



## **CHARACTERISTICS AND CHALLENGES OF THE IRAQI ECONOMY AFTER 2003**

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### **ABSTRACT**

The aim of this study is to define the characteristics of the Iraqi economy that required it for a long time. The country suffered from various and successive crises until after 2003 and the subsequent years, the most important of which is the unilateralism of the economy and its dependence on oil as the sole source of its revenue and income, which constituted 90% of the total revenues and neglected the rest. The basic economic sectors such as agriculture and industry weakened their contributions to the gross domestic product and caused many institutional, economic, social and environmental challenges that impeded the development process and weakened the productive capabilities of the Iraqi economy and the diversification of its resources, We recommend adopting a serious and integrated government reform program that will help alleviate some of the problems and challenges.

### **KEYWORDS**

Characteristics of the Iraqi economy, economic and social challenges, institutional and environmental challenges.

### **Introduction**

Iraq witnessed long wars during the period 1980-2003 and lived a harsh economic blockade, so its development process declined affected by those conditions and economic policies that were adopted away from the principle of development differentiation in support of war efforts and the sustainability of the elements of confronting the blockade, which limited the positive development effects achieved for the seventies and the negatives of the subsequent period, the result was the survival of the Iraqi economy revolves in a vicious circle that cannot be exited except with a shock that rebuilds it again and that shock came with regime change in 2003, but the case of Instability in the economic, political, social, security, health and environmental conditions threatened and still threatens the development efforts that are being made in order to overcome difficulties and overcome challenges and here lies the importance of the research as it deals with the most important features inherent to the Iraqi economy that reflect the

economic, political, social and environmental reality with the most important challenges suffered by the Iraqi economy after 2003.

Methodological framework of the study:

First: The problem of study: The problem is determined that the renter of the Iraqi economy has become an inherent feature of it in addition to the structural imbalances in its economic structure weakened its ability to develop economic sectors and diversify its resources and sources of income.

Second: the objective of study: Determined by two main objectives:

- 1- Identify the most important features that accompany the Iraqi economy for long periods.
- 2- Study and analyze the most important challenges facing the Iraqi economy at the social, economic, institutional and environmental levels

Third: the hypothesis of study : the characteristics of the Iraqi economy and the continuation of the rents of the economy deepen the structural imbalances in it and increase the challenges facing the development process in Iraq, especially after 2003.

Fourth: Research Methodology: We adopted the descriptive and analytical approach to achieve the objectives of the research and test its hypothesis.

The first topic: the nature and features of the Iraqi economy:

During long periods of time, the Iraqi economy suffered from structural imbalances in its economic structure. Because of the remnants of the wars and economic sanctions that he went through until April 2003 and the resulting economic chaos, which led to the weakening of the ability of the sectors of the national economy to intertwine between them,<sup>(1)</sup>

The dependence of the Iraqi economy on oil has historical roots and dates back to the end of the fifties, in that period Iraq was a predominantly agricultural country and that about 50% of the population was endemic in the countryside and agricultural activity and absorbs nearly half of the labor force and agricultural production fills local consumption to a large extent as well as the export of some agricultural products and livestock products, but the backwardness of agricultural production technology and poor organization institutionally and because of the escalating migration, from the countryside to the cities and to the regions nearby urban and large migrations to the capital, Baghdad, led to the deterioration of this activity and a decrease in its contribution to the gross domestic product, and in return the importance of public and personal service activities rose and the state agencies expanded, after the government became dependent in its escalating budget on the revenues of oil export rents and no longer depends on the collection of taxes from the population, as the service and production activities of a predominant consumer nature grew, in addition to housing and urban activities, at the expense of the growth of non-oil export industries, and thus the renter nature of the Iraqi economy <sup>(2)</sup>

After the opening of the Iraqi economy and following the end of the economic blockade after 2003, and the unstable political and security factors that have gradually escalated in causing imbalance in the structure of the output, through the decline in the performance of the economic sectors due to the neglect and marginalization suffered for a long period of time, and the state's attempts to support it were weak, which led to making the supply aggregate does not keep pace with the surplus of aggregate demand,

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<sup>(1)</sup>Mosaab Abdel-Aali Thamer Hussein, “. The development of the Iraqi economy between fluctuations in oil revenues and diversification of income sources for the period 2003-2015 »(Unpublished master's thesis in Economic Sciences, College of Administration and Economics, Al-Qadisiyah University, Iraq 2017, p. 59

<sup>(2)</sup>Al-Adad, Kamel, (The structure of the Iraqi economy and the rentier issue: Obstacles to achieving sustainable development, 2015, p. 7.) Iraqi Economists Network website <http://iraqieconomists.net/ar/>

forcing the state to adopt the import method in order to feed that growing demand, which in turn restricted all initiatives and endeavors aimed at reviving the Iraqi economy. This is why the State, in order to maintain the continuity of the public sector, remains completely dependent on the oil sector, as the only source of financial resources for the State, and therefore it is natural that the imbalance in the production structure continues.<sup>(3)</sup>

The most important features of the Iraqi economy:

The study of the reality of the Iraqi economy requires addressing the most important features that characterize the following agencies:

First: - Unilateralism of the economy and the imbalance of the structure of public spending The Iraqi economy is characterized by its dependence on the outside and what is reinforced by its dependence on one commodity in enhancing its national income, oil is the main source of public revenues in Iraq, and the basis for financing the development process in Iraq, which weakened the role and importance of other sources of financing, especially taxes, and that the reason for the continued dominance of oil revenues as the only almost sole source of financing for development is due to the inability of sectorial development policies to generate an economic surplus that contributes effectively to the financing process. <sup>(4)</sup>.

The Iraqi oil industry is characterized by the large reserves, the proximity of the oil resource to the surface of the earth and the cost of producing a barrel with the absence of risks resulting from the discovery of oil, and these characteristics are attractive factors for oil companies in the field of spending on the development of oil industries. The oil rents in Iraq are linked to the nature of the state and how to use it, and it can be said that the problem of development does not lie in the financial resources derived from the export of oil, but in the use <sup>(5)</sup>, the general budget distributes its financial allocations irrationally, as the operational expenses acquire a large area of these allocations at a time when it requires the disposal of oil revenues in investment areas that enhance the requirements of development, on the other hand that the oil resource is depleted and unreliable Permanently linking the fate of the economy to the changes that occur in it, and this is what we noticed with the first global oil prices in 2014 and its impact on the state budget. Therefore, it is necessary to take the necessary measures to develop other economic sectors, diversify sources of national income and increase sectoral interdependence to achieve comprehensive development.

Second: - The imbalance of the investment sector because the volume of capital investments should work to achieve the objectives set for investment policy and infrastructure development, and the nature of the economic vision and its orientations towards market policy and production and giving the private sector a leading role in economic activity and the availability of a security and legislative climate appropriate for investment was not at the level that makes the investment sector the real tool to increase GDP rates and contribute to addressing unemployment<sup>6()</sup>

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3- Mustafa Kamel, Amer Sami,. . Harmonizing employment and diversifying sources of domestic product. A vision for reforming the Iraqi economy after 2003. The Eighth International Scientific Conference under the slogan (Academic Visions for Economic, Financial, and Administrative Reform in Iraq. University of Karbala, 2016, pp. 30-31).

4-The National Development Plan 2010-2014, previous source. P. 22-P. 23.

<sup>5</sup> .Muhammad Medhat Al-Quraishi - Economic Development - Wael Publishing House - Amman - 2007, p. 151.

<sup>6</sup> World Bank " Syrian Investment Climate Assessment : Un Locking the Potential of Privat Sector Washington 2005, P. 11

Creating a safe environment in Iraq requires important investments and infrastructure <sup>(7)</sup>that encourage attracting foreign investments, and we believe that the matter is facing difficulty due to the rampant administrative and financial corruption in state institutions and investment projects, which is draining many of the financial resources allocated to them.

The foregoing indicates that capital accumulation is a process that was achieved according to the method of accumulating oil transfers to the economic sectors in the form of fixed assets, and the case continued to do so without enhancing the accumulation of capital through technological progress and upgrading productivity rates, which emptied the growth rates achieved in GDP and capital accumulation of their real content and made them not expressive of real and sustainable development, so they were subject to collapse for any economic or non-economic crisis <sup>(8)</sup>.

Although all the comprehensive national strategic plans included local investment projects and part Of which external funding is adopted (the national plan 2007-2010, 2010-2014, 2013-2017 and even 2018-2022), but the terms of these plans have not been taken on the shoulders of the state to fully implement, as the effects of the projects proposed to be implemented in those periods of the plans still fall within the lagging projects despite the disbursement of their financial allocations Investment is linked to a number of conditions, the most important of which is political stability and the legislative and legal structure that is reflected in the economic reality, in addition to the availability of the qualified labor market, noting that investments It will not be positive in many times, especially those that are implemented at inappropriate times, there are projects that practically spend a lot of money without having a positive return to serve the community, and if this money is employed in other sectors (industrial and agricultural sector) to provide great productive job opportunities Perhaps the statistics provided by the regulatory authorities and integrity bodies reveal to us a lot of projects allocated funds for the purpose of investment, but they fall within the list of lagging and fictitious projects, which reveals at the same time the size of Corruption in the investment sector.

Third: - Deterioration of the services sector:

Iraq is one of the countries rich in oil resources, but it suffers from a lack of basic services such as electricity, potable water, sanitation services, health services... Although there was a slight improvement after 2003 in the operation of service facilities and communications, etc., but it soon declined in 2006, where the continuous power outages and the scarcity of clear water negatively affected all aspects of life, and within the framework of the efforts made and calling for improving the service reality, the state sought a number of measures with the aim of developing the economy and services in the field of (building the electricity network and increasing the generation capacity, rehabilitation of water pumping stations and the completion of continuous maintenance of irrigation and drainage channels and attention to sewage services,

Strengthen has a transportation and communication network in all governorates. Developing the education sector through the modernization of educational systems, developing the capabilities of teachers, rebuilding schools and universities and providing them with modern technologies. - Developing the health sector, providing pharmaceutical and medical equipment and rehabilitating hospitals. <sup>(9)</sup>

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<sup>7</sup> Muhammad Abdel Saleh, College of Business Economics/Al-Nahrain University, The Iraqi economy between reality and the challenges of the current stage, 2018, pp. 5 and 6.

<sup>8</sup> . National Development Plan 2010-2014, previous source. p. 22-

<sup>9</sup> - Ministry of Planning and Development Cooperation - National Development Strategy (2005-2007) for the year 2008, p. 3:

But these measures did not find a way to implement due to the deterioration of the security situation, political instability and health crises, especially the Corona pandemic and its negative repercussions on all details of life locally and globally and its reflection on the economic situation, which increased the suffering of the population due to the further deterioration in the quality of drinking water and the spread of diseases and epidemics, as well as the deterioration in sewage networks in all governorates of Iraq, especially the capital, Baghdad.

The deterioration in electrical energy continued in Baghdad and all provinces, and this deterioration is attributed to the continuous sabotage of electrical networks, looting and looting operations that affected economic facilities, the deterioration of the security situation and the lack of coordination between the Ministries of Electricity on the operations of equipping electric power stations with fuel and oil derivatives needed by the electricity sector. In addition to the age of most of the electrical stations and their lack of continuous maintenance, these obstacles witnessed by the service sector made the Iraqi citizen bear the costs of most of these services and his dependence on the processing of electricity from private generators and his access to medical services through private hospitals due to the citizen's lack of confidence in the services provided by government hospitals, as well as the installation of pumps by citizens to filter drinking water in homes due to the pollution of drinking water equipped for homes, in addition to the citizen's lack of drainage services and public entertainment places such as parks and parks ... etc. The deterioration of the service reality and the inability of the state to improve it is evidence of the weakness of the state's capabilities, which is considered the goal and means of development

It remains far from achieving sustainable development measures to improve the quality of life, and this is negatively reflected in the development of the economic sector with all its indicators.

Fourth: - Trade sector and trade balance: The trade sector contributes to the overall development process due to its role at the internal and external levels, as foreign currency reserves often come through the export of goods abroad, while the exchange of local goods and services and their delivery to the consumer is through internal trade, and due to the political conditions witnessed by Iraq, the role of internal trade may have been more important, especially in the period of the economic blockade in the nineties and the accompanying disruption and destruction of many production and service facilities and increased self-reliance after Iraq was prevented from exporting its goods abroad due to the economic sanctions imposed on it by the Security Council, which made the deficit in the balance of payments a reality of the Iraqi economy ( <sup>10</sup>)

Now the trade balance has limited its role to reducing the deficit in the balance of payments due to its dependence on oil exports, and this situation necessitates the government to adopt an economic policy that improves the situation of other productive sectors (such as agriculture, industry) and work to develop them and increase its contribution to the domestic product, considering that the oil resource is subject to external variables, and this puts the country's revenues from foreign currencies obtained from the sale of oil under the threat of these variables, and perhaps the decline in global oil prices in 2014 and beyond. This fact was clearly revealed, as the deficit in the Iraqi balance of payments reached high percentages as a result of this decline in light of the ineffectiveness of other sectors and their low contribution to improving the trade balance. As we will see later.

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<sup>10</sup>. Abdul Ali Al-Mamouri: The Iraqi Economy - The Dialectic of Reality and the Algebra of the Outside - Iraqi Research Journal - First Issue 2007, pg. 71



Fifth: - Schizophrenia, inconsistency and harmony (qualities) features of the branches of economic policy when applied, specifically the financial and monetary policies, which exacerbated the severity of the crises to which the Iraqi economy was exposed, such as unemployment, inflation and the spread of the phenomenon of administrative corruption.

The second topic: economic and social challenges

The comprehensive national development plan (2018-2022) referred to a number of challenges that reflect the economic and social reality in Iraq as follows: <sup>(11)</sup>:

First: - Economic challenges:

1- The deterioration of the investment climate: The continued deterioration of the investment climate affected by the package of political, economic, institutional, legislative, legal and regulatory factors, whose typology had a role in influencing the level of foreign investments and the ability to attract them, in terms of some international indicators such as the ease of doing business index, in which the ranking of Iraq appeared (165 out of a total of 190 countries for 2016), while the general index of investment attractiveness showed that Iraq was one of the performing countries Weak, which reached (27.3) degrees out of 100 degrees in 2016.

2- Imbalance of production structure: The oil sector is still the dominant sector of GDP and indicators confirm the inability of the Iraqi economy

to get rid of the rentier problem that has haunted him during the past decades, Oil revenues accounted for 95% of the total annual revenues, increasing from 51.26% in 2010 to 55% in 2015 as a result of the faltering economic policy required to diversify the economy. While the contribution of the agricultural sector in generating GDP decreased from 4.17% in 2010 to 2.02% in 2015, the contribution of the manufacturing sector decreased from 2.1% in 2010 to 0.8% in 2015.

3- Trade imbalance: The lack of a trade policy that takes into account the necessity of meeting the economic conditions required to maintain international competitiveness, the growing imbalance in the structure of the domestic product, and the decline in the exchange rate of the Iraqi dinar, led to a clear imbalance in the trade balance in terms of the high proportion of oil exports to 99% of the total Iraqi exports, with a stark diversity in the structure of imports and great economic openness, the ratio of foreign trade to GDP was 50.25% in 2015.

4- Imbalance in the structure of the general budget: Oil revenues continue to occupy the first place in the scale of general budget revenues, which constituted (85.9%) of the total estimated revenues for 2017 amounting to (79.11) trillion dinars, which made the general budget responsive to external shocks represented by oil price fluctuations, internal imbalances represented by the lack of diversity of non-oil revenues, and the high percentage of estimated operating expenses of (75,217) trillion dinars. Which constituted 47.7% of the total estimated budget, making the planned deficit of the general budget 21.6 trillion dinars in the 2017 budget.

5- High public debt: The widespread dependence on internal and external public debt to cover the public budget deficit has become a constraint on development rather than an alternative opportunity to finance it from non-oil sources. This debt also constitutes a burden on current and future generations in light of the lack of coherent and harmonious macroeconomic policies that invest it efficiently, as the planned deficit constituted 21.6% of the estimated general budget, and was financed through internal and external loans. Thus, the public debt became (135851) billion dinars as at 31/12/2017.

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<sup>11</sup>( Ministry of Planning and Development Cooperation. Comprehensive National Development Plan (2018-2022)

6- Backwardness of the banking system: The obsolescence of the technologies currently used, the stereotype of management methods, the sagging of the administrative staff who are skillfully responsive to modern technological changes, and the absence of an appropriate environment to deal with customers, the weak marketing of non-traditional banking products has made the banking and administrative systems in which banks operate unable to keep pace with modern banking systems in terms of some indicators, such as the high value of doubtful debts, which reach approximately (7, 3079) billion dinars in 2015, which constituted a burden on financial stability, as the rate of credit defaults of government banks reached 67.1%.

7- The expansion of the informal sector: The weakness of private investment resulting from the deterioration of the investment climate has led to the expansion of small economic activities that are not subject to government control and operate outside the tax and insurance framework of the state, which are not included in the calculations of the gross national product, and at the expense of the activities of the organized economy, which constitutes outputs, behaviors and transactions that cannot be controlled and controlled at the economic and societal levels.

8- Limited role of the private sector: The deterioration of the work and investment environment and the continued adoption or ignoring of the policy of commodity dumping and the neutralization of participation in the formulation and implementation of economic policy objectives, has led to the continued limited role of the private sector in the development process, as its contribution to the generation of GDP did not exceed 44.6% in 2015 (at current prices, and its contribution to the formation of fixed capital did not exceed (35%) in 2015 at constant prices.

Second: - Social challenges:

1- Development indicators reflect the state of human development in Iraq (health, education, living ..) as the World Human Development Index 2016 shows that Iraq's ranking falls within the category of medium human development countries (sequence 121) among the world's 188 countries.

2- The dominance of sub-loyalties, the weakness of the rule of law and access to justice, generated a structural deficit, a continuous reproduction of problems, a lack of societal will and tools to enable it, and expanded the area of fragmentation and disruption of the societal fabric, which led to the depletion of the elements of development and its sustainability.

3- The high levels of multidimensional poverty, resulting from successive crises and armed conflicts and the accompanying terrorism, violence and population displacement that have destabilized the elements of human security and societal stability.

4-The weakness and disintegration of social policies has led to the multiplication and exacerbation of the social costs of crises, which threatens the quality of life and the well-being of society.

5- The large crises to which society was exposed and the weakness of protective policies contributed to increasing the area of vulnerable groups of the population (the disabled, the elderly, widows, orphans, so that the fragility rate exceeded 50% in 2016.

6- The gender gap continues to undermine the foundations of the development structure due to the traditional stereotypes defining women's roles and influenced by the dominance of the patriarchal culture rooted in the depth of the social structure. This has been reflected in the weak participation of women in economic, social and political activities and the limited occupancy of leadership roles in legislative and political institutions.

7- The continued inability of the state and society to absorb young people, supervise them in public life, and provide them with decent job opportunities, which threatens the pillars of stability and social

security, and pushes some of them to migrate outside the borders. The unemployment rate for individuals aged 15 years and over was 8.10% 5.11% in urban areas compared to 8.8% in rural areas, while the percentage of underemployment less than 35 hours worked per week was 2.28%.

8- The submission of large areas of Iraq to the control of the terrorist Daesh for a period of nearly three years, and the expansion of incubators of extremism, terrorism and violence resulting from the conditions of occupation, socialization processes and school programs to which the children and youth of those areas underwent, will leave deep psychological and social effects that undermine the unity and cohesion of the social fabric.

9-The indicators of education at all levels have not witnessed qualitative progress, geographical spread, and coverage of its infrastructure, with the continued high levels of illiteracy, dropout and gender gap, which threatens the educational construction system and hinders its keeping pace with the emerging international changes in the fields of knowledge.

10- The continued decline in the level of health services and their weak spread, and their inability to meet the real needs of the population, with the high migration of medical competencies abroad, led to an imbalance in the percentage in the indicators (doctor / population). In addition to the repercussions of the Corona pandemic at the end of 2019 until the beginning of 2021, which has wide effects on all fields in the joints of life globally and locally, which increased the challenges of the health sector in the face of the health disaster in Iraq.

Third Theme: Institutional and Environmental Challenges:

First: Institutional Challenges:

1- Low efficiency of institutional performance: Continued failure to subject government administration to the logic of sound economic calculation and the principles of efficient management of public resources within a holistic framework. This failure deepens in light of the continued disconnect between government investment programs and state budget allocations, as well as the failure to put public finances and their monetary contents in a broader macro framework and across distant time horizons, with weak interest in the economic administration in diversifying the productive structure of the Iraqi economy.

2- The inflation of the administrative apparatus and the low productivity of the workforce: The expansion of the administrative and governmental apparatus and the low efficiency of its performance, and its unjustified extravagance in wasting resources, and its service to personal and factional interests, and its complicity with the values of its content that the state is a personal right for its employees and falls on it from the system of incentives granted from the duty to take care of its employees and not to prejudice their privileges as part of it has contributed to the delay in rebuilding and restructuring government agencies within the administrative reform program and on the basis of cost reduction while ensuring efficiency and good management of resources.

-3. Financial and administrative corruption: The deepening of the phenomenon of corruption and its transition from a behavioral phenomenon associated with certain groups to an integrated and interconnected institutional structure that has taken root to serve interests that hinder the development process, and corruption has turned into a source of depletion and waste of income and output and leaked out of the economic system and in terms of the public money index, and its deduction of the governance part of Transparency International Iraq has become among the top ten most corrupt countries in the world Year 2015. Iraq still occupies a lagging position in the corruption index issued by Transparency



International, as it ranked (162) out of (180) countries in the Corruption Perceptions Index for the year 2019. <sup>(12)</sup>

## Second: Environmental Challenges

1 - Environmental pollution Iraq falls within the circle of

1 - Environmental pollution Iraq is located within the circle of negative relationship between the environment and conflicts, a dual relationship that led to environmental pollution and serious damage that generated repercussions on the economy, society and the individual, which is known as the inherent results in terms of international standards. Iraq ranked according to the environmental performance efficiency criterion 116 out of a total of 180 countries.

2- Random expansion in urbanization The weak effectiveness of urban planning and the absence of a national housing policy responsive to the reality of the situation in managing the risks resulting from crises and conflicts. With the increasing rates of poverty, the scope of housing slums in Iraq has expanded and extended to reach 8% of the total population living in informal housing and 7% of the total housing, where the number of random housing units is (347,000) housing, which explains the reasons for the exacerbation and repercussions of the absence of urban planning.

3- Non-integrated environmental management and deficiencies in environmental legislation The ineffectiveness of environmental management in containing the causes and effects resulting from pollution, wars and conflicts, not to mention a clear deficiency in environmental legislation, which led to a weakness in national reactions at the level of policies, objectives and intervention options towards these problems, as well as the selectivity of some options in administrative, legislative and executive coverage, which reduced the chances of achieving progress made.

4- Desertification: The exacerbation of the phenomenon of land desertification and salinization under hot and dry climatic conditions, as well as the hydrological and topographical aspects of the soil, as well as human activities (cultivation and irrigation procedures), which led to the exacerbation of the problem and the expansion of the area of its repercussions and to the emergence of other types of desertification, loss of vegetation cover, and hindering the development of agriculture (especially in central and southern Iraq), as the area of desert land (50% of the area of Iraq), which poses a serious threat. For its food security.

5- Climate change Iraq, along with the rest of the Arab countries, will be at the heart of the major climate problem facing the world, which is the threats of global warming and the risks of rising temperatures by 2050, causing a shortage of rain and the spread of drought and drought, which threatens food security, social stability, water resources, agriculture, health and biodiversity.

6- On non-renewable energy, not relying on the option of introducing alternative or renewable energy in the policy priorities and goals to replace non-renewable energy contributed to the fall of the environmental impact on the life of oil reserves, and the increase in environmental pollution rates resulting from the increasing rates of fossil fuel consumption. Thus, the factors contributing to the emergence of global warming and pollution of the life environment were activated, and their negative repercussions on health and food and then on human security.

## Conclusion

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<sup>12)</sup> Corruption Perceptions Report 2019, Transparency International on the website:  
<https://www.transparency.org/en/cpi/2019/results>

The Iraqi economy was characterized by characteristics of the period after the year 2003, and the subsequent period caused a large amount of imbalance in the overall economic balance, which was reflected in the form of clear structural imbalances, a decline in the gross domestic product in general and oil in particular, a high percentage of the contribution of oil production to the gross domestic product, and a decline in the percentage of the contribution of economic sectors. Others (such as agriculture, industry, etc.) as a reflection of the unilateralism of the economy, in addition to many other features, and because the rentier economy is considered a major cause of economic backwardness and economic crises that afflict the state because it depends for its national income on a single source, and any defect that afflicts this source causes economic crises and losses for the state that relies on it. The health crisis is like a pandemic. Corona and the decline in oil prices in global markets cause a lack of financial returns and thus an increase in the percentage of the financial deficit in the federal budget and its negative effects on the economy and society, such as underdeveloped infrastructure, inflation, external debt, a high rate of unemployment, poverty, deprivation, rampant financial and administrative corruption, and other ongoing crises and challenges that are exhausting the country. Economically, socially, institutionally and environmentally, the researcher recommends:

- 1- Reconsidering economic policy through an integrated government program to be more effective, carrying out the necessary reforms, developing mechanisms for setting the general budget, and planning and implementing investment programs.
- 2- Adopting a sustainable development strategy aimed at expanding, diversifying and modernizing the economic base.
- 3- Employing oil surpluses for investment and development purposes and supporting vital strategic projects and even small and medium enterprises, which has an impact in reducing unemployment and creating job opportunities for citizens.
- 4- Restructuring the public sector, modernizing it, and reforming it economically and administratively, and following standards of transparency, efficiency, and shared societal responsibility.
- 5- Paying attention to reforming and modernizing the banking system (governmental and private) to be more effective in financing productive investment activities and monitoring them by the Central Bank.
- 6- Support and encourage the private sector by adopting a financial and tax policy in favor of investing in projects that contribute to developing Iraq's productive capabilities and raising the competitive level.

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