

Article

The Possibility of Achieving Iraqi Economic Reform in Light of the Trends of International Institutions

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Abstract: The research addressed the possibility of achieving economic reform in Iraq based on the directions of the competent international institutions, of which Iraq is a member or observer, as institutions possessing great capabilities and experience accumulated from more than 190 member states in these institutions. It also provides the opportunity for economic cooperation and benefiting from international expertise. For this purpose, it included: The research consisted of three sections, the first section of which dealt with the theoretical framework of economic reform and international institutions, while the second section dealt with the vision of international institutions for economic reform in Iraq, while the third section included the most important conclusions and recommendations reached by the research, which focused on the weak points from which Iraq suffers. The research also recommended a number of points, including the need to benefit from the expertise of these institutions in the economic and social fields in a way that reflects the general interest of Iraqi society. At the conclusion of the research, the approved sources for the research were confirmed so that the topic could be addressed to the extent possible to achieve the goals from which it started.

Keywords: Economic Reform; Iraq; International Institutions.

1. Introduction

Economic reform refers to the need to remove distortions caused by regulations or government intervention, and to implement policy reforms aimed at achieving improvements in economic efficiency, either by eliminating or reducing distortions in sectors of the economy or by reforming economy-wide policies such as tax policy and competition, with a focus on economic efficiency. Economic reform also typically refers to the removal of restrictions. Or sometimes to limit the extent of government intervention in the economy. Reform programs include the following: consolidation of financial institutions, privatization, marketization, localization, nationalization, deregulation, and other measures aimed at achieving change for the better and keeping pace with global changes. The concept of economic reform has emerged internationally in the corridors of the capitalist system since the founding of the International Monetary Fund and the World Bank after World War II. The contents of economic reform in its various frameworks were one of the modern concepts that were nominated as calls from the International Monetary Fund, and it quickly turned into a global economic phenomenon that pushed capitalist systems and international economic organizations towards implementing it and expanding its role, especially after the successful applications of this idea in many developing countries of the world, and despite the positive repercussions of the phenomenon of economic reform at the global level,

However, it also pointed to external interference by the International Monetary Fund, the World Bank, and donor countries in planning and supervising economic reform implementation in many developing countries, with varying scopes and applications relative to the true national demands of these countries. Therefore, demands in developing countries and societal calls for the establishment of a national approach to economic reform, adopted by the government, have escalated, with a new approach and plan that includes acceptance. And work all over the world.

Received: April 15, 2025

Revised: April 29, 2025

Accepted: May 16, 2025

Published: May 19, 2025

Curr. Ver.: May 19, 2025



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Iraq is one of the developing countries that has embarked on economic reform in line with new global demands. Calls for economic reform were made by international bodies and donor countries immediately after the war ended in April 2003, but these calls were met with the massive destruction caused by the US occupation of Iraq. However, these trends continued and found an (official) outlet through intervention to address the Iraqi debt crisis. At that point, it imposed part of its intervention formula by stipulating a reduction in support for ration card items and an increase in the prices of petroleum derivatives in exchange for contributing to reducing the Iraqi debt, in cooperation and coordination with the Paris Club.

1.1. Importance

This research is an important applied study that addresses a topic of great importance, both now and in the future: how to align national goals within Iraq with international trends and the vision of international institutions, each of which includes members from more than 190 countries. Therefore, achieving reforms in accordance with the vision of these institutions is an important topic with both economic and social dimensions, aimed at achieving justice and social well-being.

1.2. The Problem

The research is based on a specific problem that can be formulated with the following question: Is there any benefit in implementing economic reforms in accordance with the guidelines of relevant international institutions?

1.3. Hypothesis

The study assumes that it is important to implement economic reforms in Iraq in accordance with the guidelines of international institutions, given their extensive experience, the presence of more than 190 member states in each institution, and the technical capabilities necessary to implement economic reforms to achieve the desired goals.

1.4. Objective

The research aims to shed light on economic reforms in Iraq, given their significant importance in achieving prosperity for Iraqi society. These reforms are consistent with international trends and the implementation of standards and measures adopted by countries around the world through relevant international institutions.

2. Theoretical Framework

2.1. The Concept of Economic Reform

Many sources and research studies have examined and analyzed this concept, perhaps the most important of which is that it is "a comprehensive and ongoing economic, social, political, and cultural process that requires disentangling the link between economic and social variables and reformulating them anew, leading to the emergence of new ideas, values, and economic and social relations that lead to increased rates of economic growth and improved The standard of living of citizens is also an expression of policies that work to make local expenditures in harmony with the available resources, through creating a combination of fiscal, monetary, trade and exchange rate policies to ensure the existence of aggregate demand that is compatible with the composition of supply, and by adopting measures that work to stimulate the goods and services sectors, in addition to adopting microeconomic policies that target Improving resource efficiency by eliminating price distortions, enhancing competition, and reducing administrative control.

Economic reform is a technical process in its content and substance, but it requires a philosophy based on political will and the consent of all social classes and segments that will implement the reform and ultimately achieve their interests. Any hesitation or postponement of reform leads to divisions in social opinions, and then the postponement of reform or being satisfied with the restoration, amendment and development of some legislation that, in their entirety, constitute only a part of economic reform (Ismail, 2020, 74)

Reform is a comprehensive economic, social, political, and cultural process that encompasses all productive and service sectors, and all social classes and strata, so that everyone is affected by and is affected by the reform steps. If the steps are not carefully considered and integrated, the results will benefit some at the expense of others. Therefore, it is possible for conflicting and sometimes contradictory opinions to emerge regarding the idea and content of economic reform.

2.2. An Overview of the Most Important International Institutions

2.2.1. *The International Monetary Fund*

The International Monetary Fund was established in 1944 and began its work in 1945 at the Bretton Woods Conference, based on the ideas of economists Harry Dexter White and John Maynard Keynes. The IMF officially came into existence in 1956 when 29 countries participated. Founded with the aim of restructuring the international financial system, the International Monetary Fund (IMF) is an international financial institution headquartered in Washington, D.C., with 190 member countries. The IMF works to achieve sustainable growth and prosperity for all 190 member countries. It does this by supporting economic policies that promote financial stability and monetary cooperation, essential for productivity, job creation, and well-being. Economic. The Fund is managed by and accountable to its member countries. The Fund has three vital missions: to foster international monetary cooperation, to encourage trade expansion and economic growth, and to discourage policies that harm prosperity. To achieve these three missions, the Fund's member countries work cooperatively with each other and with other international bodies to improve the lives of citizens. The Fund provides technical assistance and capacity development to countries as one of its core functions. Capacity development represents about one-third of the Fund's annual expenditures and is available to all member countries upon request and tailored to each country's needs. Capacity development can help countries improve tax collection and strengthen public finances. It can also help countries modernize their monetary and exchange rate policies. Or developing legal systems, or strengthening governance. Capacity development can also help countries collect and disseminate data to inform decision-making. The Fund provides technical support and training to all member countries to achieve the following objectives (Al-Shammari, Hamza, 2019, 92)

1. Encouraging international monetary cooperation
2. Developing international trade
3. Achieving exchange rate stability
4. Shortening imbalances in member states' balance of payments
5. Covering current transactions between member states
6. Providing technical advice in the field of monetary affairs management

2.2.2. *The International Bank for Reconstruction and Development*

The International Bank for Reconstruction and Development was established in 1944 to rebuild Europe after World War II. It joined the International Development Association,

It is the fund concerned with helping the poorest countries, and together they form the World Bank. It now includes five institutions concerned with all economic, social, environmental, and other aspects, and has more than 190 member countries. The Bank is a partner in the work to open markets and strengthen economies. Its mission is to improve the quality of life and increase prosperity for people everywhere, especially the world's poorest people (Rashid, 2007, 210). Because it believes that social goals must be based on a pillar of stability Economically, it brings to the development table its ability to raise funds for development projects at the lowest market interest rates and to lend this money to its clients for productive purposes. The Bank provides loans to governments of developing countries to finance investments and encourage economic growth by undertaking basic infrastructure projects such as roads, schools, clinics, and irrigation networks, and by activities such as teacher trainin Its loans may also finance changes in the structure of countries' economies to make them more stable, efficient, and market-oriented. The Bank seeks to address the task of expanding the circle by addressing and involving the real stakeholders in development. The Bank recognizes that the stakeholders in development are not only governments, but also civil society as a whole, with its public and private sectors, its array of non-governmental organizations, its women, children, and the poorest of the poor. The Bank works with all its partners tog and improving nutrition programs for children and pregnant women Assisting the countries with which we deal to (Al-Shammari, Hamza, 2019, 108-109)

1. The Bank undertakes development programs to support sustainable development.
2. Works to create an appropriate environment for revitalizing international trade.
3. Encourages international investment.
4. Provides technical advice and expertise, particularly in the field of economic development.

5. Provides numerous loans, including emergency reconstruction loans and loans to support sectoral operations.
6. Grants a new type of loan to member states, namely structural adjustment loans.

2.2.2.1. The World Trade Organization

The World Trade Organization (WTO) is an international organization that regulates and facilitates international trade among nations. Governments use the organization to establish, review, and enforce the rules governing international trade. The organization formally began operations on January 1, 1995, in accordance with the Marrakesh Agreement. It replaced the GATT Agreement concluded in 1948. The World Trade Organization is the largest international economic organization in the world, with 164 member countries representing more than 98% of world trade and global gross domestic product.

The WTO facilitates trade in goods, services, and intellectual property among participating countries by providing a framework for negotiating trade agreements that typically aim to reduce or eliminate tariffs, supply quotas, and other trade barriers. These agreements are signed by representatives of member governments and ratified by their legislative bodies. The WTO also administers independent dispute resolution to enforce participants' compliance with trade agreements and resolve trade-related disputes. The organization prohibits discrimination between trading partners, but it provides exceptions to protect the environment, national security, and other important goals. Studies show that the WTO has promoted trade and reduced trade barriers. Overall, the organization has had an impact on trade agreements. An analysis dating back to 1999 showed that In 2017, the vast majority of preferential trade agreements up to that point explicitly referred to the World Trade Organization (WTO), with large portions of the text copied from WTO agreements.

2.2.2.2. The State of the Iraqi Economy and Indicators of Reform According to the Directions of International Institutions

- Justifications for Undertaking Economic Reform in Iraq
1. **Fluctuating economic growth in Iraq**

Economic growth is the most important variable in the economy, and countries around the world rely on it to determine economic performance due to its comprehensiveness and accuracy, as well as its adoption by international institutions for the purposes of measurement and comparison. Economic growth is expressed through the size of the country's gross domestic product (United Nations, 2009, 39), as it includes all production processes in the country and is the closest and most comprehensive number that is calculated and adopted by all countries of the world as an important indicator of economic growth, as the gross domestic product is one of the most important indicators that show the level of economic activity in the country, and the most comprehensive standard for showing the total production of goods and services in the country. It also helps economic policy makers to know whether the country is suffering from expansion or contraction, and other economic problems. It is noted through Table (1) the developments of the gross domestic product at current and constant prices in Iraq during the various years of the period (2004-2022). This period was characterized by many economic, political, societal changes and other circumstances, some of which were characterized by the occurrence of a constitutional vacuum as a result of the disintegration of The Iraqi state institutions after the American occupation and the resulting imbalances distortions and security disturbances after the occupation process, in addition to the resulting absence of clear strategies for economic development, which led to the disruption of the performance of macroeconomic indicators after the deterioration of whether they were productivity or services in light of the absence of a free economy system in accordance with the Iraqi constitution (Hammadi, 2006, 42). At this stage, the economic function of the state was reshaped towards decentralization and giving a role to the private sector in order to achieve economic growth and open the door to investment. However, despite these changes in the Iraqi economy, the security factor had the most prominent role in the changes in the size of the gross domestic product in Iraq, as the growth rate varied from one period to another as a result of the turmoil that the world is going through. The security measures that follow it make the investor reluctant to invest and encourage capital to flee to safer areas. It appears from the data in the aforementioned table that the growth in the size of the gross domestic product is affected by a group of economic, security and other factors. We note that the size of the gross domestic product reached 27.366 million dollars in 2004. As a result of the existence of a certain kind of stability and optimism among the members of the local

community that the change brought by the occupation was for the better, these hopes were not fulfilled. We note that the rate of economic growth in the years 2005 and 2006 decreased significantly as a result of the emergence of two types of reactions from the community, including those who claim to be resistance (whose goal is specific, which is to strike foreign interests in Iraq) Among them are (terrorists) who kill Iraqi citizens without justification. From the above, we note that the growth of the product decreased to 0.22% in 2005 and then to 0.20% in 2006. The size and rate of growth continued to increase due to the rise in global oil prices, although it decreased in 2014 compared to the previous year due to the security situation, as it reached 128.491 million dollars as a result of the decline in the Iraqi security file and the control of terrorism over some Iraqi governorates. It reached (0.20%) and growth continued until 2016, as it reached (0.29%) However, after the liberation of the regions, the return of the residents, and the restoration of community security, a positive growth rate was achieved in 2018, with a growth rate of 0.27%, while it declined in 2020 due to the impact of the Corona pandemic at the end of 2019, which led to a decline in the growth rate to 0.11%, while it regained its activity in 2022, achieving a growth rate of 0.04%. Table (1) shows the above.

Table 1. Size and growth rate of the Iraqi economy for the period (2004-2022) (million dollars)

For details	Size of GDP	Growth rate%
years		
2004	27.366	-
2005	33.379	0.22
2006	40.314	0.21
2014	228.491	2.19
2016	166.274	0.29
2018	212.407	0.28
2020	189,965	-0.11
2022	197,333	0.04

Source: <https://datacatalog.worldbank.org/dataset/world-development-indicators>

2. Controlling the phenomenon of inflation in the Iraqi economy.

Inflation is one of the major problems facing the Iraqi economy as a result of the unrest facing Iraq and the economic, social and security conditions that have led to irregularities in the local market and other reasons related to monetary and financial aspects, including the instability of the exchange rate, in addition to the structural imbalance in the Iraqi economy between demand and supply as a result of the decline in local production and its inability to meet demand The local and general price level continues to rise, in addition to the increase in the money supply and the absence of a financial policy that encourages investment within the country (Todaro, 2009, 50), Table (2) shows the inflation rates and the general level of prices in Iraq. It is important to show during our analysis that there are several factors that contributed to the growth of inflation rates in Iraq at the beginning of the period under study from 2004 to 2006, as it is due to the decline in the value of the local currency and the rise in the prices of oil derivatives, in addition to the housing crises and consequently the rise in the cost of rented houses and the rise in the cost of food and other factors during the mentioned period All of this led to record high prices and inflation rates, as well as an increase in the volume of public spending to record levels. As a result of the above, the general price level rose to 36.4% in 2004 and then to 76.4% in 2006. The inflation rate also rose from 27% in 2004 to 53.2% in 2006. Price levels remained at a continuous rise, reaching 145.9% in 2014, despite Iraq being exposed to a financial crisis affected by the global financial crisis As for inflation, it declined due to the impact of the first global financial crisis, which greatly affected Iraq. Then, the inflation rate decreased to 2.2% in 2014 due to the surrounding external and internal circumstances, the loss of confidence in the economy, and the significant decline in commercial activity due to the global crisis and the decline in crude oil prices, in addition to the growth of administrative and financial corruption, weak control over trade, and other factors Which contributed to the continued rise in the general price level, as it rose significantly from 145.9% in 2014 to 149.3% in 2020. As for the inflation rate, we find that it fluctuates between high and low, but it has become within the control and control of the Central Bank of Iraq It is greatly affected by joint work with relevant international organizations and working to control the type of monetary policy appropriate for it, as we find that it changed from 27% in 2004 to 2.2% in 2014, then decreased to 0.6% in 2020 as a

result of the Corona crisis (coved-19) at the end of 2019, and the general price level decreased to 105.1% for the same year, while the price level decreased To 107.2 in 2022, while the inflation rate reached 0.5%, which is within the normal limits, and in cooperation with the International Monetary Fund. The Central Bank, through monetary policy, used the currency auction method as one of its indirect tools to address economic problems in Iraq. It is one of the modern methods for maintaining the stability of the exchange rate and reducing inflation (Thuwaini , Zia,23). From the above, we conclude that reducing inflation rates is a primary goal for the Central Bank to achieve economic objectives and protect the economy from shocks with the aim of curbing inflation and increasing the purchasing power of individuals.

Table 2. Inflation rates in Iraq for the period (2004-2022)

For details	Price index (2007=100)	Inflation rate %
years		
2004	36,4	27,0
2005	49,9	370
2006	76,4	53,2
2014	145,9	2.2
2016	148,5	0.3
2018	149,3	0.4
2020	105,1	0,6
2022	107,2	0,5

Source: Central Bank of Iraq, General Directorate of Statistics and Research, annual bulletins for various years.

3. Analysis of the reality of the trade balance in Iraq for the period (2004-2020)

The trade balance is one of the components of the balance of payments and is of great importance in the economies of countries around the world, whether they are developing or developed countries, as it records all commercial transactions with the outside world. The trade balance is of great importance in the Iraqi economy, as it is important in assessing the external position of the Iraqi economy, whether it is in a state of surplus or deficit Especially since this balance depends on the export of crude oil, which has a prominent role in financing the Iraqi economy, as the Iraqi economy is characterized by a lack of diversity in sources of revenue compared to the extreme diversity in imports from abroad, through the provision of hard currencies in particular, and during the study period it is noted that Iraq relied on the outside world to provide all its economic requirements because it It does not have sufficient production capacity to keep pace with development due to its lack of a productive base and the flexibility necessary to deal with global changes, in addition to reasons related to poor planning and management with regard to the implementation of economic, commercial and other policies(Al-Shukri, 2016,168), This had a negative impact on the economic situation in Iraq. Iraq was also distinguished by the speed of foreign trade liberalization procedures under the auspices of the World Bank and the International Monetary Fund, which harmed the economy more than it benefited it, as it was not qualified for global competition and its local industries still needed support and protection from the government. This came after the Iraqi economy was linked to global markets and the economic sanctions were lifted after 2003 (Zini, 2009,283), Table (3) shows us the nature of the development of the Iraqi trade balance for different years for the period from (2004-2022), which is a period in which Iraq opened up to foreign trade and harmonized with the directions of international institutions, including the International Monetary Fund, the World Trade Organization, and the World Bank. It was characterized by the fact that Iraq's commodity exports witnessed a noticeable improvement and a continuous increase, due to the doubling of oil production, mainly in addition to the increase in its role in forming the gross domestic product, Therefore, the rise in global oil prices leads to an increase in the quantity of crude oil exported. Iraq's exports recorded 21,233,213 million dinars in 2004, then rose to 75,972,447 in 2008, with an annual growth rate of 2.58%. What distinguishes the structure of commodity exports is Iraq's dependence on oil exports only, Approximately 99% and the relative importance of the rest of the goods exported abroad decreased significantly, not exceeding 1%, so we find that when Iraq was exposed to the global financial crisis, the impact of which became clear in 2009, the value of exports decreased to 47,009,054 million dinars, with a negative growth rate of -0.38%, then improved later after the end of that crisis, and then decreased again to 61,205,479 million dinars in 2015, with a modest growth rate of 0.3%. , This is evidence of the significant concentration of exports in Iraq and that the structural imbalance in the Iraqi economy needs

radical reform, in addition to the decline in the value of exports to 55,798,354 million dinars in 2020, with a negative growth rate of -0.46%. As for 2022, after the improvement of the global economic situation and the end of precautionary measures against the Corona pandemic, the export rate increased by 0.24%. We conclude from this that the value of Iraqi exports is affected by the change in global oil prices. Despite this, the Iraqi economy has achieved a financial surplus in most years, with the exception of some, such as in 2004, when the deficit reached -4,159,903 million dinars, due to the economy's inability to meet the various imports without supervision and control over them. It also achieved a deficit in 2009 amounting to -2,481,896 million dinars, this followed the financial crisis, due to the continued reliance on imports due to the lack of infrastructure to replace imported goods with local products. This has been a focus of international organizations, which have encouraged the diversification of the Iraqi economy and the elimination of a single export product, as well as the need to simplify export procedures.

When looking at the value of imports, we find that there is a fluctuation in the development of import activity from abroad during the study period. This is due to several reasons, including what was mentioned a little while ago, such as the change in the value of oil exports in some years. In addition to that, we find that the period 2004-2015 witnessed an increase in the level of imports from abroad, as it recorded 25,393,116 million dinars in 2004, then rose to 42,318,141 million with a growth rate of 0.67%, then with the achievement of positive growth, it declined to 56,589,229 million in the year 2015 with a growth rate of 0.14%. This comes as a result of the development of the Iraqi oil sector as the leading sector for development, as well as raising the rates of trade exchange between Iraq and the countries of the world, which encouraged imports from abroad without controls or customs tariffs. Therefore, the total demand for imported commodity products increased, while the local supply decreased due to its inability to meet the increasing requirements of individuals to compensate for the demand, in addition to all of this supported by the increase in individuals' income. The volume of imports from abroad continued to rise at varying rates, the lowest of which was 40,782,379 million in 2016, with a growth rate of -0.2%, as these imports were affected by the global financial crisis, Iraq's exposure to terrorism, and the occupation of some Iraqi Provinces by these gangs, which led to the adoption of an austerity policy, which led to a reduction in the volume of imports.

After the economic situation stabilized and global oil prices improved, we note that the volume of imports increased again to 54,525,097 million dinars, with a growth rate of 0.34% in 2018, then declined to negative growth in 2020 as a result of the spread of the Covid-19 pandemic among various countries of the world at the end of 2019, as the volume of imports from abroad reached 48,785,341 million in 2020 (Central Bank of Iraq, 2022). With a negative growth rate of -0.18%, the same is the case in 2022, as the volume of imports continued to decline to 48,030,939 million, with a negative growth rate of -0.02%. As for the reality of the imbalance in the trade balance, it was mostly positive in most years except for 2004, which is the first year after the occupation, and the economy's inability to respond to the increasing demand, And also in 2009 as a result of the global financial crisis, which is shown in the table and figure below, and as a result of this imbalance in the trade balance as shown in Table (3), we note the interest of international institutions with the relevant authorities in Iraq in improving the balance and benefiting from the size of the surplus in achieving economic diversification and developing other real sectors.

details years	Exports	Export growth rate %	For imports	Import growth rate %	trade surplus or deficit
2004	21233213	-	25393116	-	-4159903
2008	75972447	2.58	42318141	0.67	33654306
2009	47009054	-0.38	49490950	0.17	-2481896
2015	61205479	0.30	56589229	0.14	4616250
2016	49236211	-0.20	40782379	-0.28	8453832
2018	102941904	1.09	54525097	0.34	48416807
2020	55798354	-0.46	48785341	-0.11	7013013
2022	69325490	0.24	48030939	-0.02	21294551

Source: The table was prepared by the researcher based on data from the Central Bank of Iraq, the Directorate of Statistics and Research, and annual bulletins for various years.

4. Poverty rates in Iraq

Poverty is one of the most important issues of concern to international organizations, given its significant economic, social, and political repercussions. The relationship between security and poverty is a close one, as whenever society witnesses the establishment of security and general stability, this leads to an increase in opportunities for development and investment, and consequently leads to employment for the workforce and then reduces poverty rates very significantly, which is an appropriate policy for dealing with each case according to a strategic vision (Belqiz, 2008: 79). However, when the levels of security deterioration rise and the rates of danger, conflicts, threats and killing increase, this leads to the displacement of the population, the closure of factories, the cessation of work and public interests, and consequently the dismissal of workers, and then the rates of poverty rise. Throughout its long history, Iraq has known stages of prosperity, progress and economic and social prosperity, and other stages of decline and the spread of negative phenomena. In society, including the phenomenon of poverty, the US imposed international economic sanctions on Iraq (Juma, 2001: 95). The repercussions of the American military occupation in 2003 cast a dark shadow over the overall political, economic and social developments of Iraqi society, and one of its negative consequences was the spread of the phenomenon of poverty (Al-Anbaky, 2008, 179-180). The extreme poverty line reached 29.1% in 2004, and this rose to 51% in 2005, meaning that more than half of the Iraqi population lives below the poverty line. This means that more than half of the Iraqi population cannot meet their basic needs other than food in 2005. The poverty rate decreased in 2008 to 22.5%, although it is spread at different rates between urban and rural areas. However, in rural areas it is about 39.3%, while the urban poverty rate is 16.1% (Ministry of Planning, 2009, 9-11). The poverty rate then decreased in 2010 to 19.3% and then to 18.9% in 2012, as a result of the government's efforts to address this phenomenon, the features of which began to negatively reflect on the general societal situation. As for the year 2014, the poverty rate rose to 22.2%, after Iraq suffered from the financial crisis and the terrorism crisis, which means that the poverty rate returned to the level of 2008. However, according to the sustainable development goals that Iraq seeks to achieve in cooperation with the relevant international institutions, it is planned that the poverty rate will decrease in Iraq, it reached 13.0% in 2015. When referring to the reality of the poverty situation in Iraq, it remained around 20% until 2016, while it decreased slightly in 2018 to 19%, while the poverty rate rose again to 20.1% in 2020, due to the impact of the Corona pandemic, in addition to the suspension of many projects, especially the commercial sector. It also continued to rise to 25.0% in 2022. It is a dangerous project that shows that a quarter of the population of Iraq suffers from poverty, which requires more efforts to address the problem of poverty in cooperation with the relevant international institutions. Table (4) shows what was mentioned above, and we conclude that these high rates of poverty are related to the single revenues that Iraq achieves and the lack of economic diversity that guarantees work Employment for all categories, as well as the increase in population numbers and the rise in dependency levels are among the causes of poverty in Iraq, and the government is seeking to eliminate this problem in cooperation with relevant international organizations, which have shown that there are regional disparities in poverty levels in Iraq (Yasser, 2011, 101-103).

Table 4. Poverty rates in Iraq for various years (2004-2022)

years	2004	2005	2008	2010
Poverty rate	29,1%	51.0%	22.5%	19.3%
years	2012	2014	2015	2016
Poverty rate	18.9%	22.0%	13.4%	20.0%
years	2018	2020	2022	
Poverty rate	19.0%	20.1%	25.0%	

2.2.2.3. Requirements for economic reform in Iraq according to the vision of international institutions.

In order to adopt a national economic reform policy in Iraq, and in accordance with the previous obstacles that have had negative effects on the entire economic, social and political life, it is necessary to develop a national scenario capable of reviving the economic and social sectors, the most important of which are the following:

1. Transitioning to a free market economy

Creating an environment conducive to public and private investment (domestic and foreign) as a driver of sustainable economic growth, and creating and preparing the appropriate conditions to maximize the benefits of integration into the global economy, requires taking numerous measures and issuing legislation to gradually transition from a centralized, global economy to a free market economy (Kanaan, Hamdi, Rahahla, 2016,219). At the forefront is developing the private sector, creating an investment-friendly environment, and strengthening the rule of law in financial, commercial, and industrial activities. This includes ensuring the right to private property and establishing businesses, facilitating access to loans and licensing, and ensuring fairness, credibility, and implementation of contracts to achieve justice and equal opportunities.

Focusing on developing and reforming the energy and agriculture sectors is also essential. It is important to create an energy sector that meets Iraq's needs and achieves maximum benefits, and to establish institutional regulatory frameworks based on legal and constitutional foundations that adopt the best local and international practices (Hussein, 2019,73).

2. Employing the unemployed and eliminating poverty

Addressing unemployment in Iraq requires exceptional solutions, especially given the high percentage of college graduates. This requires, first, halting the mechanisms that generate unemployment. This requires initiating economic reforms that address all aspects of economic life, creating job opportunities that can be generated in the private sector, and eliminating reliance on the public sector, which accounts for a third of the Iraqi workforce. This highlights the extent of the sector's stagnation, It also requires encouraging population planning and birth control through awareness programs that go beyond the media, but must also reach schools and universities. Community institutions must play a significant and key role, as Iraq's population growth rates are among the highest in the world, as are its fertility rates. It also requires reconsidering the Iraqi education system to ensure that the labor market can absorb these graduates, on the one hand In addition to the significant role played by the microcredit program run by the Ministry of Labor and Social Affairs in employing large numbers of graduates, this program lacks transparency and follow-up implementation. It also focuses on small projects. A more appropriate awareness campaign and a training program covering technical aspects would have yielded better returns, as it would have reduced unemployment and poverty rates in Iraq.

3. Combating corruption and promoting good governance

Corruption is one of the most prominent challenges facing Iraq, as it has suffered for many years from wars and political and economic conflicts. It has become one of the countries with the highest rates of financial and administrative corruption. Corruption has become a deeply rooted phenomenon that hinders development and the stability of the state, and negatively affects citizens' confidence in state institutions. In addition, there is a massive shortage of services, deterioration of infrastructure, and a decline in industrial and agricultural development The impact of corruption and the prevalence of its culture requires treatment and rapid solutions, as it undermines the economic reform process. In order to build the capacity of institutions to combat corruption at all levels of government, the following must be done (Al-Shammari, Fatli, 2011,127):

- Working on enacting an integrity law.
- Strengthening the capabilities of the National Integrity Commission and the Financial Oversight Authority.
- Implementing accounting and auditing standards, activating the role of internal oversight, adopting a policy to curb corruption before it occurs, and adopting rules and regulations for employee behavior and performance, raising their standard of living.
- Seriously implementing the General Income Law and disclosing assets.
- Adopting a comprehensive national awareness campaign to combat corruption, highlighting it as a negative and dangerous phenomenon for the present and future of the people of Iraq, not just because it undermines reputation, honor, and good conduct, and that its perpetrators are punished by law.
- Activating the role of the media and civil society institutions in oversight.

Good governance means “ensuring the success of management, leading to a righteous ruler, requires good selection and organization of the behavior of officials and leaders in

accordance with the new rules of conduct, values, and ethics of the institution they manage, to take into consideration the needs and interests of different groups in society, far from mediation and favoritism, and to ensure efficiency, loyalty to the nation, and leadership in management.

3. Conclusions

1. The research hypothesis was proven, demonstrating that it is crucial to implement economic reform in Iraq in accordance with the vision and approach of international institutions.
2. Iraq is interested in economic reform, but it suffers from fluctuating revenues and financing, as it is a one-sided economy.
3. The research demonstrated that Iraq achieves unstable economic growth, as growth is linked to the degree of global economic stability. Fluctuations in global oil prices directly affect growth.
4. The study concluded that Iraq suffers from monetary inflation and currency devaluation over time, and that the government has made significant, but insufficient, efforts.
5. The study concluded that Iraq suffers from a very high rate of poverty, which hinders the achievement of economic development goals in Iraq and prevents social well-being and general stability.
6. The study concluded that Iraq suffers from an imbalance in the trade balance, and efforts must be made to achieve balance and diversify the Iraqi economy.
7. The study found that there are very large cases of administrative and financial corruption.

4. Recommendations

1. The need to benefit from international experiences shared by international institutions in Iraq.
2. The need to implement economic reforms in cooperation with international institutions.
3. It is important to work to achieve social justice and reduce poverty according to scientific plans.
4. The necessity of working to achieve balance in the trade balance and capitalizing on the cash surplus.
5. The necessity of eliminating financial and administrative corruption in all its forms and levels.
6. The necessity of working to document evidence and proof in any area related to achieving the objectives.
7. The necessity of cooperation and public education to eliminate financial and administrative corruption in Iraq.

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