



Toward a Comprehensive and integrated strategy to reduce and prevent inequalities in the world of work in Iraq

Terms of reference

National Consultant

July-October 2023

Inequality is complex, multifaceted and takes many forms. Inequality exists between and within countries. Inequality comprises “vertical inequality”, variations in outcomes among individuals (or households) within a particular group, country or region, or in the world as a whole. There can also be income inequality between all households in a country, and “horizontal inequality”, or disparities in income between groups. Horizontal inequality also refers to disparities in employment outcomes, labour rights and opportunities between groups depending on their gender, age, nationality, ethnicity, health status, disability, or other characteristics. Income inequality, inequality of employment outcomes more generally and inequality of opportunities are intimately related.

Reducing inequality, which has many different manifestations, and promoting the principle of equality of opportunity and treatment have always been inherent in the mandate and work of the ILO. The ILO, the world of work and its institutions have a distinct role to play in preventing and reducing inequality. The ILO Constitution emphasizes that “universal and lasting peace can be established only if it is based upon social justice” and calls for, among others, equal remuneration for work of equal value, and policies to “ensure a just share of the fruits of progress to all”. The 1944 Declaration of Philadelphia, which is annexed to the ILO Constitution, also refers to the principle of equal opportunity on multiple grounds, including gender and ethnicity.

In November 2022, the Governing Body reviewed and adopted the Comprehensive and integrated ILO strategy to reduce and prevent inequalities in the world of work. The strategy included the goal for the ILO to help its constituents to develop comprehensive and integrated policy frameworks to reduce and prevent both vertical and horizontal inequalities in the world of work, beginning by engaging ILO actions in a limited number of pilot countries.

Acting on inequality and its many forms thus requires context-specific strategies, designed based on contextual levels of inequalities, their dynamics and drivers, as well as the capacities and relations between the stakeholders. A country-specific strategy to tackle and reduce inequalities in the world of work is thus a system-wide approach that covers a range of policy areas and measures to ensure an integrate impact, and that capitalizes on synergies with other relevant development actors and their operations.

The objective of the assignment

The ILO is planning to develop Iraq strategy based on consultations between the ILO, constituents, UN and other developing partners and on their validation of the proposed approach.

The national consultant will assist the lead international consultant in producing a report outlining Iraq’s approach towards a comprehensive strategy to prevent and reduce inequalities in the world of

work, based on the ILO template which could be subject to some modifications as the drafting advances. The consultant will also facilitate the consultation with and among constituents and stakeholders to determine the precise content, the modalities to design, implement and monitor a national integrated strategy to reduce and prevent inequalities in the world of work.

Scope of the consultancy

To achieve the objective of the assignment, the national consultant shall undertake the following tasks:

- Assist the lead consultant in organizing the meetings and interviews to discuss the consultancy objective, methodology and expected deliverables with Iraq Country Coordinator and HQ experts.
- Assist the lead consultant in preparing and submitting inception report based on a thorough literature review
- Assist the lead consultant in conducting at least 20 KIIs with stakeholders
- Assist the lead consultant in conducting at least 3 FGDs with relevant stakeholders and beneficiaries
- Assist the lead consultant in submitting the draft report that matches the ILO report template
- Assist the lead consultant in conducting in finalizing the report by incorporating the comments received from ILO.

Deliverables, timeframe, and budget

Deliverables	Time frame	Estimated N of working days	ILO responsibility	Payments
Inception report in English and Arabic	July	5	ILO to review and provide technical support	First payment (50%)
20 KII	August	13	ILO to share the list of KII	
3 FGDs	August	7	ILO to share the list of stakeholders and beneficiaries	
2 consultative and validation workshops		7	ILO will cover the cost of the venue and refreshments	
Draft report in English and Arabic	September	5	ILO feedback/comments	Second payment (50%)
Final report in English and Arabic	October	3	ILO validation and clearance	
Total		40		

The total expected fees are 8,000 USD. The national consultant will be required to submit technical proposal applicable for the assignment no later than 01 July 2023 to elassy@ilo.org, tawfeeq@ilo.org with the subject: “National consultant - Toward a Comprehensive and integrated strategy to reduce and prevent inequalities in the world of work in Iraq”

COUNTRY-SPECIFIC APPROACH TO PREVENT AND REDUCE INEQUALITIES IN THE WORLD OF WORK IN IRAQ

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I. Introduction

Inequality is complex, multifaceted and takes many forms. Inequality exists between and within countries. Inequality comprises “vertical inequality”, variations in outcomes among individuals (or households) within a particular group, country or region, or in the world as a whole. There can also be income inequality between all households in a country, and “horizontal inequality”, or disparities in income between groups. Horizontal inequality also refers to disparities in employment outcomes, labour rights and opportunities between groups depending on their gender, age, nationality, ethnicity, health status, disability, or other characteristics. Income inequality, inequality of employment outcomes more generally and inequality of opportunities are intimately related.

Reducing inequality, which has many different manifestations, and promoting the principle of equality of opportunity and treatment have always been inherent in the mandate and work of the ILO. The ILO, the world of work and its institutions have a distinct role to play in preventing and reducing inequality. The ILO Constitution emphasizes that “universal and lasting peace can be established only if it is based upon social justice” and calls for, among others, equal remuneration for work of equal value, and policies to “ensure a just share of the fruits of progress to all”. The 1944 Declaration of Philadelphia, which is annexed to the ILO Constitution, also refers to the principle of equal opportunity on multiple grounds, including gender and ethnicity.

In November 2022, the Governing Body reviewed and adopted the Comprehensive and integrated ILO strategy to reduce and prevent inequalities in the world of work. The strategy included the goal for the ILO to help its constituents to develop comprehensive and integrated policy frameworks to reduce and prevent both vertical and horizontal inequalities in the world of work, beginning by engaging ILO actions in a limited number of pilot countries.

Acting on inequality and its many forms thus requires context-specific strategies, designed based on contextual levels of inequalities, their dynamics and drivers, as well as the capacities and relations between the stakeholders. A country-specific strategy to tackle and reduce inequalities in the world of work is thus a system-wide approach that covers a range of policy areas and measures to ensure an integrate impact, and that capitalises on synergies with other relevant development actors and their operations.

The following document constitutes the basis for developing a country-specific strategy in **Iraq** based on consultations between the ILO and the local constituents and on their validation of the proposed approach. It is meant to be used as a document to guide consultation with and among constituents to determine the precise content, the modalities to design, implement and monitor a national integrated strategy to reduce and prevent inequalities in the world of work.

II. Inequalities Context Analysis

a. General Background

- Brief overview of the situation of the country, overall economic context, possible demographic information (e.g. dependency rate, population size and growth, life expectancy at birth, education and literacy levels), geographic distribution of the population across rural and urban areas (for spatial inequality purposes)

- Summary statistics on the macro-economic context (e.g. GDP and GDP growth, GDP per capita, major industrial sectors and their contribution to GDP, sectoral productivity statistics, and which sectors the majority of the workforce are employed in).

b. Inequalities in the world of work in Iraq

i. General context

- **General summary**, including key figures on inequality that have been widely used until now (Gini, Palma, etc.)
- If data availability is an issue or it is obsolete, highlight it to emphasize the need to gather new data
- It is important to explain trends as well: knowing how the situation has been evolving, where it is starting from and where it's going will guide the approach in the long run
- Following a **general summary**, possible sections to include:

ii. Consumption inequality and/or income inequality:

- Gini, Lorenz, Theil
- Trends of inequality
- Decomposition of inequality by sources of income
- Decomposition of inequality by population groups

iii. Labour market:

- Wage inequality, Earnings distribution, and any information on their trends so as to understand the trajectory
- Access to labour market
- Info on national employment structure in terms of economic sectors (agriculture, manufacturing, services) and employment status (wage employment versus self-employment), Employment share of informal workers
- Size and composition of the working-age population
- Labour force participation rate and unemployment rate of specific groups (age, gender, education and/or ethnic, persons with disabilities, etc.) considered marginalised or vulnerable
- Average earnings of specific labour force fractions (such as wage earners and non-wage earners) and different socioeconomic groups
- Distribution of non-labour incomes (such as transfers) among and between specific groups
- Critical labour market developments/transitions (e.g. due to COVID)

iv. Wealth Inequality:

- Asset index
- Land
- Return of financial assets
- Wealth index
- Top 1%, 0.1%, 0.01%

v. Social Issues:

- Education (distance to school, net enrolment rates, years of schooling)
- Healthcare (distance to health facilities, anthropometric measures, life expectancy)
- Social Protection (social assistance and welfare transfers in place, target beneficiaries, amount received (the absolute value and the portion of household income) and over

which period? To what extent are these transfers reliable? Is the targeted population indeed those receiving the transfers? Which inclusion or exclusion errors exist due to stringent eligibility criteria, uneven coverage or other reasons? Which kinds of subsidies exist? Which population groups benefit from these subsidies? To what extent have transfers and subsidies affected the socioeconomic position of the bottom 40% and contributed to changes in certain types of inequality? How much public funding goes to social protection?)

- Internet
- Transport
- Water
- Electricity
- Sanitation
- Waste removal
- Housing

vi. *Spatial inequality:*

- Mapping and the derivation of multidimensional deprivation indices (MDI), income inequality, coefficients of variation and any other measures relevant to each country
- Perceptions/subjective measures of inequality
- If available, please also include information/analysis of the **spatial and social access to public services**. To what extent is access to public services (employment, education, infrastructure) equal in [country]? If access is not equal, how does access vary between different groups (in terms of breadth and depth)?]

vii. *Social Mobility:*

- Middle class analysis and vulnerability
- Dynamics across the distribution

viii. *Fiscal System:*

- [while not one of the seven priority areas, taxes have a direct impact on income distribution. Their effectiveness for reducing inequality depends on a number of factors, including the types of taxes levied (income, property or consumption), the respective tax rates, the degree of progressivity, and the level of regulation and avoidance. Consider providing the following information if relevant and if available.]
- To what extent are public revenues raised through income tax collection? How large is the current tax base and the tax-to-GDP ratio?
- Which workers are obliged to pay taxes, and what tax rates do they face? In case a progressive tax system is in place, how many steps does it have (and at what income levels) and how steep is it? What is the gap between the lowest and highest tax bracket?
- How does this tax system reflect the labour market structures mentioned above and how does this affect the level of inequality?
- If tax credit schemes are in place, what are the eligibility criteria for receiving them and how generous are they?
- How does the Gini coefficient (or another inequality metric) change pre- and post-tax?
- How centralised is the tax system? Who is responsible for collecting taxes and enforcing tax laws?
- How stringent are tax laws against non-compliance, and how strongly are they enforced? To what extent are corruption, exemption, avoidance etc a problem in [country]?

c. **Drivers of Inequalities in Iraq**

- Country-specific approaches need to take pay **Attention to root causes**
- Consequently, indicated any identified drivers of inequalities if the country, e.g.:
 - i. generation of insufficient jobs;
 - ii. demographic trends
 - iii. structural and systemic discrimination based on gender and other grounds in employment and other spheres;
 - iv. decoupling of wages and productivity and the declining labour income share;
 - v. impact of climate change;
 - vi. cross-sectoral variations in productivity and wide productivity gaps between enterprises;
 - vii. informality;
 - viii. weak labour market institutions, regulation and policies;
 - ix. and lack of, or inadequate, social protection
 - x. External factors and political decisions, e.g. lack of technology transfer and uptake; low foreign direct investments; chronic and high levels of international debt causing limited fiscal space; etc.

III. **Policy Context and Opportunities**

Overall Government Progress in Priority Policy Areas

The ILO has identified **seven broad and interlinked thematic areas** to which ILO constituents should give priority to **for the purpose of reducing and preventing inequalities in the world of work**, advancing social justice and creating a more inclusive and resilient growth.

[Please provide a brief overview of the political priorities for the government. Consider the following questions:]

- Are inequalities a political priority? Do they feature in the National Development Plan?
- Are inequalities raised by specific constituents more than others?
- Does the discourse emphasise more inequality of opportunity or inequality of outcome; vertical or horizontal inequality; absolute or relative inequality?
- To what extent does the political and societal discourse in the country pay attention to the causes and drivers of inequality?

Iraq has so far implemented the following policies to advance in the thematic areas.

[The following table is meant to be a simple illustrative recap/summary of relevant policy documents in the country, indicating if there is an existing policy and the year it was enacted. The individual sections can be expanded in the narrative sub-sections that follow.]

Policy Priority Area	Relevant Government Policies	Link with DWCP Priorities	Link to ILO Project
<u>Employment Creation</u>	<i>Include fiscal, monetary, industrial, sectoral and labour policies, active labour market policies, policies to promote enabling business environment, investments in the digital infrastructure to tackle the digital divide and harness the potential of technology for decent work; just transition policies, access to employment by the most vulnerable and disadvantaged</i>	<i>If there is any link to the ongoing DWCP, please highlight it</i>	<i>If there is any link to ILO projects, please highlight it</i>
<u>Education and Training</u>	<i>Gender-transformative career guidance policies, education, improvements to the quality and relevance of education, training and skills development</i>		
<u>Labour Protection and Wages</u>	<i>Labour protection, wage policies, equal pay for work of equal value, etc.</i>		
<u>Formalisation of the economy</u>	<i>Formalisation strategies; skill development for informal economy operators; extension of social protection coverage to informal economy workers; improving the business environment for the creation and growth of formal businesses (incl. strengthening the regulatory environment; simplification of taxation; simplification of enterprises registration); providing incentives and support for formalization of informal activities; reinforcement of labour inspection; promoting the measurement and monitoring of the informal economy.. etc.</i>		
<u>Gender equality and non-discrimination</u>	<i>e.g. policy responses, within and outside the labour market, that address occupational gender segregation, unequal pay for work of equal value, gender-based</i>		

	<i>violence and harassment and the gender unequal division of unpaid care work.</i>		
<u>Trade</u>			
<u>Universal Social Protection</u>			

[For those areas that **represent opportunities for the strategy**, briefly expand into separate narrative sections per policy priority area **highlighting if new policies are under development, if the ILO is involved, status, etc.**]

- a. **Employment Creation**
- b. **Education and Training**
- c. **Labour Protection and Wages**
- d. **Formalisation of the economy**
- e. **Gender equality and non-discrimination**
- f. **Trade**
- g. **Universal Social Protection and Social Transfers**
- h. **Fiscal Policies and Tax System**

[While **not one of the seven priority areas**, this is an area that impacts the others, and where complementarity with partner organisations could act as an enabler to the ambitions of the ILO work]

i. Other Policies Targeting Inequalities

[any other policy targeting inequalities, in particular access to quality public services]

[If available, please also include information/analysis of the spatial and social access to public services. To what extent is access to public services (employment , education, infrastructure) equal in [country]? If access is not equal, how does access vary between different groups (in terms of breadth and depth)?]

IV. ILO Operations in Iraq

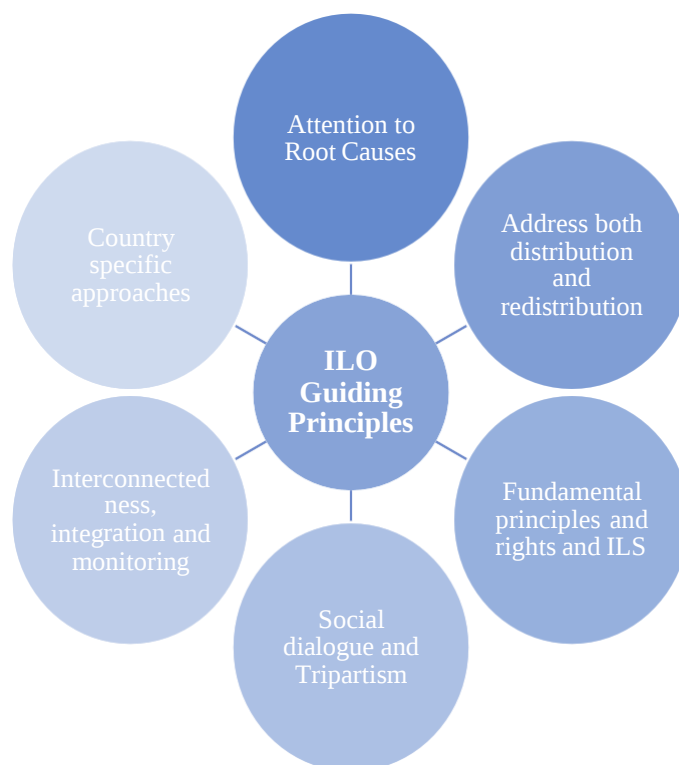
[highlight ongoing projects, cooperation with specific constituents, challenges]

a. Complementarity with Interventions by other Partners

[if relevant, highlight interventions by other partners that could provide complementarity. It's important to identify potential partners at this stage.]

V. Country-Specific Approach – Main Pillars for Support

Given its mandate, the ILO is well-placed to design and lead the design and implementation of a strategy in support of its member states to prevent and reduce inequalities in the world of work. Thanks to its expertise, the ILO can deliver technical support to affect primary, secondary and tertiary income distribution, in turn affecting both opportunities and outcomes experienced by groups and individuals of a society. This is done thanks to country-specific strategies to prevent and reduce inequalities in the world of work based on the following **Guiding Principles**.



Based on the above analysis, the following areas are suggested as possible entry points for the ILO to provide support Iraq to prevent and reduce inequalities in the world of work. Support will be provided ensuring coherence and complementarity between the different areas

[identify the different pillars of the strategy, indicating for each rational, expected outcome, implementation mechanism, and resource requirement]

a. **Priority Area 1: (Employment creation, Education, ...etc.)**

- i. Rationale
- ii. Expected outcomes
- iii. Implementation mechanisms
- iv. Resource requirements

b. Priority Area 2: (Employment creation, Education, ...etc.)

- v. Rationale
- vi. Expected outcomes
- vii. Implementation mechanisms
- viii. Resource requirements

c. Priority Area X: (Employment creation, Education, ...etc.)

- ix. Rationale
- x. Expected outcomes
- xi. Implementation mechanisms
- xii. Resource requirements

VI. General Roadmap for Implementation

This document is meant to be both a roadmap and a tool for policy dialogue and coordination. It will need validation by the constituents of Iraq to ensure political and operational support from all partners. It is, in fact, the role of the government of each country to define, on the basis of this document and in consultations with social partners, the modalities to design, implement and monitor a national integrated strategy to reduce and prevent inequalities in the world of work.

Defining such modalities can be facilitated by presenting and discussing the generic modalities included below and amending them according to national circumstances, preferences and available information.

The following represent indicative responsibilities and steps that can be followed through the consultation, validation, and implementation process:

- *The government:*
 - Nominates the department or the institution/body that will be in charge of leading the design of the national strategy (*the lead*).
- *The lead:*
 - Identifies the institutions and organizations, including social partners, to be involved in the design of the strategy.
 - Defines the modalities to ensure the participation of the different ministries concerned, the participation of social partners and other public and private actors in the design of the strategy.
 - Together with ILO, it organizes a first consultation of all actors involved to define the steps for designing the strategy and related timeframe.
- *A qualified entity:*
 - Strengthens the knowledge and understanding of the actors involved of the different forms and drivers of inequalities in the world of work, the ILO integrated strategy to reduce and prevent inequalities and the Conclusions of the General discussion on the topic.

- *A qualified entity or a group of entities:*
 - Undertakes (consolidate) a national diagnostic of the inequalities in the world of work, that should include, at least:
 - a characterization of prevalent forms of inequalities (income, treatment and opportunities) in the country
 - an identification of the main drivers of inequalities attached to each of its forms (income, treatment and opportunities),
 - a mapping of the activities carried out and the corresponding results for the 7 priority areas identified in the ILC Conclusions,
 - an identification of the groups the most affected.
- *The lead:*
 - Validates the diagnostic of inequalities in the world of work, with the involvement of the ministries concerned, social partners, other relevant public and private actors.
 - Identify, in consultation with relevant actors and based on the diagnosis, the forms of inequalities and possibly the groups to be covered in priority by the national strategy (this point can be merged with preceding step).
- *A qualified entity:*
 - Develop further, when needed, the knowledge base on the forms of inequalities retained as priority within the future strategy.
- *A qualified entity in coordination with the lead:*
 - Determine the costs of implementation of different scenarios of the strategy;
 - Take action to mobilize the resources needed to fund the strategy (design, implementation and monitoring), when needed;
- *The lead:*
 - Design the strategy according to resources available and through a consultative process that includes social partners.
- *The government:*
 - Nominate, when necessary, the lead of the operationalisation of the strategy (might be different from the lead of the design phase)
 - Confirm the actors to be involved
- *The lead (of the implementation phase)*
 - Define the roadmap or operational plan to put in practice the strategy with the involvement of all actors involved. The operational plan should include distribution of responsibilities, time frame and budget by block.
 - Define the monitoring system to measure progress, with the involvement of social partners and all actors involved in the roadmap/operational plan.
- *The government:*
 - Allocate the responsibility to coordinate the implementation. Could be the responsibility of an existing entity or the setting of new entity, according to national circumstances and preferences.

The implementation begins.

The process of development, implementation and monitoring of the proposed strategy is as important as its content. Country strategies will therefore envisage an initial phase aimed at shaping a common understanding among ILO constituents and other concerned parties of the issues at stake and their causes and, on this basis, identifying the priorities, expected results and the corresponding mix of policy measures and timelines, mindful of the seven priority areas identified by the Conference. They will envisage the establishment of monitoring systems to measure progress, based on jointly defined indicators, and adopt corrective measures if and as

required. Monitoring of the implementation of the proposed strategy will be accompanied by exchange and documentation of experiences.

Assumptions

To complement the principles above, it is important to emphasize that the fundamental precondition for any strategy to be successful is political will. The reduction of inequalities in a society is directly related to the choice of a government and social partners to address them. This political intent can be manifested in numerous ways, including by the inclusion of the reduction of inequalities as an overarching or a dedicated objective of national development plans. Additionally, government budgets could include priority expenditures linked to targeting inequalities (e.g. infrastructure, education, etc.).

The fundamental aspect is to ensure that the strategy leads to technical support and to the development of policy measures for the member states that will remain strong over time, including through dedicated budgeting. Policy dialogue with the local constituents should thus be framed to ensure that inequalities reduction is embedded as a true guiding and cross-cutting objective. A detailed context analysis is thus fundamental, not only to assess local levels and drivers of inequality, but also to determine any political sensitivities (e.g. from the economic elites in the country)

The strategy should also:

- Build on existing social dialogue mechanisms, and if needed support their capacity-building;
- Be transparent and accountable, with a dedicated monitoring framework that should be publicly accessible;
- Should aim to target and lift the bottom 40% of the income/wealth distribution, promoting social justice and decent work for all to ensure right, equal opportunities and better outcomes for all;
- Should address spatial inequality, where possible using geo-targeting, taking into account not just differences between groups but also within-country geographical dimensions (e.g. rural-urban);
- Must be based on the Guiding Principles expressed above;
- Must be a combination of the Policy Priority Areas indicated above, which capitalise on the ILO's comparative advantage and expertise;
- Must be a system wide approach.

VII. Monitoring and Evaluation

Once the strategy has been fully defined in consultation with local constituents, a dedicated monitoring plan will be developed to ensure that progress is tracked. This will also allow to adjust implementation as needed.