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Oil and Challenges of Economic Reform in Iraq

*Prof. Dr. Hayder H   * Dr. Zainab Hadi Nima

Abstract : The continuation of declines in oil prices and the inability of the government to provide alternative financial resources to support the budget and the economy, the dilemma of the Iraqi economy widens. The decline in oil prices, the increase expenditures to sustain momentum against ISIS, rehabilitation, reconstruction of liberated areas and production ceilings imposed by the new oil agreement on the Iraqi oil pumps, are all indicators confirm the bad consequences behind the current phase. With the absence of oil, there is a necessity to deal with the issue seriously by the economic decision-makers. The causes of the recent financial and economic crisis lie in the failure of the government's efforts to create an environment conducive to the emergence and growth of the private sector and the disengagement from the public sector.

* College of Administration& Economics/ University of Karbala
* College of Administration& Economics/ University of Karbala

Introduction

After decades of militarization of the economy and waste of resources, Iraqis feel happy for the fall of the former regime, hoping for enjoying the diverse wealth of the country in the framework of a democratic system that guarantees rights and freedoms. Improving levels of incomes and the flow of Iraqi oil towards the world oil markets again are reasonable reasons for resuming the process of economic development which has been stopped in the late 1970s. This has supported by the return of Iraqi scientists and experts to engage in the reconstruction of Iraqi economy through decades of war, sabotage and economic mismanagement.

However, Iraq is not so different from its neighbours, in producing a corrupt political class living on the country oil wealth and dedicated to further exclusion and marginalization of elites and independent competencies of all disciplines. Unfortunately, they have succeeded in wasting a decade of development and pushing the national economy into the abyss, despite the availability of all the development requirements of foreign exchange resources, fiscal surplus, human resources, local and international expertise ... etc.

1.Economy, Oil and Fault Lines

The representative model which is based on oil revenue generates budgetary and economic challenges and structural imbalances that hinder the country chances of achieving sustainable economic development and increases the risks of infiltration of the global economy into the country through the oil supplier channel. The main challenges that threaten the leading economic sectors in the country and the disruption of the tools of fiscal and monetary policies and their effectiveness in adapting to the economic and financial crises are as follows:

1.1: Public Finance Sector

The public finance sector plays a pivotal role in the programs of economic and financial reform in the country through the use of a fiscal strategy that stimulates the economic activity, enhancing the diversification of economic resources and reducing economic waste by controlling the efficiency of expenditures[(1)]. However, it is a must to pay attention to a number of challenges that limit the flexibility of fiscal instruments in order to ensure the achievement of their objectives in the context of economies of Iraq's oil, and they are as follows:

1.1.1: Government expenditure pattern

One of the most important challenges facing Iraq is to devote its dependence on government spending as a source of family income and activating various economic sectors such as (industrial, agricultural and construction). This can be attained either directly through government purchases of products of these sectors and the provision of access to its employees or indirectly through support and subsidies. The essence of the challenge The essence of the challenge lies in the sources of financing government spending. Government expenditure of oil revenues is revealed by more than 90%. To describe oil revenues, it can be said that there are three elements that make unfavorable consequences for government and Iraqi economy.

- ❖ The continuous fluctuation of oil prices because of the overlap of economic and geopolitical factors in its determination, and therefore the dependence on oil in the financing of public spending means linking the local economy to external factors.
- ❖ Oil is a depleted resource. There are persistent global attempts to abandon fossil fuels in favor of renewable and environmentally friendly energy such as wind and solar energy.

- Linking the public budget to oil prices in countries strips the tools of fiscal policy from performing the required role and adapting to economic and financial crises with flexibility and efficiency.

1.1.2 Administrative Laxity

The adoption of the government budget to generate a large class of government employees, expanding the expansion of oil resources in times of prosperity and economic growth. With the absence of narrowing that in times of recession and economic downturn, this case increases the financial stalemate in the country. Over a period of times, successive governments have pursued a broad employment policy which is not linked to actual need or potential economy. Many statistics , which is inaccurate, estimate that the number of employees in the government exceeded (5) million, as well as the number of retirees to about (2) million. With the addition of salaries and allowances, the size of salaries and allowances is approximately $ 44 billion annually. Correspondingly, fixed installment represents almost the operational budget. This means that the operational budget on its part of the contract has become constrained (fixed salary increments, increasing annually).

Thus, the flexibility of the current and future expenditure have been determined. All studies indicate a decline in the productivity of public sector employees.

1.1. 3 Automatic Stabilization and Free Ride

Tax revenues do not exceed 1% of total public budget revenues in Iraq, while government expenditure on public goods and services exceeds 50% of total government expenditure. These facts have weakened the perception of automatic stabilizers as additional instruments of fiscal policy that contribute to absorbing oil decrease in favor of the emergence of the phenomenon of free ride [(2)]. As this phenomenon expands in many societies. With the pass of time, the risk of free ride creates an undesirable political phenomenon of the exchange of public goods that may lead to a decline in political democracy. Such risk of continuing this correlation in the long term will be either at the expense of lacking the economic growth or democracy in order to harvest some of the consumer welfare over short periods of time [(3)].

1.1.4 Loss of Strategic Vision in the Preparation of the Budget

The absence of the strategic vision of financial policies is considered one of the main reasons for the failure of the Iraqi economy. during the previous years, has been absent economic programs from the doors of expenditure and government revenues included in the budgets of previous years, despite the oil savings achieved by the country until 2013, On the one hand, and poor control over the efficient management and implementation of investment expenditures on the other.

1.2 The Monetary Sector

Oil wealth extends to the independence of the central bank in Iraq. It also disrupts the role of monetary policy tools in achieving the usual goals such as growth and financial and economic stability. Being given the predominance of the general budget, monetary policy and its tools are framed exceptionally and privately in Iraq. It is mainly financed by the oil resource. The Iraqi government gets its revenues from the dollar in exchange for the export of large quantities of oil to the world markets, and Ministry of Oil transferred these dollar balances to the account of Ministry of Finance. Since most of the government expenditure in Iraqi dinar, Ministry of Finance tries will replace the dollar in to dinar which is already available in the Central Bank of Iraq [(4)].

Consequently, this replacement supports the economy. It also is used to feed the demand of the business sector and the public sector. The above mentioned mechanism is very dangerous, since it is not subject to the work of monetary policy in Iraq. This process should be under the control and supervision of the Central Bank. The general framework of Iraq's oil economy has led to a number of challenges that have affected the effectiveness of monetary policy, the most common one are:

- ❖ Financial stability of the country requires making balance between the non-oil budgets, such as (taxes, fees, state property revenues, etc.) and the domestic expenditures in dinars (current and investment). The revenues which are mainly gotten from the export of oil should be devoted to repay the external debt. However, domestic revenues cover only 10% of the total domestic expenditures while the use of oil resources and loans to cover the non-oil deficit in the general budget at the expense of repaying the external debt of the country.
- ❖ Excessive dependence on oil generates adverse trends in monetary policy and fiscal policy of the country. The decline in oil revenues and the increase in the volume of military expenditures force the central bank to support the government and transfers about 16 trillion dinars to finance the budget at the expense of the decline of the dollar reserves by the size of funding,

As a result of the loss of proportionality between the government expenditure on the Iraqi economy and the decline of oil revenues in 2014, the bank's reserve of the dollar fell from about 77 billion in 2013 (before the collapse of oil prices) to 40 Billion dollars in 2017 due to high levels of demand for the dollar and the commitment of the monetary authority so as to maintain the stability of the dinar exchange rate in order to avoid the waves of inflation and the recovery of speculations on the dollar.

- ❖ Monetary policy usually uses its traditional instruments to control the supply of money through open market operations (selling and buying bonds, weekly and monthly deposits. The tendency to economize instead of savings, and weak banking awareness have weakened the role of monetary policy instruments in performing their tasks. As a result, the objectives are directed reversely.

1.3. The Oil Sector

The downturn of oil prices has entered into its third year of devastation from June 2014. This coincides with the entry into force of the agreement to reduce crude oil from within and outside OPEC to control the supplies and absorb the surplus. However, Brent crude prices are still hovering around 60-56$ a barrel with the rise of the global strategic stocks and the growth in world oil demand. In countries with the largest oil reserves, the accumulated fiscal deficits raise the question of the ability of these economies to stand with the price of low oil, especially as it depends on the oil resource in the financing of the budget[(5)]. The main challenges facing chances of Iraq in order to overcome the current financial crisis could be summarized as follows:

- The decline in oil revenues due to the deterioration of oil prices in time that Iraq is in the situation of the new oil agreement to reduce the country's production of more than 200 thousand barrels per day.
- The weakness of the central government in dealing with the resistance resulting from the taxes, fees, etc. The government has failed to implement many of the tax laws enacted during the years 2016 and 2017.
- The inflation of public consumption expenditure and the integration of some ministries and surplus governmental bodies.
- indebtedness of Iraq is the most difficult negotiations crisis The country's total debt is about to $ 100 billion in the last three years alone, with Iraq having a fiscal surplus of nearly $ 18 billion by the beginning of 2013.

- The absence of the appropriate investment to attract foreign investment and stimulate domestic investment to exploit the major investment opportunities in the country. This is due to the deterioration of the security situation and the absence of government vision in providing laws and legislation.
- Strikingly, the spreading of financial, administrative and political corruption is.
- Dramatically, the unemployment rate has increased. It has been reached to about 30% of the total labor force.

1.4. The Private Sector

Most of the economic experiments which have been led by the public sector have failed to achieve economic growth and stability since the second half of the last century up to now. This can be ascribed to the inefficiency of the government in exploiting economic resources and the spread of corruption and bureaucracy in most administrative institutions. In Iraq, in the last decades of the last century, according to the five-year economic plans prepared since the end of the 1970s, the public sector had not fulfill its hopeful goal. To rely on continuous government support and protection from the similar foreign product, this has created useless public sector, depending on government resources away from the cost-return principle of production.

After 2003, the Iraqi economy has suffered from a structural imbalance caused by the dominance of the public sector in various institutions of the national economy. The effects are not limited to exhausting the state budget and the inefficiency and output of public institutions, however; it causes reduction of the labor market in the country. the involvement of most of the labor force within the state institutions and the reluctance of others to move to the liberal professions.

Public sector activity is generated by private sector activity through its high funding capacity and lack of competitiveness, efficiency and quality.

1. 5. Development and Economic Planning

For decades, the Iraqi economy has been undergone a twisting development line that has resulted from over-dependence on oil and poor economic management in the exploitation of human resources and energies.. As a result of the financial crisis, the government seeks for years to adopt qualitative reform and adapt to the sharp decline in oil revenues by restructuring the economy and diversifying the sectors.

Undoubtedly, that economic planning has a systematic framework that accommodates all economic and financial reform programs in the country and establishes a sustainable economic development. However, the first development plan (2010-2014) and the second one (2013-2017) have undergone over a number of challenges that hindered the achievement of the goals[6]. The most prominent challenges can be identified as follows:

- Delay the approval of the general budgets of the first development plan for months.
- The bureaucratic procedures of government projects which are represented by listing, advertising and referral have weakened financial and material implementation rates.
- Absence of the legal framework to implement the plans in Iraq due to the lack of laws and the existence of several challenges.
- Failure, in Iraq, is not often attributed to the lack of planning, but it is mainly focused on the lack of implementation. The weakness of implementation, follow - up and control contributed fundamentally to the deviation of economic development plans from their planned tracks.

- In most cases, the intention of the economic institutions concerns to set goals and ambitions beyond the reality and available financial possibilities.
- Absence of the unified economic vision of the Iraqi economy because of the continuous differences between the Center and the region.
- Financial and administrative corruption in institutions has contributed significantly to the deviation of investment planning in the country from the tracks.
- Exploitation of the private sector due to the absence of laws and legislation in addition to the current challenges.
- The urgent need for restructure the economic institutions and make them more productive and profitable.

1. 6. Financial and Administrative Corruption in Iraq

The annual report by Transparency International has labeled Iraq as one of the most corrupt countries in the world. It has been ranked among the 10 most corrupt countries in 2016. The corruption index is linked to multiple elements, notably political, financial, administrative and economic corruption. The low living conditions of the citizen, the use of bribes are only examples of corruption in Iraq. It is considered as a very strange phenomenon in some countries which can be controlled, while it is a familiar phenomenon in other states and difficult to be controlled, as the case in Iraq.

The phenomenon of administrative and financial corruption is one of the scourges that hinder the progress of the country and society as a whole. Actually, there are a range of reasons that have contributed to the development of financial, administrative and political corruption in the country and they are as follows:

- Petroleum resource: The an abundance of oil reserves and supply is the main cause of the rampant corruption and nepotism in some countries. The flow of oil has generated a violent struggle by political parties. the use of sovereign positions to achieve the interests of the party and its supporters at the expense of the interests of the country and the citizen as well.

- ❖ Weak regulators: Despite the multiplicity of controls in Iraq after 2003, however, Iraq obtains one of the most corrupt countries in the global classification of corruption and remained among the 10 most corrupt countries in world.
- ❖ Administrative bureaucracy: Although the objective of abiding bureaucratic procedures and the multiplicity of administrative workshops is included in the various plans and policies of the Iraqi government in its ministries its public institutions since 2003, but it is still using this system.
- ❖ Worsening economic situation in the country: Despite the improvement in economic situation in the country after 2003, the poor distribution of income, the high cost of living and the housing and electricity crisis have led many staff to be involved in the use of bribes and commissions in exchange, since corruption has become a general phenomenon not critically affected by the law.
- ❖ Lack of awareness and a weak sense of citizenship: the expansion of the corrupt political class and the lack of credibility and impartiality of most of the political movements has generated unfavorable consequences. Unfortunately, this fact has prompted many citizens to cooperate with corrupt employees to evade paying taxes or pay for government services such as water and electricity.
- ❖ Weakness of the judiciary and the law: Iraq's political experience reveals a serious problem that threatens the political, economic and social future of the country, namely the weakness of the Iraqi judiciary in addressing the corruption in ministries and institutions.

- ❖ Lack of transparency: Many international organizations and institutions have recommended that the government of Iraq should adopt transparency in the management of the Ministry and public institutions in order to eliminate the scourge of financial and administrative corruption, however, it is just a slogan and words without action[7].

2. The Reformation Programs and Economic Policies Required

It is difficult to count on the recovery of the prices of oil in an attempt to provide funding to balance the economy because it threatens the overall economic activities in Iraq, especially with the recession of the global economy and the weak expectations that the prices of oil are going to return as it was before. This decline in the prices of oil would double the burden on the national economy as it conjuncts with multiple internal burdens, the most important of which is the security and political turmoil. However, the adoption of prudent economic policies may turn challenges into opportunities to restructure the economy and break away from the rent model in favor of diversifying the productive base and promoting growth and sustainable economic stability. It is important to remember that the success of any economic reform depends on the will and seriousness of the ruling political parties to embark on the development and building of the Iraqi economy, since it represents the legislative machinery and implementation of the economic decision in the country[8].

2. 1. Activation of Fiscal Policy

- ❖ It is essential that future budgets include economic programs that reflect the reality of the Iraqi economy and the nature of the economic and financial crisis experienced by the country because of unilateral exports, and establish a new pattern in the management of the economic file. This pattern tends to diversify resources and stimulate the economic sectors of agriculture, industry and tourism and promote the private sector to reduce the unilateral Iraqi economy and its chronic dependence on the oil resource. The current financial shock could be an opportunity for financial reorganization, tightening public money control, fighting corruption and reducing unnecessary expenses that the government has been forced to pay by oil revenues.

- Reforming the public finance sector requires the adoption of a number of policies, the most prominent of which is controlling the expenditure of the government and reforming the tax system through the enactment of a number of laws that contribute to the expansion of tax revenues and the establishment of new tax rates that goes in line with the discretionary capacity of the citizen. It is important to Take into account the lack of burdens on the poor and middle classes, and work to restructure the state-owned industries and the gradual transition to the private sector, as revealed by previous budgets that the support and funding of these industries did not improve their economic performance and most of the public projects are still submerged in losses. As for the activation of non-oil sectors, this requires a plan to diversify sources of revenue by stimulating the non-oil sectors in the country[9].
- It may be a good opportunity for the chronic decline of the oil prices to reconsider the structure of the existing oil economy and try to gradually isolate oil resource flows from the economic sectors by supporting and stimulating the private growth of the private sector away from state institutions. It also requires the activation of non-oil revenues and reduce the waste and extravagance that accompanies the disbursement of public expenditures through the adoption of the principle of cost return in spending to ensure rationalization and financial control. In addition, there is a need to include development plans and policies and economic reform in the public budgets and

increase the degree of transparency and take care of the financial performance of the government[10].

2.2. Activation of Monetary Policy

In order to re-activate the tools of monetary policy and give the monetary authority more real independence in guiding the compass of policy, the Governor of the Central Bank, Dr. Ali Al-Alaq, in a seminar held recently by the Center for Research and Studies, mentions a number of points, perhaps the most important of which are[11]:

- ❖ The need to achieve optimal financial and monetary stability by reducing the non-oil deficit, maximizing domestic revenues, controlling local expenditures and setting specific ceilings on operating expenses.
- ❖ Adapt to low oil prices by setting the state budget on a fixed and conservative basis for the exported oil, given expectations of a near recovery in prices.
- ❖ Specify a ceiling and limit the amount of the budget deficit annually, exercise effective control over the implementation of the budget, and effectively manage the cash value of the treasury (currently dispersed).
- ❖ Administrating the public debt to ensure the sustainability of the financial situation (public debt is about 48 trillion dinars until 2017), taking into account the lack of additional resources and sources of public debt in the coming years.
- ❖ Calculate the possible effects on foreign reserves when preparing the general budget and take them into account to remain at the level of adequacy, and not to expose them to the risks of sharp decline.
- ❖ The Central Bank continues to support the growth of (real) sectors through agricultural and industrial lending initiatives to stimulate the non-oil sectors and absorb part of the momentum of the economic recession in the country.

- ❖ Reducing the accumulation of private sector domestic and foreign debt for governmental projects because of the unstable and insecure climate of work and investment in Iraq.
- ❖ The importance of involving the Central Bank in the preparation of the annual budget; in order to lift the pressure on the reserves of the Central Bank and meet the financial and monetary challenges successfully.
- ❖ In order to maintain monetary stability, the volume of imports and control of border ports, the promotion and stimulation of foreign investment, and the creation of favorable conditions for its growth should be regulated, as well as the general political, security, social and legal stability to prevent the emigration of funds abroad.

2.3. Activating the Private Sector

After the change of the political system in Iraq in 2003, attention was directed towards the private sector and its role in changing the existing economic system to be a locomotive for growth and economic stability in the country rather than chronic addiction to the oil resource. In this context, many institutions have been established and a number of institutions have been taken to prepare for a smooth transition to the private sector and the gradual refinement of the institutions of the public sector. The development of the status and performance of the private sector is a fundamental issue on which economic policies should be based throughout the adoption of an optimal strategy for the development of the private sector that reflects the correct understanding and clear perception of mechanisms and ways to activate its role in the economic activity, so the government should launch a package of suitable policies that motivate and reinforce this sector in its current state. The most prominent of these policies are:

- ❖ To start a conversation between the government and the private sector. They discuss the laws and the systems put to the latter throughout the meetings and the seminars to review and simplify the legal and regulatory framework related to the activity of the private sector and to overcome obstacles that hinder its launching.

- ❖ Providing adequate financing to the private sector through the issuance of new laws, eliminating routine complications and improving the sector's chances of obtaining adequate financing commensurate with investment opportunities in the country and developing new financing mechanisms available to most private companies and institutions.
- ❖ It is necessary to provide a suitable and motivating atmosphere that helps to activate the private sector throughout The necessary infrastructure and security protection for public projects and institutions of the country.
- ❖ Adopting advanced training and training programmes that contribute to empowering the Iraqi labor force and upgrading its skills so that they become homogenous and harmonious with the requirements of the Iraqi labor market in order to provide the private sector with a skilled workforce adapted to the needs of the market.
- ❖ To facilitate the procedures for granting investment licenses, allocating the necessary land for investment projects, granting tax exemptions and customs protection of similar goods in order to enable the private sector to access local markets, compete with foreign products and acquire local markets.
- ❖ In recent times, due to the decline in crude oil revenues, the issue of public sector partnership in the private sector is on the public policy agenda due to the country's financial difficulties. It is difficult to continue financing government projects that have been losing for years. The current government is looking for new engines for development and employment generation due to the failure of Engine Oil Revenue.

2. 4 Activating the Economic Development Plans

The ongoing decline in world oil prices and the weakening of expectations about the return of prices necessitate to strengthen the national economy. The decision makers and economic institutions concerned should developed a detailed map to cope with the country's multiple economic and effective mechanisms for implementation.

Within the same framework,, the Plan (C)in (2018), which is suggested in April, accommodates most of the economic challenges facing the Iraqi economy, such as the security, limited financial resources, lack of financing for investment projects and the phenomenon of administrative corruption. However, it should be noted that the viability of the new development plan in reforming and diversifying the Iraqi economy and decoupling oil is based on the adoption of an appropriate mechanism which addresses the problems that accompany previous plans and absorb the most significant shortcomings, particularly those related to the implementation and monitoring the plan(12).

2.5. IMF and Governance of State institutions

Iraq's involvement in the financial and technical assistance programs of the International Monetary Fund (IMF) gives Iraq an opportunity to avoid the crisis of corruption and the dominance of political sectors in the country's economic decision-making process. The previous experience has shown that the consensual model of state administration is characterized by a lack of economic vision and weak policies to reform the economy and developing its agricultural, industrial and service sectors as well as wasting resources and deepening structural imbalances, without paying attention to the risk of linking the country's economic and financial destiny with a resource linked to external factors.

Thus, the public finance reform program provides hope to correct the public budget plans and programmes to serve the economic balance in the country by stimulating the and supporting groups with limited income and activation of alternative financial outlets for oil so a to transform them into investment channels rather than the consumption that the country currently undergoes.

The Iraqi economic reform programme supported by the International Monetary Fund, aims at addressing urgent balance-of-payments needs, and ensuring the sustainability of public debt within sustainable limits[13]. It also includes actions to protect the poor, strengthen public financial management, support the stability of the financial sector and avoid corruption. The financial crisis requires the Iraqi government to design appropriate economic policies to deal with the present problems facing Iraq. The revised public finance programme in 2016 and the 2017 budget project are consistent with the credit readiness agreement. There is a need for increasing non-oil revenues, reducing current spending and allowing for more effective investment. Government performance has been unequal under the credit readiness agreement, but strict implementation, with strong international support, will be necessary.

2.6. Economic Reform and the Elimination of Corruption

The issues of economic reform and the elimination of financial and administrative corruption are among the priorities of the current Government's work. The following strategies should be adopted:

- Governance of the institutions of the Iraqi State through the adoption of rules of good governance. The design of monitoring and evaluation develop appropriate governance policies that follow the implementation mechanisms in different services and produce acceptable outcomes.

- ❖ There is an emphasis on the role of the security and police agencies in the implementation of the judicial sanctions against the various administrative and functional problems. In other words, there is an urgent need for legislating laws related to corruption, bribes, embezzlement and nepotism.
- ❖ Review the functional immunity which protect theoe officials from law . There is a must for making a balance between the need for staff members to be subject to the rule of law and their accountability for crimes committed by them, such as bribes and embezzlement.
- ❖ Use of public information to shape values and customs through the allocation of fixed programmes on radio and television to address this problem by means various seminars and advertisements.
- ❖ Reforming all government institutions by developing their structures, modernizing their working methods and adopting transparency and modern electronic methods of citizen transactions. This can be fulfilled by means of archiving documents and using CD-ROMs to preserve all data.
- ❖ Activating the role of civil society organizations to avoid corruption. These organizations have become involved in State administration and policy-making and play a role in the process of drafting decisions, enacting legislation and responsible for correcting what is wrong.
- ❖ To activate the role of the House of Representatives as a top as priority through the pursuit of corruption away from political and ideological targeting.
- ❖ To operationalize the United Nations Convention against Corruption, and diminish its political corruption influence.

- To remove high-level positions in the country from nepotism.

2. 7. Military Spending and Development Mobilization

The post-ISIL phase can provide significant amounts of military spending for development which is a part of the future strategy of the policy of America and the regional States of the resion.

2.8. Governance in the light of the Forthcoming Elections

Since Iraq is in its way for future election, national capacities should be built relying on Iraqi skills to manage the economy and its decisions. Ministry of Planning should be run by pioneers of economists for the purpose of prudent economic programming. This step is so necessary for the economy in the next phase.

Conclusions

For decades, the Iraqi economy has been undergone a twisting development line that has resulted from over-dependence on oil and poor economic management in the exploitation of human resources and energies.. As a result of the financial crisis, the government seeks for years to adopt qualitative reform and adapt to the sharp decline in oil revenues by restructuring the economy and diversifying the sectors. Undoubtedly, that economic planning has a systematic framework that accommodates all economic and financial reform programs in the country and establishes a sustainable economic development.

Reform programs should also be extended to all economic, financial and monetary sectors, and activate the monetary and fiscal policy tools that have been hindered by oil hegemony. This is done only through macroeconomic approaches that are within the framework of a systematic approach that accommodates all economic and financial reform programs in the country, and establishes a sustainable economic development that achieves economic and social goals.

Perhaps the current financial impasse supports the efforts of the Iraqi government to correct the developmental deviation that accompanied the abundance of oil resources and increased the depth of structural imbalances and strengthened the unilateralism of the national economy and its external exposure to secure most of its commodity needs. Finally, it is necessary to work on a detailed and flexible roadmap to adapt to the country's multiple economic shocks and to initiate gradual reform policies that address all economic, financial and monetary sectors in an integrated manner, as well as effective implementation, monitoring and performance evaluation mechanisms.

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