the poorest districts of the country, and extended district by district over a defined period of time. The extension could proceed progressively and continuously, from worst-off to better off districts, measured by an indicator considered most appropriate, and that is at the same time easily available and periodically updated. There are a host of identification criteria to choose from for sequencing among the districts. They include the national poverty line or poverty head count data; GDP per capita; malnutrition and food insecurity mapping; or the Human Development Index (HDI). Most of these indicators would likely end up identifying the same districts as most disadvantaged, and the selection decision could cross-reference several of the indicators, so as to be analytical and transparent. While the previous implementation option might be a challenge administratively and politically, alternatively, there are more appealing options. One would be, to start with introducing the -1000days benefit nationally (pregnancy until under age 2). Over time, age cut-off can be increased to cover up to 4 years of age as well as introducing gradually other benefits such as old-age pension and others.

### **Recommendation 3: Use the SPF as the basis for a shock-responsive cash transfer program**

Iraq is vulnerable to civil conflict, which result in complex emergencies. Additionally, the effects of climate change have resulted in weather extremes occurring more frequently and with higher intensities. Hazards become disasters if there are vulnerable people affected. Therefore, it becomes critically important to support vulnerable households in times of hardship. An intervention to put in place a mechanism that it systematically provides short-term assistance to the population affected by natural disasters is a progressive step forward that not only protect the vulnerable population, but works as a stimulus to the local economy by injecting such benefits in the local economy. Specifically, the SPF proposed for the general population (inclusive of IDPs and other vulnerable group) can be further used as the base to provide a short-term emergency relief in the form of emergency "top-up". This temporary benefit will provide an increment to the proposed benefits for the above-described vulnerable groups receiving SPF benefits (pregnant mothers, children, senior citizens, orphans, and persons with disability) who reside in the locality that is hit by emergency. For instance, while regularly an orphan receives ID100,000 a month, s/he will receive an extra lump-sum amount, for example, ID 400,000 if s/he reside in area affected by a natural disaster. The specific amount can be based on severity of the emergency. If the emergency persists, a second top-up might be offered. Such top-ups will cover only the affected communities by the disaster, using the methodology as well as distribution mechanisms already in place for the regular income-security package proposed earlier.

The main advantage of this approach is its flexibility, cost efficiency, immediate scalability, and building on systematic approach as opposed to the fragmented parallel mechanisms. Administratively, eligible beneficiaries can be identified real time from the list of income security package outlined above. This is the most efficient and transparent option for identifying the beneficiaries in the emergency situation and in a short period of time. It is to be noted that natural disasters affect a large share of the population and sometimes, many households are displaced and temporarily seeking shelter. If alternative targeting (other than the proposed) or beneficiary identification approaches were used, it is likely to take longer period and could further create division within communities. This is one of the reasons why the use of the SPF provided above, which uses universal coverage (within a category) is the most appropriate measure.

It is proposed that the rounds of emergency top ups are accompanied by behavioral change messages that can contribute to reducing the household's vulnerability to disaster. These messages will be targeted both to specific vulnerable groups and to specific sectors, and linked to relief and recovery outcomes. Such messages will also be relevant since the top up, or other source of income, might well be used for housing reconstruction. Messages on protecting oneself during emergency, where to access information, and other sought objectives can also be reinforced.

#### **Recommendation 4: Equip working-age population (especially young people) with modern economy skills-sets and integrate them in the contributory Social Insurance**

Iraq has started recently enjoying a relatively favorable demographic environment characterized by working age population growing at a higher rate than the overall population. While the expansion of the working-age population, and the concomitant enlargement of the labor force, can be the driver for sustained economic growth, Iraq's inability to create sufficient jobs to absorb the rapidly growing labor force has led to waves of social unrest. Youth (age 15-24) unemployment is especially alarming estimated at 32.1 percent and 62.1 percent for male and female labor force participants, respectively (Government of Iraq, 2022). The issue of unemployment has put pressure on the system of social assistance in Iraq to provide income support to unemployed persons. Nevertheless, unemployment is a manifestation of structural imbalance in the labor market (skills mismatch, weak private sector, weak investment incentives- to name a few) and any solution must address these structural underlying issues. Responding with expansion in social assistance coverage of working-age population can be counter-productive and increased dependency. Therefore, we propose a policy of two interventions regarding the working-age poor:

- **Skilling and business support** (loan, access to market etc): Poverty among working-age population reflect to some extent skills-mismatch. Therefore, upskilling opportunity and linkages to labor market opportunities are essential.
- **Formalization:** One of the decent work deficits relates to the limited social security coverage for private sector workers. Informal work is generally characterized by decent work deficits, including low wages, limited rights at work, weak job and income protection, and more vulnerability to unemployment contingencies. This is especially applicable to the case of Iraq, where main feature that characterizes Iraq's labor market is the high degree of informality. Reports suggest that about two out of three workers have an informal job (Government of Iraq, 2022). Therefore, enrolling the informal sector labor force participants into the social insurance program in Iraq provides protection for workers and their families against life-cycle risks (unemployment, maternity, old-age, work-related injuries, sickness, and disability). One of the positive developments is Iraq's ratification of Convention of Social Security Minimum Standards (C102) (Law No. 3 of 2021 in the Official Gazette of Iraq in 2021). With the ratification of C102, ensuring compliance with its normative framework has now become a legal obligation. Closing the coverage gap, including covering the informal sector participants and women citizens, becomes a priority while at the same time ensuring long term sustainability and intergenerational equity. The legislative reform that extends social security coverage to workers in the

private sector is instrumental, including the enactment of the two draft social security laws for the private sector workers. The two laws, federal and KRI, will extend coverage to workers in the informal sector, self-employed, and business owners. They also introduce new benefits to all workers in the private sector (formal and informal) such as maternity and unemployment, which are added to old-age pension, survivor and disability pensions, work-related injuries, and sickness benefits. In addition to the legislative reform, addressing the issue of capacity to pay contributions among informal sector workers is a key to ensure the demand for social security. The draft laws committed that tax funding is channelled to subsidize contributions for the long-term branch of protection (pension, survivors, and long-term disability) for eligible workers in the informal economy. Subsidizing contribution remains a cheaper alternative to providing social assistance, but also sets the incentive structure correctly for persons in the working age.

**Recommendation 5: Establish a shared service centre (SSC) for unified service delivery (one-stop shop) for all social protection benefits using National Unique ID card as the basis for a unified database**

With the consolidation of all social assistance programs into the SPF (recommendations 1 and 2), Shared Service Centre is recommended as a 'one-stop-shop'. This one-stop-shop will serve the need of all social protection providers (contributory and non-contributor social protection, the planned social health insurance, and the in-kind benefits such as PDS) as front-line service delivery to the public. Unification of service delivery is practical and cost saving. As pointed out in recommendation 2, social protection programs' administrative costs tend to rise in absolute terms, which means large schemes typically involve relatively lower per capita administrative costs compared to smaller schemes. Combining these services will not only be cost saving for providers, but also should significantly reduce expenses and be of greater convenience to the public. The Iraqi Postal Service has offices in 400 locations. Ideally, they can be the place for the SSC.

In addition to serving such needs, these centres can also provide services for the consolidated social assistance programs under the SPF. This streamlining and simplification will further reduce access barriers to information on entitlements, especially for those with low education attainment, and should reduce exclusion errors associated with complex targeted programs requiring applicants to go from agency to agency to undertake similar, if not redundant applications, assessments and evaluations. A unified SSC e-portal can be created to provide a wide range of public services on behalf of all agencies. The proposed SSC should be led by a general manager overseeing day-to-day operations in a network of branches as well as through the unified e-portal.

As a consequence of the fragmented social protection arrangements, diverse and separate information management systems across many agencies have proliferated in Iraq to meet the specific needs of each program. Running these parallel systems is costly, often duplicative and sub-optimal. With the proposed SSCs, unification of databases will be optimal. In this effort, the use of the national ID card as the basis for unification across all programs, including social assistance, is key.

## Recommendation 6: Strengthen nutrition, health and education by providing healthy school meals

Child nutrition is key to healthy (both physical and cognitive) child development. Iraq faces a double nutrition challenge, involving micronutrient deficiencies and diet-related non-communicable diseases. Both are largely preventable, and have significant impact on human development, and consequently, economic productivity and growth: malnutrition, including micro and macronutrient deficiencies, increases the likelihood of illness, impairs cognitive and physical development, and affects children's educational performance and, ultimately, adult productivity (UNICEF, 2012). Similarly, malnutrition is associated with higher chances of premature death and disability in adulthood, due to cardiovascular diseases, diabetes and cancer (WHO, 2014).

The evidence shows that social protection, including cash transfer programs, can have sizeable impacts on nutrition outcomes<sup>11</sup>; even programs not targeting children have had considerable positive impact<sup>12</sup>. The proposed SPF will provide protection to families with children at critical stages (during pregnancy, infancy, and pre-school). Further, improved school feeding programs, promoting cultural change, can be critically important in promoting desirable behavioural change and good citizenship values among schoolchildren.

The evidence suggests that the most effective interventions for school meal provision with good nutrition standards is to provide healthy breakfasts to students before school in the morning (UNICEF, 2015). Provision of school meals not only addresses hunger among students, but also improves school attendance, participation and concentration. School meal programs are useful education interventions, but also positively impact student behaviour by promoting good practices associated with eating breakfast and ensuring that well-planned and culturally sensitive diets provide adequate micronutrients. Provision of meals at school can prevent obesity as school-age children and adolescents who consume breakfast are less likely to be overweight than those who skip breakfast, but snack throughout the day.

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<sup>11</sup> e.g., social protection programs reduced stunting in Mexico, Malawi, and Colombia (UNICEF, 2010).

<sup>12</sup> e.g., in South Africa, children in households receiving pensions had, on average, 5 cm greater height growth than those in households without pensions (UNICEF, 2010).

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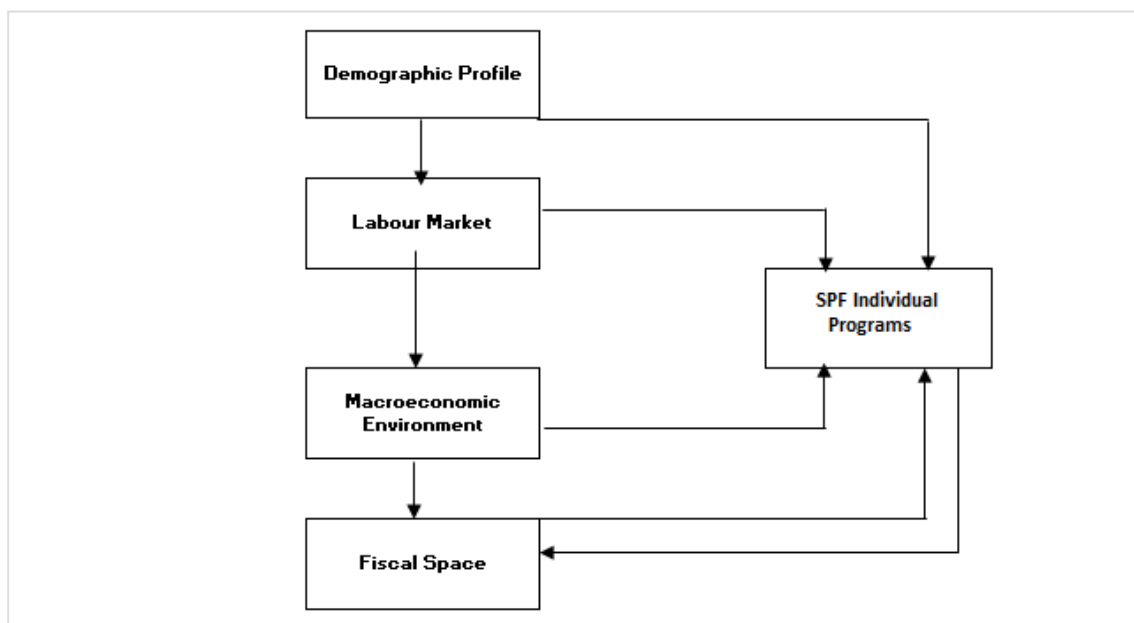
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## Annex: Projection Model for SPF

### Projection framework

The projection exercise is divided into two parts: First, projection of the underlying factors (demographic, labour force, and macroeconomic). Second, under a set of specified assumptions on the benefit parameters (eligibility conditions, coverage, benefit level etc.); beneficiaries, benefit level, and overall costs are projected for 15 years i.e. till 2036 for each benefit. The linkages and dependency structure of the projection parts are illustrated in the following diagram.

**Figure 4: Components of the Projection Model**



### Projection of the Determinants of Social Protection

#### Demographic model:

For the demographic projection, the study uses the medium-variant population projection made available by the United Nations Department of Economic and Social Affairs, Population Division (UN, 2019). The dataset is disaggregated by sex and single-year age. The following table summarizes the population projection's main characteristics relevant to the study.

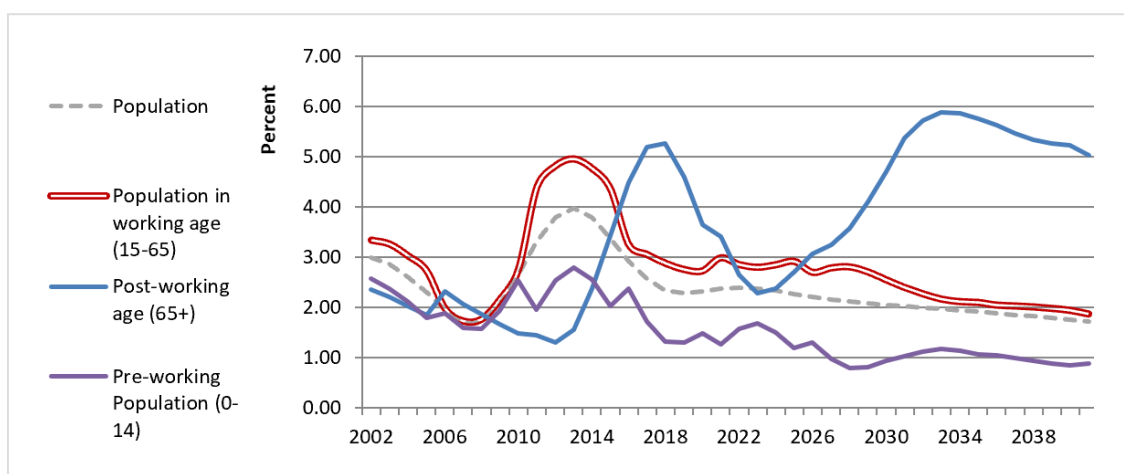


**Table 5: Population Projection (Medium Variant) Main Characteristics, 2036-2012**

	Thousands			
	2022	2026	2030	2036
Population	42,165	46,186	50,194	56,386
Pre-working age (0-14)	15,603	16,510	17,101	18,263
Working age (15-64)	25,214	28,187	31,385	35,747
Post-working age (65+)	1,470	1,629	1,899	2,649
	Percentage of Total Population			
Population	100.00	100.00	100.00	100.00
Pre-working age (0-14)	37.00	35.75	34.07	32.39
Working age (15-64)	59.80	61.03	62.53	63.40
Post-working age (65+)	3.49	3.53	3.78	4.70
	Dependency Ratio, Per cent			
Youth DR	61.9	58.6	54.5	51.1
Old-age DR	5.8	5.8	6.1	7.4
Total DR	67.7	64.4	60.5	58.5

Source: calculation is based on data from UN DESA (2019).

**Figure 5: Population Growth Rates by Working Status, 2038 - 2002**

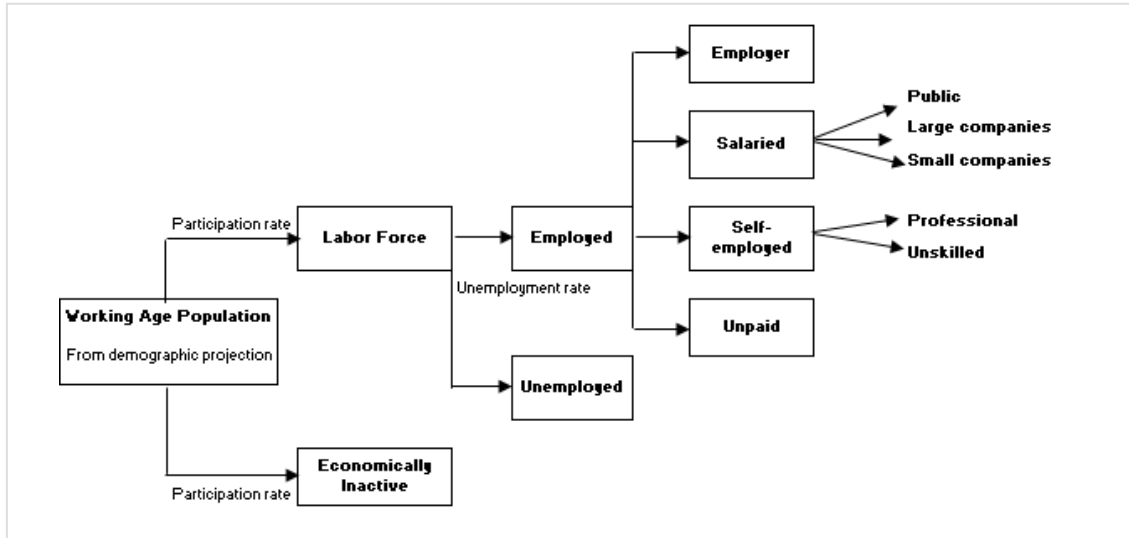


Source: Own calculation based on (UN, 2019)

**Labor Market Model:**

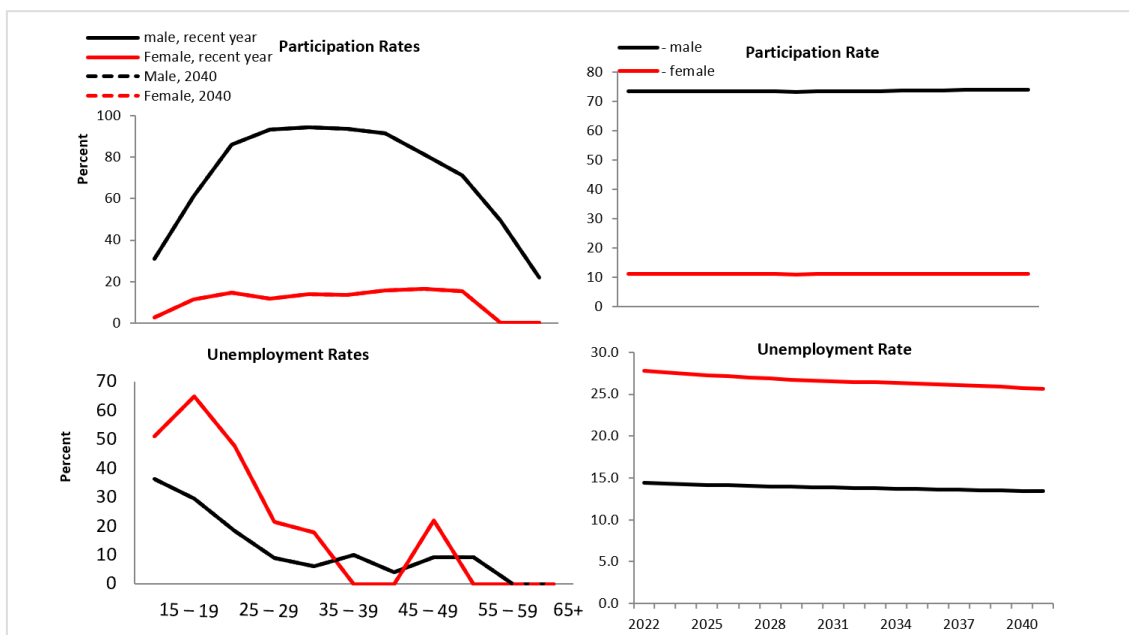
Labor market model is directly built on the population model. The following diagram presents the structural relationships that relate both models (the population model and the labor force model) for each year in the projection period and disaggregation by age and gender.

Figure 6: Labor Market Model Overview



Assumptions were made explicitly on participation rates and unemployment rates. For the participation rate, it is largely assumed that the participation rates by age group of 2021 will stay the same over the projection period for the working-age population. For the unemployment rate, it is assumed that age and gender-specific unemployment rates in 2021 are expected to remain the same over the projection period. The overall slight decrease in unemployment rate over the projection period is basically resulted from the change in the demographic structure of the underlying population.

Figure 7: Labor Market Model's Projection: Unemployment and Participation Rates, by Gender and Age-groups



Source: Assumptions based on (Government of Iraq, 2022)

Applying age and gender-specific participation rates and unemployment rates on the working-age population (obtained from the population projection) for each year of the projection period produces the sought labor force disaggregated by age, gender, and working status (economically active, economically inactive, employed, and unemployed).

**Table 6: Summary of the Labor Force Main Projection Results, thousands, 2036-2022**

000	Total			
	2022	2026	2030	2036
Working-age	25,214	28,187	31,385	35,747
Economically Active	10,746	12,059	13,394	15,371
Employed	9,010	10,153	11,311	13,024
Unemployed	1,735	1,906	2,083	2,347
Economically Inactive	14,390	16,024	17,879	20,293
	Male			
Working-age	12,732	14,263	15,913	18,154
Economically Active	9,340	10,489	11,666	13,387
Employed	7,995	9,009	10,043	11,559
Unemployed	1,345	1,480	1,623	1,827
Economically Inactive	3,314	3,669	4,136	4,685
	Female			
Working-age	12,482	13,925	15,471	17,593
Economically Active	1,406	1,569	1,729	1,984
Employed	1,015	1,144	1,268	1,465
Unemployed	390	425	460	520
Economically Inactive	11,076	12,355	13,743	15,608

Source: Calculation is based on (UN, 2019), (Government of Iraq, 2022) and model assumptions

### **Macroeconomic Model:**

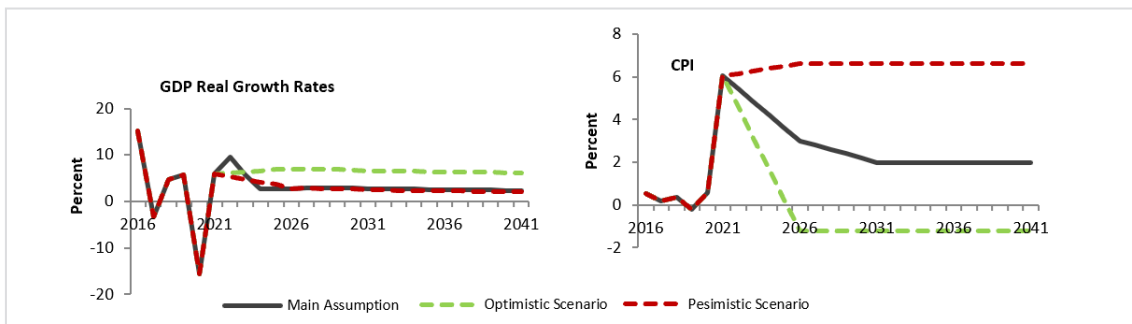
The model is built on the neoclassical long-run path of economic growth, which decomposes growth into two components: the growth rate of the employed population and labor productivity (reflecting technological progress, human capital, and capital/labor ratio). The growth of employment is fed directly from the labor force model. Over the period of 2021-2016, labor productivity in Iraq grew at an average annual rate of 3.72- percent, which largely impacted by the COVID 19. Therefore, the study assumes that this rate will increase to 0 by 2026 and then gradually increase to reach 0.25 percent by 2036. For the inflation rate (CPI), the average annual rate over the past 5 years was estimated at 1.39 percent, with the year of 2021 reached 6.04 percent. The study assumes that this rate will gradually change to reach 3 percent by 2026 and decline gradually to 2 percent by 2031 and is expected to remain the same over the projection period. GDP deflator is linked to CPI and starting from 2026 the two rates are equated.

**Table 7: Summary of Main Macroeconomic indicators, 2036-2022**

Economic Indicators	2022	2026	2030	2036
GDP, current prices, billion LCU	350,720,143	468,171,766	578,589,102	761,624,713
GDP per capita, current , LCU	8,317,810	10,136,670	11,527,112	13,507,266
Inflation (CPI), percent	5.43	3.00	2.20	2.00
GDP growth, real	9.50	2.78	2.83	2.50
Labor productivity growth, percent	1.99	0.00	0.20	0.25

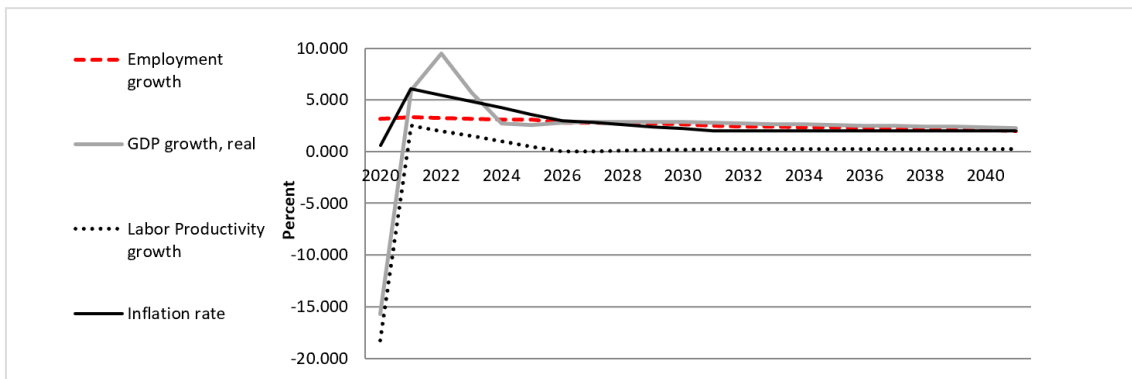
Source: Calculation is based on (IMF, 2022).

**Figure 8: Projection Results: GDP Growth in Real Terms and CPI**



Source: Calculation is based on (IMF, 2022).

**Figure 9: Projection Results: Growth Rates**



Source: Calculation is based on (Government of Iraq, 2022), (UN, 2019), and (IMF, 2022).

## Projection of the SPF

The first assumption that needs to be specified is regarding coverage ratio among the underlying population. As stated earlier, the SPF benefits will exclude those in the civil service, currently represent 37.9 percent of employed population (Government of Iraq, 2022). In addition, the study proposed a wealth test as explained earlier, which will remove the richest wealth quantile. Furthermore, with the low benefit amount, a form of implicit targeting is built-in as some well-off will not take up the benefit. Therefore, the study assumes a take up rate of 50 percent of the underlying population<sup>13</sup>.

Applying these rates into the corresponding age groups that was already projected gives the specific program's beneficiaries as shown in table 8.

**Table 8: Costing Results: Number Beneficiaries in thousands, 2036-2022**

	2022	2026	2030	2036
<b>Scenario 1</b>				
<b>Beneficiaries, 000</b>	<b>2,978.9</b>	<b>3,324.4</b>	<b>3,464.7</b>	<b>3,844.4</b>
First 1000 days (Preg.+U2)	1,634.8	1,826.9	1,840.7	1,945.6
Full Disability age 2-70	586.8	641.0	699.2	785.1
Orphans age 2-15	331.4	347.8	362.5	387.5
Old-age 70+	425.9	508.7	562.3	726.2
<b>Scenario 2</b>				
<b>Beneficiaries, 000</b>	<b>4,958.3</b>	<b>5,408.5</b>	<b>5,665.9</b>	<b>6,171.0</b>
Pregnancy	537.4	610.3	614.5	648.6
Under 4 years-old	2,161.8	2,370.2	2,433.7	2,570.8
Preschool (age 4, 5)	1,083.0	1,107.2	1,181.0	1,250.5
Full Disability age 6-70	522.4	573.2	627.6	709.4
Orphans age 6-15	227.8	238.9	246.8	265.5
Old-age 70+	425.9	508.7	562.3	726.2

Source: Calculation is based on data from UN (2016)

Over the projection period, benefits are assumed to maintain real value in ID (indexed with inflation). However, as the economy is expected to grow in real term, benefit level will decline in relative value over the projection period. At later stage, a periodic review of the real value of the benefit can be introduced to ensure coherence and relevance. Table 9 traces the benefit level development over the projection period.

<sup>13</sup> These assumptions are meant as a starting point. They (and many other parameters eg benefit amount) can be changed in the costing tool and immediately one can see the cost implication of any change. Note also that rates above are interpolated between the specified years

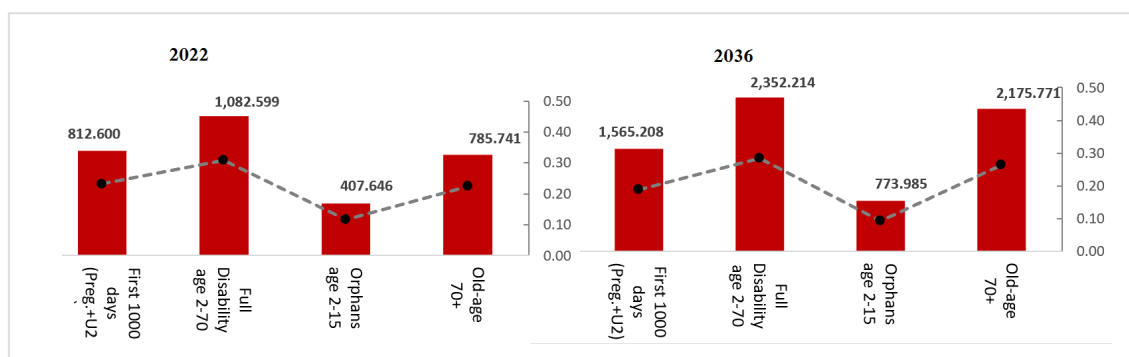
**Table 9: Costing Results: Benefit Level in ID and as a percent of GDP per Capita**

2022		2023		2028		2033	
Dinar	% of GDP Per Capita	Dinar	% of GDP Per Capita	Dinar	% of GDP Per Capita	Dinar	% of GDP Per Capita
50,000	7.21	52,717	7.03	63,180	6.99	70,579	6.78
100,000	14.43	105,434	14.05	126,359	13.98	141,158	13.56
150,000	21.64	158,150	21.08	189,539	20.97	211,737	20.34

The total benefit amount spent under each scenario is calculated as the product of the beneficiaries and the benefit amount for each year in the projection period. In line with evidence from international experience<sup>14</sup>, administrative cost is assumed at 2.5 per cent of the benefit amount. The following table summarizes the cost of each program expressed in ID and percentage of GDP.

**Table 10: Scenario I's Projected overall cost (in ID billion) and share of GDP, 2036-2022**

	2022	2026	2030	2036
<b>Total Expenditure, Billion Dinars</b>	<b>3,088.586</b>	<b>4,208.869</b>	<b>5,106.871</b>	<b>6,867.178</b>
First 1000 days (Preg.+U2)	812.60	1,102.36	1,263.29	1,565.21
Full Disability age 2-70	1,082.60	1,441.32	1,787.88	2,352.21
Orphans age 2-15	407.65	521.33	617.87	773.98
Old-age 70+	785.74	1,143.86	1,437.83	2,175.77
<b>Total Expenditure,% of GDP</b>	<b>0.881</b>	<b>0.880</b>	<b>0.846</b>	<b>0.832</b>
First 1000 days (Preg.+U2)	0.23	0.23	0.21	0.19
Full Disability age 2-70	0.31	0.30	0.30	0.28
Orphans age 2-15	0.12	0.11	0.10	0.09
Old-age 70+	0.22	0.24	0.24	0.26

**Figure 10: Scenario II's Total Expenditure of in Billion ID and as a percentage of GDP (right axes), 2022 (left graph) and 2036 (right graph)**

14 An ILO review across many countries found that administration cost averaged 2.5 percent of the total programme costs for universal schemes (Ortiz, Durán-Valverde, Pal, Behrendt, & Acuña-Ulate, 2017).

**Table 11: Scenario II's projected overall cost (in ID billion) and share of GDP, 2036-2022**

	2022	2026	2030	2036
<b>Total Expenditure, Billion Dinars</b>	<b>4,162.981</b>	<b>5,471.595</b>	<b>6,477.843</b>	<b>8,226.149</b>
Pregnancy	137.71	186.65	209.03	248.98
Under 4 years-old	1,329.53	1,739.55	1,987.01	2,368.37
Preschool (age 4, 5)	666.03	812.59	964.27	1,152.02
Full Disability age 6-70	963.74	1,262.07	1,537.19	1,960.53
Orphans age 6-15	280.22	350.63	402.97	489.19
Old-age 70+	785.74	1,120.12	1,377.37	2,007.07
<b>Total Expenditure,% of GDP</b>	<b>1.187</b>	<b>1.169</b>	<b>1.120</b>	<b>1.080</b>
Pregnancy	0.04	0.04	0.04	0.03
Under 4 years-old	0.38	0.37	0.34	0.31
Preschool (age 4, 5)	0.19	0.17	0.17	0.15
Full Disability age 6-70	0.27	0.27	0.27	0.26
Orphans age 6-15	0.08	0.07	0.07	0.06
Old-age 70+	0.22	0.24	0.24	0.26

**Figure 11: Scenario II's Total Expenditure of in Billion ID and as a percentage of GDP (right axes), 2022 (left graph) and 2036 (right graph)**

