

CHAPTER 18

SECTORS: SERVICE SECTORS

There is lots of it, but it is not much use. Much of the information that

Banking and Financial Services

An important sector for success

A broad range of banking and financial services help socio-economic development progress. While these services are readily available to the rich and in wealthy communities, they are not universally accessible, and the poor at the bottom of the socio-economic pyramid are not well served at all.

In fact, the mainstream banking and financial service companies have either retreated from service to the poorer segments of society, or have increased the pricing of services that are used by poorer people. To add insult to injury interest rates are high and fees are also high making the total cost of service more like loan sharking than mainstream banking.

Community needs

In the last four decades rural banking has stagnated and in many places has disappeared. Perhaps for the last 25 years there has been some growth in microfinance, but this is a very limited subset of banking and arguable not an important subset. The growth of micro finance is progress, but it is not the single silver bullet that is going to solve all the socio-economic development problems of the south. In any community, there is a need for at least three main financing components: (1) micro finance that serves the individual and micro-business; (2) mini finance to satisfy the needs of the small and medium sized businesses; and, (3) muni finance that provides financing for economically desirable community projects.

Commercial banking for enterprise

The Commercial Bank sector in Iraq either through national banks or in association international banks has the ability to provide a full range of financial services to major business enterprises. The challenge is to expand the service to included smaller businesses and those that have the potential to grow, but not the financial strength to grow.

Informal systems for financial services

Where the formal commercial banking and financial services sector is weak, a range of informal systems for financial services are available. These systems are very important to the local economy, especially the informal sector and the small business. Some of the informal systems, however, while providing a needed service, also exploit the poor in a very aggressive manner.

Public finance

The mainstream banking sector should be in a position to assist with the financing of the public sector and be available to make funds more easily available in areas distant from Baghdad.

Communications

Telephone

The telephone service in Iraq has become much more wireless in the past few years. The technology is insufficient and service leaves much to be desired. Urban areas are being targeted, but remote areas are not being served. Getting a good telecom infrastructure is a good basis for other progress.

Internet

In Iraq the Internet is available through a variety of services, none are cheap. The Internet ought to be working on top of a good local infrastructure and be accessible easily and at low cost.

Private sector

The most effective strategy is going to be to make sure that the development of communications is handled by the private sector, with the public sector authorities having a regulatory role that ensures a quality service and pricing and service agreements that are reasonable.

Media

Radio and Television

Radio and television have been under government control in Iraq. However private channels can be picked up from satellites and from broadcasts originating from other countries.

These are powerful ways of spreading news, entertaining people, spreading propaganda and influencing people.

While the English language is used to some extent, the primary language in the country is Arabic.

While programs in English reach the international community in Iraq, it is the Arabic programming that reaches the population at large.

Print media

There are a variety of newspapers in Iraq. A lot of material printed in the media has originated from some official source. Newspapers are an important communications medium and should be used not only for entertainment but also for serious news and analysis.

New media ... Internet

The Internet must be thought of as a major component of the media sector. The Internet has a combination of characteristics that have never been seen before ... it can be extremely fast ... combine digital video, audio, text and interaction in a bewildering range of combinations. It can be private or it can be very public, depending on how the user chooses to interact with the Internet and the Internet community.

Professional Sector

Professional sector situation

The professional sector includes professions like accountancy, law, medicine, teaching, engineering, architecture, accountancy, the religious, etc. These professional people have standards for their work that enable society to rely on what they do. They serve to improve productivity in enterprise and in society and in so doing create tangible value in society.

As long as there is instability and a lot of violence professionals are going to move themselves and their families to safe places. The professional is a great value to the society and to the economy, and emigration constrains success.

The private professional sector is very important for sustained development. The government is able to set a legal and policy framework for civil society and development, but there also needs to be the private professional community that can provide a technical input so that the laws, regulations and policy are compatible with global professional principles.

Professional employment is not a large number, but is an area where higher incomes may be earned.

National professionals should be recruited to do professional work that is required to strengthen the national frameworks for development. The state of knowledge about development, about the law, about the society, etc. all need to be improved, and this can and should be done by funding work to be done by national professionals.

There should be active cooperation between local professional societies and equivalent professional societies in other countries. Many professional societies have active international programs and are looking to expand their global connections. These links should be actively encouraged, in particular as a way to facilitate world class training for the leading members of the professional community.

Tourism

High economic value

Tourism is a sector with huge potential economic value. But tourism, like everything else, requires planning and investment to be successful. Some places have developed tourism very effectively and have made it an important part of their economic success, but in many places the opportunities of tourism are totally ignored.

In Iraq, there were few visitors during the Saddam Hussein era. Visitors since the 2003 Iraq war started have been mainly soldiers intent on making peace and some international contractors engaged in making money. There have also been lawmakers and journalists who have been able to see Iraq from the Green Zone and a few other “safe” places in the country.

Destinations ... What To Do?

I have traveled a lot almost always on work assignments ... and I am amazed at how many places have wonderful destination activities that nobody knows about.

Iraq has an interesting and very long history ... places in Iraq were determinants of history in Biblical times. The rivers in Iraq are part of Biblical history. The archeology of Iraq is fascinating.

Iraq ought to be one of the must see tourist destinations ... one day ... maybe.

But building back a tourism industry is important. Tourism is successful when safety is sure, there are good places to see, good transport, good hotels, good food and good entertainment.

Hotels, restaurants and entertainment

Hotels, restaurants and entertainment that serves local business does not attract the international tourist community. For upscale international tourists there needs to be a higher class of hotel and restaurant. International tourists look for air-conditioning, spotless bathroom facilities and their own style of food. For this they are willing to pay. There also needs to be entertainment value as, for example, in various forms of destination that show of local history, culture and sights.

Education

Education sector

Education is, more than anything else, the investment that will facilitate a successful future. Education is a prerequisite for jobs and opportunities and to be able to have valuable lives. The value of education is not a “certificate” but the training of body and mind so that a person can do valuable things.

Education needs to move from basic to higher levels where a person is not only challenged academically, but also is prepared for a productive life. Accordingly there needs to be not only primary, secondary and tertiary education, but also vocational and professional education.

Education does not need to be done in traditional or old-fashioned ways, but in any way that works and is cost effective, including using electronic resources of various sorts. In the future, the education sector is likely to include activities related to the use of Internet resources.

Educational policy

Some appropriate goals of an education policy in Iraq might be the following. No specific goals have been included here. Thus:

- Expand primary education
- Address priority needs in secondary, technical and vocational education
- Improve quality and equitable distribution
- Extend new curriculum to all levels,
- Increase the number of certified primary teachers
- Lower textbook ratio
- Achieve more efficient use of teachers,
- Raise female participation
- Increase the proportion of female teachers
- Rehabilitate all schools damaged by wartime activities

Under-served areas

Iraq has some areas that are under-served regions. The literacy rate in Iraq is very variable depending on the place. In the main urban centers literacy is around 80%, while in remote rural areas it is more likely to be 20%. Literacy among women is 50% of the literacy rate for men.

Curriculum and text books

Iraq has a well developed curriculum of education. A laudable effort has been made to revise the curriculum and prepare textbooks and teaching materials. A lot remains to be done to improve the curriculum and the teaching materials.

Textbooks are also needed for the schools and training centers. The program will support the preparation and the purchase of textbooks for schools and training centers.

Teachers

The number of teachers in secondary schools in particular is less than optimum. The proportion of female teachers in primary school is low and there are almost no female teachers in secondary schools. New teachers need to be found, and most important, new teachers need to be trained. Iraq needs capacity to teach teachers. The teaching of teachers is needed for primary grades and secondary grades,

but also for skills training and the non-formal basic education initiative.

Planning and management

Planning and management capacity at every level is very weak. The decentralization process implies that a lot more is expected from regional and local government. There are a lot of vacant posts in the regional education bureau and almost all the zonal offices are a one man offices. Most people in responsible position at all levels lack the required qualification and experience.

Women and girls

The situation of women and girls in education in the area should be addressed by the program in a practical way. There are ways in which women can expand on skills they already have to become of very much more value to themselves and to the community. Health skills training, for example, already known at an artisanal level can be upgraded so that health skills can be used for the benefit of the community at large. Informal, but nevertheless real, knowledge can be mobilized so that it forms the basis for teaching in the non-formal educational environment.

Skills training

Skills training for mature adults is critical for the growth of the economy and to enable unskilled mature adults to participate in the opportunities of wage employment. The skills training that is needed ranges from the very basic to quite advanced, from how to be a laborer to doing repair work on computers. People need to have an opportunity to learn skills so that they can make the best of their capabilities.

Skills training is needed for all, young and old, male and female. There is, however, an important need to address the skills training of young adults, many of whom have lost many years of education and are now uneducated, unskilled, unemployed and potentially a source of future difficulties.

Employment or jobs

Jobs is not really a sector or sub-sector ... but employment and jobs are very important. The effort to creating self-employment opportunities that require a lot of labor for very little return needs to be supplemented by much more effort to make it possible for small employers to become bigger employers, and for employees to self-improve so that they can do bigger and better paying work. The jobs that are created need to be profitable, that is value adding, in order to be sustainable. Where the value is social, as in health and education, there also needs to be jobs in productive sectors that generate the cash flows to pay all the wages.

Health

Health situation

The health status of Iraq has deteriorated relatively in the past years. Health and health related services are limited because of shortages arising during the economic sanctions and the war conditions. Coverage is low with the distribution biased towards the urban population. Most health facilities in Iraq are understaffed and the quality of training of some of the current health workers is poor. Moral is low because of the state of chaos.

Management capacity at all levels is very limited and whatever management information system existed previously has almost ceased to function.

Rehabilitation of health sector

The rehabilitation of health sector is a priority. Funding is needed for the necessary construction work that needs to be done to rebuild and expand the infrastructure. There is also a need to rehabilitate equipment and funding is needed for this. The infrastructure includes both urban hospitals and health clinics in smaller communities.

Many of the projects are an integral part of the Health Ministry's program and are designed to facilitate their integration into the mainstream of the health development of the region.

Education and training

Training nurse is a very high priority. There are not enough nurses. The need for nurses is very high. Furthermore, nursing is a training and employment opportunity for women. Training of nurses should be encouraged through all means.

Training doctors and medical professionals is a long (and expensive process). However, the long terms success of the area economy depends on having trained professionals from the area in the area. Funding long term professional training should be a part of the ongoing development strategy for the area.

Mother and child health programs

Mother and child programs should remain a priority in the health sector, with continuing efforts to reach the mothers and children of pastoral families.

Immunization programs for children should remain a priority in the health sector, with continuing efforts to reach the children of pastoral families.

Mental health

Mental health is a problem that is not enough of a priority. Mental health practices are ones that became unacceptable in industrialized societies several decades ago. The traumatic experience of the area in the last twenty years (or more) has created a serious mental health problem.