

**The reality of entrepreneurial projects
& opportunities to enhance economic development in Iraq**

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Introduction

The ways to promote pioneering projects in Iraq are linked to the country's macroeconomic policies and the restrictions surrounding those policies, the first of which is freedom from rent constraint and seeking to diversify the sources of financing the public budget, in addition to the chaos of the economic structure and the failure of the economic decision maker to realize that pioneering projects are the best way to embark on development economic and confronting unemployment and poverty if an environment conducive to the growth of pioneering projects is available, especially since pioneering projects can absorb all service and production requirements in the Iraqi market if there is a sincere government will; Where pilot projects are employed to revitalize and revive the typical and qualitative microeconomic network within the overall macroeconomic structure in Iraq.

Hypothesis Achieving economic development in Iraq requires actual treatments of the reality of pioneering projects. Study Methodology For the purpose of proving the hypothesis of the study, the researcher used the descriptive and analytical method to understand the environment of the variables facing the pilot projects in Iraq and their role in achieving economic development.

Objectives of the study:

1. Determine the reality of the pioneering projects in Iraq
2. The most important obstacles and opportunities as well as solutions that surround the entrepreneurial work environment in Iraq

1. Strategic analysis (SWOT) of the reality of entrepreneurial projects in Iraq

Entrepreneurial projects take an active role in achieving economic development, whether by increasing the domestic product and economic activity or by raising the level of human capital capacity and developing its capabilities and then achieving sustainable development, and after the public sector - the government - governs all economic activities in most Developing countries, but the reality has changed a lot, as economists and politicians see the need to support the private sector because it is more flexible and capable of innovation and change because it has a higher motivation, and until this is done; The process of relying on pioneering projects began, meaning that the process of change and development was entrusted to the private sector, and the function of the public sector shifted to giving incentives and enacting laws and legislation encouraging private sector investments, in addition to its role in directing, monitoring and developing infrastructure, and this means that integration between the two sectors has become a necessity. Urgent, but Iraq is still under the sway of the public sector and the influence of rent and its outputs, which prevents it from turning to the new trend that the developing countries preceded us to.

The importance of the role played by a single pilot project out of the total pilot projects in achieving economic development may seem limited and small, but the importance of what these projects collectively do is of great importance and cannot be ignored. Active, strong and effective projects, and more precisely, the pioneering projects have become the true expression of change and development and enjoy the support and interest of most countries' economies as they are among the best engines of activity and economic growth, in

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addition to their high ability to reduce unemployment and poverty⁽¹⁾, two phenomena that are increasing depth and breadth in Iraq, not to mention the difficult economic conditions it suffers, stifling social and political crises, and a high rate of population growth.

Focusing on the experience of pilot projects in Iraq, it is still shy and does not fit the available capabilities of human and natural resources capable of qualifying Iraq to catch up with the countries that preceded it in strides in the field of development through pioneering projects, but political intersections still hinder any attempt to initiate towards economic development that It has become an inevitable strategic necessity, to accommodate the great challenges, the first of which is unemployment and poverty, and despite the inclusion of Iraq's Vision 2030 provisions for supporting entrepreneurial projects, it is still trapped on paper without finding a tangible impact in the reality of the Iraqi economy, except for limited initiatives implemented in cooperation with organizations Therefore, it did not amount to preparing a comprehensive and clear strategy that spreads a culture of motivation to engage in investment fields and leads to the creation of a correct work environment that allows entrepreneurs to move forward in their projects to achieve success through the so-called competitive leadership².

Conversely; The Iraqi governments are still ignorant of the importance of pioneering projects and their role in achieving economic development, and perhaps this is a result of the

(1) د. ايثار عبد الهادي محمد واخرون، دور ريادة منظمات الاعمال في التنمية الاقتصادية: تجارب عربية بالتركيز على التجربة العراقية، مجلة الكوت للاقتصاد والعلوم الإدارية، (جامعة واسط، 2012)، ص 318-319.

(2) الاستراتيجية الصناعية في العراق لغاية 2030 واليات التنفيذ، تقرير حكومي، منشور على شبكة المعلومات

الدولية (الانترنت)، وعلى الرابط: <https://2u.pw/nYXVn>

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lack of clarity in the features of the Iraqi economy on the one hand and the intersection of political projects around the vision of state building on the other hand, as (Table-1) illustrates the challenges and opportunities as well as the strengths And the weakness facing the pioneering projects in Iraq, as the adoption of a comprehensive Iraqi strategy regarding the pioneering projects represents a great reform value that does not stop at the narrow limits of the usual and traditional economic systems, but rather goes beyond them to provide comprehensive social, intellectual, organizational and production roles, which collectively help in achieving a positive advancement for all sectors and activities The national economy, which ultimately leads to sustainable economic liberation from the dominance of the rentier economy, and from the monopoly of economic and traditional institutions for management, operation and production.

The foregoing confirms the reality of the digital indicators related to Iraq's ranking within the reports of doing business, supporting start-up companies, and practical procedures related to entrepreneurial activities in Iraq, as it turns out a number of negative facts that do not serve the reality of economic development in the country, as Iraq occupies the lowest ranks of classification for doing business activities. Compared to other surrounding countries in the Middle East, according to the World Bank's 2020 report; Iraq ranked 172 globally, and this confirms that the weakness of Iraqi efforts in revitalizing the entrepreneurial economy among the young sectors, which proves that practical and field measures to revitalize the entrepreneurial environment in Iraq suffer from comprehensive complications, which prevent a flexible stream of projects in the launch of small projects and emerging companies. Iraq's indicators for measuring the systems of business activities authorized by the World Bank for the year 2019 have proven out of 190 countries in the world, Iraq ranks 154 in terms of ease of starting a business, and the emerging Iraqi entrepreneur needs 8 procedures and 26 days to start his business for a local company with head A money amounting to 10 times its average

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national income, and at the level of procedures and steps for registering property, Iraq ranks 121 globally, with 5 procedures and fifty-one days. It is worth noting here that the business environment in Iraq in economic terms is mostly limited to men without women, as it is still Women entrepreneurship is below the appropriate level and faces many legal, social and personal challenges³.

(3) محسن حسن: الاقتصاد الريادي والادوار المفقودة للتنمية في العراق، تقدير موقف، (بغداد: مركز البيان للدراسات والتخطيط، 2020)، ص 10-12.

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(Table-1) SWOT analysis of the reality of entrepreneurship projects in Iraq

weaknesses	strength point
<ul style="list-style-type: none"> • •The lack of knowledge of the entrepreneurs and owners of emerging projects with the laws and instructions, which makes it difficult to deal with official government agencies • •Lack of technical expertise and lack of training incubators or confined to large cities • •Non-application of social security laws for workers • •Lack of communication portals between leading companies and government decision sources • •Low efficiency of job seekers in technical or industrial fields • •Competition outside the frameworks of laws and regulations and the absence of control over intellectual property rights • •The reluctance of unemployed youth to enter the entrepreneurship sector and the fear of failure • •Failure to implement Iraq's 2030 vision of supporting entrepreneurial projects 	<ul style="list-style-type: none"> • • The presence of a number of governmental and private institutions that support entrepreneurs and their pioneering projects • • Ease of promoting and marketing the services and products of the entrepreneurial projects • • The existence of societal acceptability of entrepreneurial projects among young people in particular • • The presence of a number of business accelerators and colleges - albeit few - that support emerging entrepreneurial projects • • Increasing training opportunities for entrepreneurs by local and international organizations and institutions • •Competitive wages and low operating costs
opportunities	threats
<ul style="list-style-type: none"> • •All economic sectors are prepared to accept the contributions of business activities and pioneering projects • •Availability of untapped natural and human resources, especially since the general majority of the population is within the legal working age groups • •Increasing the size of the middle class and increasing the proportion of its purchases • •Moderate profits and lower tax rates on companies and factories • •The presence of a lot of pilot projects in the stage of ideas or the prototype is not scalable 	<ul style="list-style-type: none"> • • The backward performance of the banking system, financial and financing institutions, and the difficulty of obtaining financing for pilot projects • • Lack of a stable economic environment (sudden economic and political decisions) • • Contradictions of commercial laws and the absence of necessary legislation for the growth of entrepreneurial projects • • The dominance of rentier thought over the economic decision in Iraq, in addition to the poor distribution of income at the country level • • The lack of sufficient information and studies on the market and the dumping of goods imported from abroad • • Weak infrastructure, deterioration of the electrical sector • • Bureaucracy and the complexity of government procedures in establishing companies • • Absence of partnership with the foreign investor that transfers technology and skills • • Political and security instability and some social challenges • •The delay of the education sector in keeping pace with the pioneering economy

The table was prepared by the researcher based on:

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1. Dr. Nagham Hussein and Dr. Arshad Fouad: Small Entrepreneurial Projects to Support the National Industry in Iraq, *Al-Riyadah Journal for Finance and Business*, Volume 2, (College of Business Economics, Al-Nahrain University, 2021), p. 24.

2. Salma Ghazi Numan: The Role of Small Industrial Enterprises in Industrial Development in Iraq, *Journal of Baghdad College of University Economics*, Issue 64, issued by Baghdad College of University Economics, 2021, pp. 401-403.

2. ways to promote pioneering projects to achieve economic development in Iraq

Confronting the challenges facing the pioneering projects in Iraq requires two things: the first is to reorganize the governmental and non-governmental sectors and institutions that support these projects, and the second is the real will on the part of the economic decision-maker to make the private sector a major partner in achieving economic development. the following:

1. Creating a special body for entrepreneurship and business accelerators

The creation of a special commission for the development of emerging entrepreneurial projects has a great impact in supporting the path of pioneering projects in Iraq, as the commission undertakes the tasks of drawing strategies and paths of pioneering projects and identifying priority sectors to serve economic development plans instead of this wandering of entrepreneurship projects in Iraq while providing better opportunities for entrepreneurs In terms of training, consulting, facilitating the procedures for starting a business and obtaining financing for these projects, as well as its tasks in creating the legal and legislative environment for establishing business incubators and protecting pioneering

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projects, as well as reminding the decision maker of the importance of the entrepreneurial economy and business activities within the priorities of Iraqi governments.

2. Establishment of business incubators

Accelerating the formation of more governmental and private business incubators in all governorates of Iraq and supporting existing pioneering projects is vital and strategic to embark on economic development. The national industry, and here it should be noted that government institutions - the Ministry of Industry and the Ministry of Labor and Social Affairs in particular - have units within their structure to support pilot projects, but they are not activated or neglected due to the lack of a clear strategy regarding the pioneering projects, and therefore if the roles of these units do, their role It will be important and supportive of the growth of entrepreneurial projects in Iraq, and the matter is not limited to ministries, but extends to industrial unions and chambers of commerce, which have other directorates specializing in supporting small and medium entrepreneurial projects, but their role is limited and ineffective. As for private business incubators, responsibility for this can be given to non-governmental organizations Officially licensed to open business incubators to provide services and technical and technical advice And a feasibility study, in line with government trends in supporting pilot projects to support economic development opportunities, provided that in the future these incubators do not turn into mere formal institutions without real work and become a weight that hinders the growth of entrepreneurial projects.

3. The participation of Iraqi universities in adopting pilot projects

Universities in particular, and various educational institutions in general, are among the most important tools that enable societies to deal with the opportunities and problems that surround them, especially as they are more capable of transferring expertise and keeping pace

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with the modern trends reached by developed countries, and therefore Iraq is able to make universities and educational institutions partners in supporting the entrepreneurial economy as a cornerstone in the process of economic development, as Iraq owns more than 37 public universities and 72 private universities distributed over all governorates, and is qualified to be a real contributor to the success of pioneering projects through the establishment of centers for market studies and to sponsor innovation and pioneering work for graduates. In order to ensure the employment of scientific research in promoting entrepreneurship, especially in the technical fields, communication and information technology, and benefiting from the research and studies of graduate students in promoting a culture of entrepreneurial self-employment, as well as the ability of universities to establish periodic activities and festivals for entrepreneurship. Businessmen, governmental and non-governmental bodies and investors are invited and banks to view the exhibits of the pioneers and provide investment opportunities for their projects⁴.

4. Facilitating government procedures and providing soft loans for pilot projects

Entrepreneurs in Iraq suffer from big problems, the most important of which is the bureaucracy and complexity of company registration procedures, where addressing this issue requires merging many requirements into one or two windows to reduce red tape and overcome the case of extortion and financial and administrative corruption, not only that, but also the difficulty of reviews of the relevant institutions and their complex requirements. In addition to the difficulty of obtaining financing for a pilot project, despite the presence of

(4) د. شذى سليم عبد العزيز، التعليم التقني منطلق لريادة الاعمال، بحث منشور على شبكة المعلومات الدولية

"الانترنت" وعلى الرابط: <https://2u.pw/77E0H>

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many initiatives launched by the Central Bank of Iraq in cooperation with private banks, but what prevents the facilitation of procedures for obtaining a loan to finance a pilot project is the lack of clarity in the mechanisms of banking work in Iraq and the volume of high guarantees that many are unable to Young people refuse to submit them to these banks, which negatively affects the reality of the pilot projects and prevents their implementation, keeping them within the stage of ideas or the prototype that cannot be expanded.

5. Investment and Iraqi entrepreneurs in the Diaspora

There are a large number of Iraqi entrepreneurs residing abroad and they have a great desire to transfer their businesses to Iraq or establish branches for their projects, but Iraq's lack of a realistic program that secures the transfer of entrepreneurs or their projects, in addition to the political, economic and even social complications that prevent this, but the possibility of linking entrepreneurs and entrepreneurs remains. In the diaspora with entrepreneurs inside Iraq, an existing list with the establishment of festivals, conferences and periodic competitions to benefit from their personal experiences in achieving their projects, in addition to the possibility of their investment in transferring expertise and technological applications, which has become one of the main facilitators of entrepreneurial work.

Conclusion

There are many detailed proposals that there is no room to mention in this paper, but there are many attempts by young men from Iraq, both males and females, whose experiences have succeeded in establishing a free entrepreneurial business despite the problems and challenges facing the entrepreneurship sector in Iraq, some of which are independent challenges and others are related to variables Others imposed by the complex political and economic environment, but what the entrepreneurship sector lacks is the will or the decision responsible for overcoming obstacles and maximizing opportunities to transform the aspirations of young people and graduates who dream of a free job opportunity into a tangible reality that supports the macro economy and enhances economic development opportunities.

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1. الاستراتيجية الصناعية في العراق لغاية 2030 واليات التنفيذ، تقرير حكومي، منشور على شبكة المعلومات الدولية (الانترنت)، وعلى الرابط: <https://2u.pw/nYXVn>
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3. د. شذى سليم عبد العزيز، التعليم التقني منطلق لريادة الاعمال، بحث منشور على شبكة المعلومات الدولية "الانترنت" وعلى الرابط: <https://2u.pw/77E0H>
4. د. نغم حسين و د. أرشد فؤاد: المشروعات الريادية الصغيرة لدعم الصناعة الوطنية في العراق، مجلة الريادة للمال والاعمال، المجلد 2، (كلية اقتصاديات الاعمال، جامعة النهدين، 2021).
5. سلمى غازي نعمان: دور المشاريع الصناعية الصغيرة في التنمية الصناعية في العراق، مجلة كلية بغداد للعلوم الاقتصادية الجامعة، العدد 64، تصدر عن كلية بغداد للعلوم الاقتصادية الجامعة، 2021.
6. محسن حسن: الاقتصاد الريادي والادوار المفقودة للتنمية في العراق، تقدير موقف، (بغداد: مركز البيان للدراسات والتخطيط، 2020).
7. مقابلة عبر البريد الالكتروني أجراها الباحث مع عزيز الناصري، المدير التنفيذي لسفينة نوح، 20 نوفمبر/ تشرين الثاني، 2021.