

3. Humanitarian and socio-economic situation

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3.1 Overview of the humanitarian and socio-economic situation

According to the World Bank classification, Iraq is considered an upper middle-income country, 1079 with upper middle-income economies defined as those having a Gross National Income (GNI) per capita between USD 4 496 and USD 13 935.1080 The country has one of the fastest-growing regional populations,1081 as the 2024 population census recorded an increase from 27.9 million in 2004 to approximately 45 million in 2024.1082 Population growth projections estimate that Iraq's population will reach 74.5 million by 2050.1083 60 % of the population is under 25 years old, with 40 % below the age of 15.1084 The census was described as an essential step towards enhancing the accuracy of economic planning and resource allocation. 1085

At the economic level, Iraq relies heavily on oil and petroleum products,1086 which account for around 60 % of its GDP and are the primary source of government revenue and foreign exchange earnings.1087 This dependence makes the economy vulnerable to shocks, such as the COVID-19 pandemic, electricity shortages, and water scarcity.1088 While there were signs of economic recovery in 2024,1089 supported by high oil prices and non-oil revenue growth, Iraq experienced negative GDP per capita growth in five of the past ten years. 1090 Moreover, inflation and Iraqi dinar's devaluation during the covered period have reduced household purchasing power, therefore worsening poverty and food insecurity.1091

Systematic corruption across the country1092 triggers rising anger among citizens.1093 Iraq's public sector remains a dominant actor of the economy and service delivery, accounting for nearly all formal sector jobs and 40 % of all jobs,1094 and consuming significant public resources. However, it is marked by overemployment, inefficiency and outdated administrative systems, largely due to limited private sector development and weak institutional capacity. Reliance on oil revenues has sustained this model but discouraged reforms. Economic pressures and oil price volatility have exposed these structural weaknesses, underscoring the urgent need for diversification and public sector reform.1095 In the KRI, the public sector also dominates, while the private sector remains limited and average incomes are generally low. Although the

energy sector is lucrative, only a small share of the population benefits from it. The economy is shaped by ‘party patronage networks’ of the KDP and PUK, reportedly making it difficult for individuals outside these networks to secure employment or maintain business operations.1096

The unemployment rate stood at 15.5 % in 2024, 1097 with women disproportionately affected (30.4 %)1098 compared to men (13.3 %).1099 Youth face challenges due to an oversaturated public sector, limited private sector opportunities, and a disconnection between education and labour market needs. Young women encounter additional barriers linked to conservative norms and discrimination.1100 In the KRI, unemployment remains high, especially among youth and university graduates, within a system dominated by party patronage networks.1101 In September 2024, Prime Minister Mohammed Shia Al-Sudani warned that the state could no longer sustain continued public sector hiring, calling for a diversification of economic drivers. 1102

Since May 2025, Baghdad suspended salary payments to civil servants in the KRG, citing the latter’s alleged non-compliance with the federal budget law and its unilateral oil production and export activities.1103 Negotiations between the federal government and the KRG over salary payments continued, amid disputes over fund transfers and federal audits of payroll data.1104 In July, the two parties reached an agreement on oil and non-oil revenue sharing,1105 leading to the payment of May salaries shortly after.1106 Although the poverty rate decreased to 17.5 % in 2024,1107 challenges remain in healthcare, and environmental sustainably domains.1108 Socioeconomic disparities persisted,1109 especially in conflict-affected areas like Anbar and Ninewa, where poverty rate exceeded 40 %. Women and individuals with disabilities face higher poverty levels, with female-headed households experiencing rates up to 30 % above the national average (See section 2.6 on Women and girls).1110 The southern and northwestern governorates have the highest poverty incidence.1111 Iraq’s Social Protection Law guarantees cash benefits and social services to individuals or families below the poverty line. Two main social assistance programs exist: the Public Distribution System (PDS), providing food rations, and the Social Safety Net (SSN), a poverty-targeted conditional cash transfer.1112

As of November 2024, 1.5 million people experienced insufficient food consumption.1113 The most affected governorates include Ninewa, Salah al-Din, Babil, Kirkuk, Dohuk, Thi Qar, Wassit, Sulaymaniyah, Baghdad, Najaf, Qadissiya, Diyala.1114 Iraq is heavily dependent on food’s import,1115 particularly from the United States and neighbouring countries such as Türkiye and Iran,1116 making access to food susceptible to price fluctuations driven by global oil and food prices.1117 The increasing cost of a nutritious food basket means that access to a healthy diet is challenging.1118 The shift to the electronic food ratio card system announced by the Minister of Trade is expected to streamline the food distribution process and improve efficiency across Iraq’s food ration program.1119

Access to healthcare in Iraq does not formally require civil documentation, except for inpatient treatment, yet in practice proof of identity is often necessary, although practices vary throughout the country.1120 The health system has been weakened by decades of conflict, instability, and the COVID-19 pandemic.1121 Among the challenges identified by the World Health Organisation (WHO) is the departure of many skilled health professionals, limiting access to quality basic healthcare.1122 Access to medicine is declining, due to the a significant reliance

on large-scale import of pharmaceuticals and medical equipment.1123 The healthcare system faces continued shortages of medicines, infrastructures and qualified personnel.1124 Healthcare access is particularly challenging for IDPs (See section 3.3 on Situation of the IDPs).1125 In response, between 2023 and 2025, the Ministry of Health inaugurated 15 new hospitals,1126 including Baghdad's first public hospital in 40 years.1127 It also announced, in July 2024, plans to construct 16 new 100-bed facilities to strengthen national healthcare coverage.1128 A nationwide school health initiative, launched in November 2024, included the deployment of mobile health teams and the establishment of the first of 2 000 planned school health units, aimed at facilitating access to necessary health services and raise awareness about maintaining a healthy environment in schools.1129

According to estimates, more than 200 000 children remain out of school. While primary education enrolment in Iraq exceeds 91.6 %, access to preschool remains low. Gender disparities persist, with girls facing additional barriers such as early marriage and greater domestic responsibilities. The government's closure of IDP camps during 2024 further disrupted education, especially for children dependent on schools within or near the camps.1130 (See section 2.7 on Children).

Despite being one of the world's richest gas and oil countries,1131 Iraq suffers from shortages in gas1132 and electricity supply, with Iraqis relying on costly and polluting private generators. 1133 The country relies heavily on imported natural gas from Iran, and supply disruptions have caused significant power losses and widespread outages,1134 notably triggering protests across the country in July 2025.1135 Deterioration in water quality is a major health threat at country level, with rivers said to be polluted.1136 The United Nations Global Environment Outlook 6 (GEO-6) ranks Iraq as the fifth-most vulnerable country to decreasing water and food availability and extreme temperatures.1137 Iraq suffers from a housing supply shortage,1138 resulting in high rental costs amid population boom.1139 Based on data gathered by the latest census and reported in an article published by Shafaq in May 2025, over nine million people lived in informal settlements.1140 As of 30 June 2025, over 301 670 Syrian refugees were present in Iraq, with 89 % residing in the KRI and placing additional pressure on public services and infrastructure. 1141

Despite stabilisation and reconstruction efforts, the situation in Iraq remains fragile,1142 with protracted humanitarian and development needs.1143 Ongoing instability, displacement, and poor public services characterise the situation.1144 Nearly half of Iraqi children are experiencing multidimensional poverty, lacking access to food, water, shelter, education, and healthcare.1145 Families with disabled members or many children are especially vulnerable.1146 (See section 2.7 on Children).

Impact of climate change

Iraq is among the top 15 countries most impacted by climate change1147 and ranks fifth in vulnerability according to UNEP's GEO-6.1148 Iraq's vulnerability to climate change1149 intensifies existing challenges such as water scarcity,1150 desertification, rising temperatures 1151 and declining agricultural productivity.1152 Increased salinisation, desertification, reduced water flows in the Tigris and Euphrates rivers, and declining rainfall have resulted in the loss of 120 000 square kilometres of arable land, drastically affecting agricultural production.1153

Agriculture is a crucial sector of Iraq's economy, being the second largest contributor to Iraq's GDP after hydrocarbons.1154 Drought and water shortage are severely affecting farms in central Iraq.1155 The country experienced intensified droughts, and flooding.1156 Sandstorms are becoming more frequent and intense, leading to increased hospitalisations and flight disruptions.1157 The repercussions of the climate change crisis have disproportionately affected the most vulnerable communities,1158 particularly displaced persons.1159 Additionally, those living in Southern Iraq,1160 Mesopotamian Marshes1161 and near oil fields1162 faced severe climate-related challenges, leading to distress and heightened food insecurity.1163

Effects of climate change threaten public health, agriculture, water resources and social cohesion, particularly in the Al-Jazira region.1164 In southern Iraq, reduced water flow and high salinity in the Shatt Al-Arab have degraded arable land. 1165 Armed conflict also continued to degrade the environment.1166

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