ISSN: 1533 - 9211
https://seyboldreport.net/

COORDINATION BETWEEN FISCAL AND MONETARY POLICIES AND THEIR ACTIVATION MECHANISMS TO ADDRESS ECONOMIC SHOCKS IN IRAQ FOR THE PERIOD 2004-2017

Dr. Mostafa Kazemi Najaf Abadi
Assistant Professor, Research Institute of Howze and University Islamic republic of Iran (corresponding author): mostafakaemi@rihu.ac.ir,
https//orcid.org/0000-0003-2271-2714 ,00989197457159.

M. M. Ali Thajeel Yousef al-Tamimi
Assistant Lecturer at the Iraqi Ministry of Health/Wasit Health Department (Assist. Account Manager): alithgeel83@gmail.com

Abstract

As the two main tools for influencing the level of economic activity within any economy, fiscal and monetary policies play a significant role in achieving economic stability when they are consistent and in harmony with one another. This is because they work within a single framework to achieve financial goals. The role of fiscal and monetary policies and their capacity to promote stability and economic growth, particularly in terms of coordination and harmony between fiscal and monetary policy, or through their tools to deal with shocks and thus achieve their goals to create an effective economic framework in Iraq, are at the center of the discussion. The current study aims to analyze and explain the role of monetary and fiscal policies in the Iraqi economy from 2004 to 2017. It also aims to identify similarities and differences between the two approaches' goals, underlying assumptions, and areas of disagreement in order to identify potential ways to increase the rate of economic growth, which embodies that harmony. The primary problem that this essay attempts to address is the existence of a mismatch in the coordination of the fiscal and monetary policies at particular points in the Iraqi economy. This mismatch led to economic instability, weak spots in the economy, and the emergence of financial issues, which were reflected in the disruption and delay in economic growth during the research period.

Keywords: *fiscal policy, monetary policy, policy coordination, economic shocks.*

Introduction

In the event of internal and external economic shocks, as well as various changes and financial issues that can arise in any country, the two policies constitute the first line of defense. The political-economic landscape of Iraq has changed significantly since 2004, most notably due to the lifting of economic sanctions, an increase in the proportion of oil exported, the elimination of foreign debt as a percentage of GDP, and an increase in public spending. These changes can be seen as changes in the Iraqi economy.

As the fiscal and monetary policies accurately diagnosed the economic conditions in Iraq through their tools, objectives, and possibilities for achieving economic growth and addressing structural imbalances, they succeeded in managing and improving the state of the Iraqi economy.

The Significance of the Study

The research is significant because it emphasizes the role of fiscal and monetary policies and their capacity to bring about economic stability, particularly in terms of coordination and harmony between them and their tools to address the economic shocks that occur in various economies, whether those countries are developed or developing.

Problem statement

The research problem revolves around the existence of an imbalance in coordination between the fiscal and monetary policies at specific periods in the environment of the Iraqi economy, which caused weakness in the joints of the economy, economic instability, and the emergence of financial problems, which leads to disruption and delay in economic growth during the research period.

To carry out its mission of investing in available investments and creating the ideal financial and monetary environment for overall economic growth, the necessity called for financial and monetary intervention.

Ali Thajeel Al-Anwar: The study reached the most important conclusion (weak coordination between fiscal and monetary policy is considered an absence of economic policy in general and thus limits the role and ability of government authorities to achieve the economic goals they set).

The Study hypothesis

The research study stems from the hypothesis that coordination and harmony between fiscal and monetary policy in light of the existing economic situation can eliminate crises and economic shocks by taking comprehensive decisions that are compatible with emergency crises.

The Main Aim of the Study

The aim of the study is to examine and explain how fiscal and monetary policies affected the Iraqi economy from 2004 to 2017. It also aims to identify how these policies differ from one another and how well they work together, taking into account their respective aims, underlying assumptions, and potential conflicts.

Methodology:

The research study relied on testing the hypothesis using a descriptive and analytical approach in order to determine the outcomes of harmony and joint coordination between fiscal and monetary policy. It also made use of data that was already available to explain how these two policies functioned as a result of the effects of shocks on their respective tools in some macroeconomic variables.

ISSN: 1533 - 9211

The First Topic: The Nature of Fiscal and Monetary Policy

First: The Concept and Tools of Fiscal Policy

Fiscal policy is defined as the policy of using public financial tools from spending programs and public revenues to move macroeconomic variables such as national output, employment, savings and investment, to achieve desired effects and avoid unwanted effects on national income, national output, employment level, and other economic variables (Mahmoud & Ahmed, 2000, p. 12.)

The financial policy, which is a government initiative, serves a number of purposes. The first is to free up resources to provide the essential social goods and services. The second is the distribution purpose, in which the government plays a role by interfering in the process of distributing wealth and income fairly among society's members. The third and final purpose is to maintain economic stability. As all of these tasks and actions are completed using the instruments of fiscal policy, which include (public expenditures, public revenues, public budget, and public debt).

Second: The Concept and Tools of Monetary Policy

Monetary policy, according to the Federal Reserve Board, is defined as "the procedures and measures used by the monetary authority through its direct and indirect means to influence monetary masses and the cost of money and credit, and then its reflection on future developments of economic activity in general by drawing a general goal in determining the rate of inflation at a rate of (2%) (Federal Reserve, 2017, p. 3). And he knows it (Einzig) "as a set of monetary procedures used for the purpose of achieving monetary and non-monetary goals, as well as a set of non-monetary procedures used to achieve monetary goals P. (Einzig, 1972, p. 36).

In the context and content of this crucial definition, it should be noted that it identifies the party or parties to intervene and influence through the direct method without affecting the volume, cost, and availability of credit. This is known as intervention, whether direct or indirect, due to the abundance of monetary policy tools. He is aware that GLBach defined it as whatever the government does that has an impact on the amount and nature of liquid assets held by non-banking sectors (GL Bach, 1950, p. 35).

The *Central Bank of Iraq* uses two types of tool to control the money supply in general and the level of credit in particular. The most important of these tools are:

1- **Quantitative Tools (Conventional):**

This type of indirect tools can be defined through which the *Central Bank* can influence and modify the amount of money supply and credit volume, including (Mohamed & Ismail, 2010, p. 265):

- **Re-discount Price:** It represents the deduction that the *Central Bank* charges from commercial banks in exchange for its deduction for short-term financial or commercial securities for these banks to obtain new cash resources. It is considered the first tool used by the *Central Bank* to influence the cost of commercial banks getting additional cash resources on the one hand. On the other hand, it affects the cost of providing credit that commercial banks place at the disposal of their customers.

- **Statutory Cash Reserve Ratio:** Commercial banks are obligated to place a percentage of their deposits in the form of liquid money or means of term or current payment with the *Central Bank*. The aim is to avoid sudden withdrawals that these banks may be exposed to on the one hand to provide liquidity with the *Central Bank* to conduct clearing operations between commercial banks on the other hand.
- **Open Market Operations:** It means the intervention of the *Central Bank* in the money market by selling or buying securities or government bonds, with the aim of reducing or increasing the volume of cash liquidity in commercial banks and affecting their ability to grant credit in a manner commensurate with the level of prevailing economic activity.

2- Qualitative Tools:

The use of direct control methods has emerged to raise the level of indirect (traditional) quantitative methods and to avoid their flaws in order to influence the levels and trends of bank credit as a result of the difficulties and challenges we are exposed to when using these tools in various countries (Al, 2004, p. 24). The following are a few of the most crucial of these techniques and instruments:

- **Credit Regulation:** Under this type of control, the credit is regulated for the purposes for which the loan is provided through specific rules and procedures (Bassam, 1989, p. 240). As the role of the *Central Bank* sets the rules, procedures and instructions for determining the period of payment of the installments that must be paid. And commercial banks resort to get discounted credit for the purpose of using it or confronting it by the monetary authority with an increase in its cost and that this way the demand for money is reduced.
- **Direct Influence and Literary Persuasion**: It is the *Central Bank*'s attempt to influence and control the activities of commercial banks in two ways, the first in case it violates the central rules and instructions, and the second is by persuasion to invite commercial banks to adhere to and adopt caution in lending policies (Siegel & Mansour, 1986, p. 280). As the *Central Bank*'s special status in the banking system and because of its independence and capabilities, it can know the strengths and weaknesses of the economy.
- **Determine the Percentage of Deposits:** Most of the time, this method or tool is followed for the purpose of restricting the loans given to finance and import liquidity, and this situation occurs when a financial deficit occurs in the balance of payments. (Salman, 1996, p. 109). This method which is important to the *Central Bank* because it is considered an effective weapon to put pressure on commercial banks to keep a certain

percentage of their deposits in the form of assets or monetary assets according to the policies and conditions of the country that resorts to approving them.

Third: The Foundations of Coordination between Fiscal and Monetary Policies

The foundations of joint coordination between the fiscal and monetary policies are because there is significant coordination and integration between the two policies to achieve economic goals in general and economic stability in particular. And spending and their changes from another party, in addition to being affected by the method of financing the budget surplus or deficit, and as a result of that, there are necessary foundations for coordination between fiscal and monetary policy to achieve goals with high efficiency, which requires the use of a combination of the two policies together (Munir, 1999, p. 23).

The money that is available to banks is directly impacted by monetary policy and its tools, as interest rates also have an impact on the credit facilities those banks offer to businesses and individuals. aggregate, where monetary policy's indirect effects first appeared before passing through the interest rate channel. Fiscal policy directly affects outcomes, income, and employment through taxation and spending by the government. As was previously discussed in the preceding chapter, government spending plays a part in how income and output are influenced. A rise in both current and investment spending will result in an increase in income and overall demand. The basis for the two policies' harmony and coordination are thus made obvious.

Because financial and monetary operations are effective means of general economic oversight, the foundations of coordination and combination between them become necessary to get rid of points of contradiction with each other so as not to weaken the image of the work of these two policies and at the same time prevent the government from achieving and drawing its goals, and emphasizing the existing integration and harmony between the fiscal and monetary policy to increase spending and the low tax rate that fiscal policy always aims at, as well as not to raise interest rates that monetary policy seeks to raise investment levels for the success of the country and push the production wheel to progress and the recovery of the national economy.

Objectives of Coordination between Fiscal and Monetary Policies

The two strategies work together to increase and maintain high levels of aggregate demand, which boosts employment rates without causing high rates of inflation (which is the case in a deflationary environment) (GLBach, 1971, pp. 39-42).

In the case of inflation and high levels of demand, it is used to reduce aggregate demand and achieve this goal, the makers of general economic policy in most countries of the world take fiscal and monetary policies as the primary tools for achieving it.

And that policy means using government spending, taxes, and lending to increase or decrease aggregate demand according to the requirements of the prevailing economic situation to achieve the goals of economic growth, reduce unemployment rates, and redistribute income in a fair manner as much as possible. If we compare the monetary policy goal to the same goal in general price stability, the primary difference that appears between the fiscal and monetary policies is the tools used by each of them and through which the goals are achieved.

This interaction must be governed by institutional and legal frameworks that control the work of the two policies (financial and monetary) without any conflict in goals and visions because it typically results in a conflict over the tools used and their priorities to achieve the overall goals of economic activity. These frameworks serve as the safety valve for the sobriety and efficiency of the overall economy. The following requirements must be met for the goal of coordination to be positive (Latif, 2018):

First: The existence of financial stability is a motive for financial sustainability.
Second: The effectiveness of the two policies through clarity of vision and objectives.
Third: Participation in laying the foundations for the two policies (formulation and implementation).
One of the most essential goals that we get through the result of the goal of consistency between the two policies and the work and integration between them. The most important of these points that developed and developing countries aim at is fighting shocks, economic problems and crises, maintaining the levels of the value of the local currency and getting rid of the factors that cause the destruction of the economy and the delay in the development of the economy. These countries do not achieve points of general balance and economic stability.
The Second Topic: Economic Shocks through Coordination between Fiscal and Monetary Policies

First: The Concept and Types of Economic Shocks

The concept of economic shocks, which most economists analyze, is "sudden external or internal events that countries face without having a direct and effective role for their local governments to control their effects and treat them quickly for not affecting economic growth." While others believe that the concept of economic shocks appears due to (unexpected expectations in aggregate demand or aggregate supply) with the position of the national product at a new level and balance, as these economic shocks affect economic growth rates in general, which makes it volatile and may require the intervention of a policy. Macroeconomics, or rather the coordination between fiscal and monetary policy in order to absorb and deal with the impact of these shocks to maintain the level of balance. Economists define it precisely as "an unexpected event that affects the economic variables positively or negatively due to some internal and external factors of the country."

Second: Types of Economic Shocks

1- **The Internal Shocks:**

It is one of the types of shocks that the economy is exposed to due to factors within the framework of the economic system, which represent errors in economic policy in general, internally. The most important sources and causes of this type of shock; Fiscal policy shocks, which represent sudden changes in government spending and taxes in the economy. Monetary policy shocks also have sudden causes in the interest rate, exchange rate, and money supply (money supply). The real shocks are the shocks that the gross domestic product is exposed to from various fluctuations as a result of the lack of full employment of resources or the decline in agricultural production and others related to the production process, which negatively affects the gross domestic product.

2- **External Shocks:**

They are economic shocks as a result of external events (negative or positive) that also occur suddenly to which the economy is exposed without the government having the ability to deal with them, as these external shocks result in the rates of trade exchange and affect the growth of the global economy and thus cause a contraction in global demand in addition to affecting a decrease in investment Direct and indirect foreign exchange in many countries, and this type of shock often occurs in developing countries in which the mechanisms for absorbing and addressing economic shocks and fluctuations are weak, for example the policy of stabilizing macroeconomic conditions and various financial markets.

Where it is divided into three types of these shocks, namely:

- Oil Shocks: These shocks are considered to be affected by oil prices, and they are among the most impactful shocks on the economies of countries, whether these countries are producers or consumers of oil. Supply and demand, or both of them together, for example, the inability of the oil supply to meet the needs of the global market.

- Declining Global Demand: Economic growth depends on more than non-developed developing countries with many external relations and ties, most of which pertain to foreign exports, whether regional or international. However, some of these developing countries have not been able to achieve the ability to diversify from commodities, as their exports are concentrated in one or more commodities. of his commodities, including primary commodities, which makes him sensitive to external shocks that are associated with the fluctuations and shocks of global demand for these exports due to the downturns that some developed economies are affected by as a result of economic crises that lead to a sharp decline in internal domestic demand, which constitutes a large part of global demand.

- Change in the Level of Foreign Investment: Investment is an important indicator and the most important variable for the degree of development and progress of any country, in which the gross domestic product is determined, and the volume of foreign investments and the extent of their impact on supporting the productive capacity of that country, with the role of foreign investment in raising the levels of activating the labor force, increasing exports and encouraging domestic investment, and the importance of investments Foreign countries to be considered a main channel for the transmission of external shocks.

3- Periodic Shocks: These are those shocks that appear due to fluctuations in the economic cycle, which are "those frequent fluctuations or the level of rise and fall in the level of economic activity over periods, which affect income variables, employment levels (full employment) and general price rates. This type of shock is concentrated in open economies, foreign trade represents high percentages of the gross domestic product, and thus the economy is exposed to times of recession and prosperity.

4- Structural Shocks: It is a type of shock that arises due to shifts in the economic system, for example, shifts to a market economy and the subsequent economic reforms that include (comprehensive privatization). Or another clarification. This type occurs when the internal and external demand change and are transferred from primary sector to another, meaning that the demand for foreign exchange shifts instead of the local currency (the dollar), due to political or economic instability.

Second: Aggregate Demand and Aggregate Supply Shocks

When the economy is exposed to one of the economic shocks, whether they are internal shocks or external shocks that will leave wide effects, and if the matter is true in aggregate demand or aggregate supply, we know what happens with the aggregate demand shock or the aggregate supply shock, as we explain in detail.

1- Aggregate Demand Shocks:

We can define an aggregate demand shock as "a sudden transition event that occurs to the aggregate demand curve downward or upward (up or down) due to the result of a sudden change in one of its components, for example (government spending, consumption, or investment) due to the action of internal and external factors. It is also defined as "the influence of the components of aggregate demand with results that may lead to a change in its equilibrium course, and as most economists see, there are two types of these influences:

The first type: Internal influences, known as the variables of economic policy in general, which are divided into variables (fiscal policy) and variables (monetary policy).

The second type: This other type is represented by external indicators not subject to the supervision and control of economic policy, and often occur suddenly, such as (floods and wars). They are considered variables that happen in the country's trade exchange rates, whether they are the part of import prices or on the part of export prices, for example, in their rise and fall. Oil prices here represent the sudden and rapid shift of the aggregate demand curve, which causes a shock in the economy, and its effect varies with the same difference with the direction of the demand curve, according to the following details:

- Positive Demand Shock: The aggregate demand curve shifts towards the right to obtain a positive result in one of its contents, for example, "an increase in consumption rates thanks to (an expansionary fiscal policy) that represents an increase in government spending and a reduction in taxes, or (an expansionary monetary policy) that also represents an increase in the money supply and a reduction in the interest rate, It also occurs when domestic and foreign investment increases, with the demand curve also shifting to the right due to a positive external demand shock, for example, an increase in global demand for certain exports, especially for a country, which will reflect positively on the revenues of that country, and also lead to growth in public spending, which increases income, use and production with it. To reach the economy needs the stage of full use.

- Negative Demand Shock: It is the shift of the aggregate demand curve to the left, due to the results of internal factors, which is the opposite of what we explained in the (positive shock). It will lead to (a contractionary fiscal policy) here, government spending decreases and taxes increase, or (a deflationary monetary policy) also the money supply decreases, and the interest rate rises with a decrease investment due to high rates (interest rates) and that the result of the harmful shock is reflected in the decline in global demand for the country's exports and thus affects the delay in economic growth, and as in the following figure, how the aggregate demand curve shifts (positive and negative):

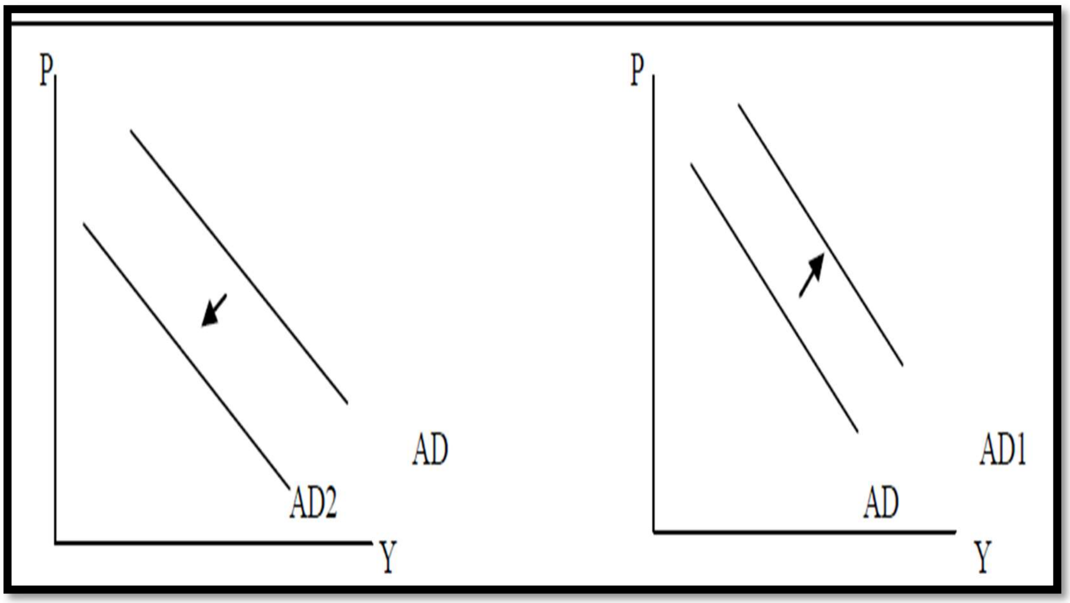


Figure 1
Positive and Negative Aggregate Demand Shocks

The Source: (Frederic S. Mishkin, 2007, p. 571)

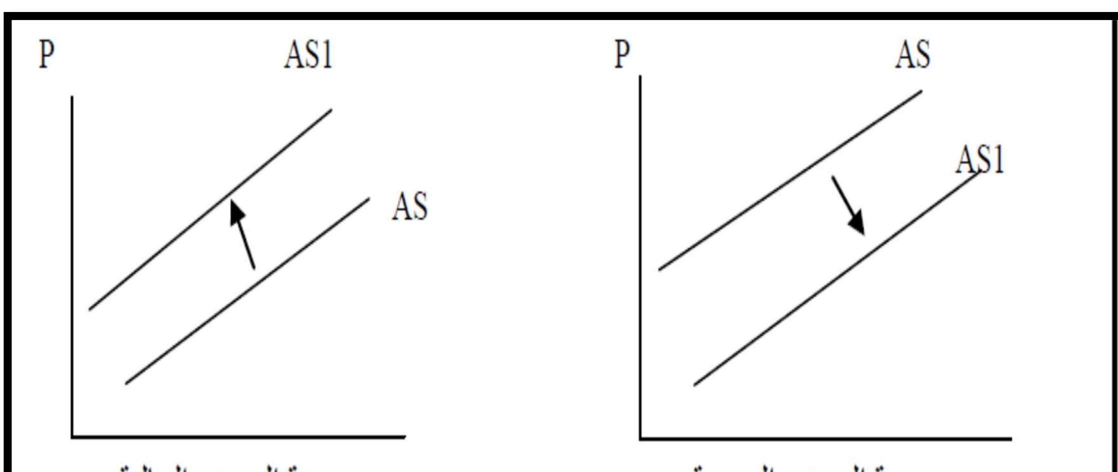
The most important factors that cause the aggregate demand curve to shift are:

❖ Change in government spending: In the case of an increase in government spending, it leads to a shift in the aggregate demand curve to the right (up) as indicated by (AD1). This is because government spending is one of the components of aggregate demand, for example when spending on infrastructure increases because the government is another source of demand for goods and services with a corresponding decrease in government spending that leads to the shift of the aggregate demand curve towards the left (downward) (AD2).

- Change in taxes: when taxes decrease, the aggregate demand curve shifts to the right (AD1) because when these taxes reduce, they lead to an increase in the disposable income of individuals, which also leads to a rise in their spending on goods and services, and in return for that, in an increase that leads to a shift of the aggregate demand curve to the left (AD2) because when they increase, it causes a decrease in income and reduces their spending. Thus, it indirectly affects consumption.
- Change in the money supply: Here, when the money supply (money supply) changes, and there is an inverse relationship between it and the interest rate, the *Central Bank* increases the money supply in order to treat shocks, which will lead to a decrease in the interest rate and then lead to an increase in investment, which is considered. One of the components of aggregate demand, so the aggregate demand curve shifts to the right, i.e. (up) as in the indicator (AD1) for the positive aggregate demand shock, and vice versa in the case of decline.
- Expectations of consumers and investors: The consumer and investor are always optimistic about the state or future of the economy, which makes them increase their spending, and this leads to a shift of the aggregate demand curve to the right (AD1) in the positive shock, while the non-optimistic (pessimistic) expectations make them reduce their spending when consuming and investing, which will make the aggregate demand curve turn to the left (AD2) in the negative shock, and these factors that work to shift the aggregate demand curve from the right and left according to economic conditions.

2- Total Width Shocks:

It can be defined as "external events and changes that move the aggregate supply curve to the right or left, or are the events that move the aggregate supply the curve from its location and out of its equilibrium position." The level of aggregate supply is determined by two factors: The first: (potential output) means the highest level of output that can be produced at the full employment level without any inflationary pressures being generated. As for the second factor (factor costs) which includes wages, profits, interest, and rents, it is clear to us that any change that occurs in the aforementioned factors must occur in the aggregate supply, whether by



increase or decrease, and that the aggregate supply curve is the same as the aggregate demand curve and is affected by economic shocks. Either in a positive or negative way, and it is drawn for us when it responds to these economic shocks by moving to the right or to the left to achieve a positive or negative shock as shown in the following chart:

Figure 2
Positive and Negative Total Supply Shocks

The Source: (Frederic S. Mishkin, 2007, p. 570).

The Third Topic: How to Deal with the Iraqi Economic Shocks through Coordination between the Fiscal and Monetary Policies

First: a Brief History of the Iraqi Shocks

1- Positive Economic Shocks for the Period (2004-2007):

Table 1 shows the development of the Gross Domestic Product, which amounted to (41607.8) billion dinars at an average, and after excluding oil production, it amounted to about (22024.6) billion dinars, then continued to rise in 2006 and 2007, the last year of this stage, and reached (48510.6) billion dinars, at an average Annually (1.4%), and the output without the oil sector continued to rise, except for 2007, which amounted to about (27999.4) billion dinars, recording a negative growth rate of (2.7%).

As for the average per capita share during the year 2004, it amounted to (1533.1) dinars, and this improvement and increase continued until the year 2007, which reached (1634.3) dinars, with a growth rate of (0.3%). Economic policies with the lifting of economic sanctions, which led to the movement of the Iraqi economy machine in the right way, free from economic shocks.

Table 1
Gross Domestic Product and Average Per-Capita Output in Iraq for the Period (2004-2007)

Years	Gross Domestic Product	% Change	Gross Domestic Product, Excluding Oil	% Change	Average Per-Capita Income	% Change
2004	41607.8	54.1	22024.6	66.3	1533.1	(49.1)
2005	43438.8	4.4	25342.2	15.1	1553.4	1.3
2006	47851.4	10.2	28763.9	13.5	1639.1	5.5
2007	48510.6	1.4	27999.4	(2.7)	1634.3	(0.3)

The Sources: Prepared by the Researcher Based on:

1. Ministry of Planning, Central Statistical Organization, Annual Statistical Abstract, separate years.

2. The *Central Bank of Iraq*, Annual Statistical Bulletin, General Directorate of Statistics and Research, Baghdad, different preparations.

And with these reasons in mind, it is important to recognize the contribution of the occupying power's fiscal and monetary policies, which turned the Iraqi economy into a consumer market through the open door policy, with preference for the nations in the region's periphery. This is because the good growth in the gross domestic product does not correspond to the growth in the actual productive sectors because all of it is the result of investments in the oil sectors (licensing rounds).

1- Negative Economic Shocks for the Period (2008-2017):

The gross domestic product during 2008 amounted to (51716.6) billion dinars, at an annual rate of (6.6%). The global financial crisis occurred in that year, which affected the decline in oil prices, which achieved a positive growth rate for the same year, which caused the global financial crisis to continue to decline during the years that followed. It was followed in 2009 and 2010 in growth rates, although they were positive, then rose again until 2013. Here, the two policies took to improve and address this decline in growth rates and achieve a better economic balance, and in mid-2014 it reached (72736.2) billion dinars, and the gross domestic product began to decline. The decline is more than the previous year and extended until 2015, going (70990.3) billion dinars, in addition to negative annual rates, respectively, which amounted to (3.8%) and (2.8%). 4% will be focused on to address the two economic shocks (security and oil) due to the deterioration of the country's conditions when a terrorist organization called (ISIS) emerged. As for oil, it is caused by the global financial crisis (low oil prices), which occurred and delayed oil products from being exported, as is the case in The previous years, which led to a decline in oil imports, made the fiscal policy drain all its energies in increasing its expenditures in order to purchase equipment and weapons for the Iraqi government, as well as mobilizing energies for the war against terrorism (ISIS). After that, the security situation was controlled and stabilized, and we note in 2016 and 2017 the development of the security situation, the improvement of the Iraqi economy, and the increase in exports of oil derivatives, reaching (71342.2) billion dinars and (72232.7) billion dinars, at an annual rate of (0.87%) and (3.9%).

Table 2
Domestic Product and Average Per-Capita Output in Iraq for the Period (2008-2017)

Years	Gross Domestic Product	Growth Rate %	GDP, Excluding Oil	Growth Rate %	Average Per-Capita Income (JD)	Growth Rate %
2008	51,716.6	6.6	28920.0	3.3	1691.3	3.5
2009	54,721.2	5.8	31252.2	8.1	1728.1	2.2
2010	57751.6	5.5	34044.6	8.9	1800.4	4.2
2011	63650.4	10.2	36988.9	8.6	1924.5	6.9
2012	71680.8	12.6	41541.0	12.3	2047.2	6.4
2013	75658.8	5.5	44560.1	7.3	2109.4	3.0
2014	72736.2	(3.8)	41586.4	(6.7)	2050	(2.8)

2015	70990.3	(2.4)	47563.5	14.4	1995	(2.6)
2016	71342.2	0.87	46447.9	(2.7)	2123.6	2.2
2017	72232.7	3.9	47892.7	3.6	2236.3	2.2

The Sources: Prepared by the Researcher Based on:
1. Ministry of Planning, Central Statistical Organization, Annual Statistical Abstract, various years.
2. The *Central Bank of Iraq*, Annual Statistical Bulletin, General Directorate of Statistics and Research, Baghdad, different preparations.

With the exception of oil, the domestic product was unaffected by the 2008 global financial crisis and continued to rise until the end of 2015, when it reached (47563.5) billion dinars, growing at a pace of 14.4% annually. It then slightly decreased in 2016 by a negligible amount. It was 46447.9 billion dinars, with a negative growth rate of 2.7%, in 2016, and 47892. 7 billion dinars, with a positive growth rate of 3.6%, in 2017.

Second: A Historical Overview of the Financial Policy in the Iraqi Economy for the Period (2004-2017)

1- Public Expenses:

When following up on the structure of public expenditures in the Iraqi economy for the period (2004-2017), we note that the public expenditure policy refers to the total public expenditures in a state of continuous increase during the period (2004-2017), since it was low in 2004 from (32117.9) billion dinars to (26375.1) billion dinars in 2005, due to the (unstable) security situation in the country, and secondly, the decline in Iraqi oil production rates during this year, and a negative growth rate of (17.8%) was achieved, while the years that followed (2006-2007) resulted in public expenditures It continued to rise again, reaching (37494.4) and (39308.3) billion dinars, with a positive growth rate of (4.8%) and (42.1%). It also rose in 2008 to (67277.1) billion dinars, with a positive annual growth rate of (71.1%). Continuing to increase public spending.

The 2008 global financial crisis and its effects led to a drop in global and Iraqi oil prices along with a drop in demand for it on a global scale. This had a negative impact on oil export rates, which then led to a drop in oil revenues, which are used by the Iraqi government to pay for its expenditures. We observe that in 2009, public speeding fell to (55589.7) billion dinars, with a negative growth rate of (17.3%).

Table 3

Actual Public Expenditures in Iraq for the Period (2004-2017)

Years	Public Expenditure	Growth Rate %	Current Spending	Growth Rate %	Investment Spending	Growth Rate %
2004	32117.9	---	29102.7	---	3014.7	---
2005	26375.1	(17.8)	21803.1	(25)	4572.0	51.6
2006	37494.4	42.1	31575.7	44.8	5918.6	29.4

2007	39308.3	4.8	32719.8	3.6	6588.5	11.3
2008	67277.1	71.1	52301.1	59.8	14976	127.3
2009	55589.7	(17.3)	45941	(12.1)	9648.6	(35.5)
2010	70134.2	26.1	54580.8	18.8	15553.3	61.2
2011	78757.6	12.29	60925.5	11.6	17832.1	14.5
2012	105139.5	33.4	75788.6	24.3	29350.9	64.5
2013	119,127.5	13.3	78746.8	3.9	40380.7	37.5
2014	83556.2	(29.8)	58625.4	(25.5)	24930.7	(38.2)
2015	70397.5	(15.7)	51832.8	(11.5)	18564.6	(25.5)
2016	65315.7	(7.2)	47680.4	(8)	17635.3	(5)
2017	75490.1	15.5	59025.6	23.7	16464.4	(6.6)

The Source: Prepared by the Researcher Based on: Ministry of Finance, Budget Department and Final Accounts Department for the period (2004-2017).

Then this regression and decline were reflected significantly during the global crisis in 2008 on current spending, which amounted to (52301.1) billion dinars in 2008 to (45941) billion dinars in 2009, while investment spending decreased by a more significant percentage in the growth rate, amounting to (35.5%) as its value decreased from (14976) billion dinars to (9648.6) billion dinars during the aforementioned years, based on table 3, we explain in the following chart how and the variables of public expenditures (public investment spending and current public spending) during the study period.

Then, public expenditures rose again in the years above (2010-2013) until they reached (119127.7) billion dinars at the end of 2013 after they reached (70134.2) in 2010, as this rise led positively to (current and investment spending), as it increased Current expenditures from (54580.8) billion dinars in 2010 and rose in an upward and orderly manner, reaching (60925.5) in 2011, amounting to (75788.6) billion dinars in 2012, and amounting to (78746.8) billion dinars in 2013.

2- General Revenue:

Table 4's data shows that public revenues were high at the start of 2004 and reached (80641.0) billion dinars in 2008, up from (32988.8) billion dinars, with a notable increase and a sizeable difference of (47652.2) billion dinars. Where it reached (1.2%) and (8.7%) for the years 2006 and 2007, while the increase in 2008 was an increase of (34.7%) 2007, and this increase is because the role played by the oil sector and its activities in a significant way are linked to the growth of public revenues. The highest A percentage of revenues and the highest yearly growth rate were then attained by oil revenues in 2008.

In 2009, we noticed a decrease in the total public revenues, which amounted to (55243.5) billion dinars, after it was at the level of (80641) billion dinars in 2008, with an absolute decrease value, with a difference of (25397.5) billion dinars, with a negative annual growth rate of (31.5%).

The reason for this decrease and the decline in the level of public revenues is the decline in the values of oil revenues from (77724.2) billion dinars in 2008 to (51908.4) billion dinars in 2009, at a negative annual rate that also reached (33.2%). International Oil, which in turn led and was reflected in decline in the level of Iraqi oil revenues, as it witnessed a remarkable change over the period (2010-2012) and a significant increase in the total value of public revenues, as it reached (119817.2) billion dinars in 2012, after it was (55243.5) one billion dinars in 2009, as the reason for the increase in public revenues is as a result of the increase in oil revenues, which continued to dominate public revenues, due to the improvement and rise in global oil prices with the increase in the quantities of oil exported outside the country. The increase in absolute value of oil revenues from (68674.7) billion dinars in 2010 to (117506) billion dinars in 2012, in addition to the corresponding increase in tax revenues from (1503.5) billion dinars in 2010 to reach (2311.1) billion dinars in 2012, and this improvement and the required increase resulted from an increase government interest in adopting and implementing tax laws and legislations and diversifying sources of income to finance the public budget for fear of approaching and falling into deficit.7).

One billion dinars in 2010 to (117506) billion dinars in 2012, in addition to the corresponding increase in tax revenues from (1503.5) billion dinars in 2010 to reach (2311.1) billion dinars in 2012. This improvement and the required increase was the result of increased government interest By adopting and applying tax laws and legislations and diversifying sources of income to finance the general budget for fear of approaching and falling into deficit.7) One billion dinars in 2010 to (117506) billion dinars in 2012, in addition to the corresponding increase in tax revenues from (1503.5) billion dinars in 2010 to reach (2311.1) billion dinars in 2012. This improvement and the required increase was resulted from increased government interest in adopting and applying tax laws and legislations and diversifying sources of income to finance the general budget for fear of approaching and falling into deficit.

Table 4

The Structure of Actual Public Revenues in the Iraqi Economy for the Period (2004-2017)

Years	General Revenue Billion Binars	Growth Rate %	Tax Revenue Billion Dinars	Growth Rate %	Oil Revenue Billion Dinars	Growth Rate %
2004	32988.8	----	159.8	----	32829.0	----
2005	40435.7	22.5	491.5	207.5	39944.1	21.6
2006	49055.5	21.3	593.8	20.8	48461.1	21.3
2007	54,946.8	12.0	1762.5	196.7	53202.3	9.7
2008	80641.0	46.7	2916.8	65.4	77724.2	46.0
2009	55243.5	(31.5)	3335.1	14.3	51908.4	(33.2)
2010	70178.2	27.0	1503.5	54.9	68674.7	32.2
2011	103989.0	48.1	1408.1	(6.3)	102580.9	49.3
2012	119817.2	15.2	2311.1	64.1	117506.0	14.5

2013	113840.0	(4.9)	2518.6	8.9	111321.3	(5.2)
2014	90115.3	(20.8)	2266.8	(10)	87848.4	(21.0)
2015	66390.5	(26.3)	2014.9	(11.1)	64375.5	(26.7)
2016	73326.2	10.4	2933.0	45.5	70393.1	9.3
2017	77281.3	5.3	1178.4	(59.8)	74373.9	5.6

The Source: Prepared by the Researcher Based on: Ministry of Finance, Budget Department and Final Accounts Department for the period (2004-2017).

Where the total public revenues for the period (2013-2015) recorded a clear decrease, as their value amounted from (119817.2) billion dinars in 2012 to (113840) billion dinars in 2013, even if this decline continued in revenues in 2014 and 2015 to reach (90115.3). And (66390.5) billion dinars and the reason for this apparent decrease in the value of oil revenues amounted to (23472.9) billion dinars in 2014 compared to the level before it in 2013 at a negative annual rate of (21%) decline continues to reach a value of (66390.2) billion dinars in 2015, with a negative annual growth rate of (26.4%). The most important reasons for this decline and regression are the result of the internal and external shocks (financial and security) to which the Iraqi economy was exposed, that were referred to previously.

Third: A Brief History of Monetary Policy in the Iraqi Economy

1- Cash Offer:

We note in Table 6 an increase in the money supply (M1, M2) starting in 2005 and continuing with M1Gradually increasing until 2013 to achieve the highest annual growth rate in 2007, when it reached (40.5%), with a value of (21721) billion dinars.) billion dinars during 2012, as the rate of currency circulated outside the banking system, ranged between (80%) in 2005 and 2006, with a growth rate of (45.3%) in 2011, with a contribution rate of (56%) fromM1 as an average for the period (2004-2013), then the money supply decreased in the narrow sense for the years 2014, 2015, 2016, and we will discuss a table showing the money supply data as follows:

Table 6

Money Supply and Currency Ratio in Circulation in Iraq for the Period (2004-2017)

Years	M1 Billion Dinars	Growth Rate %	Currency in CirculationM1%	M2 Billion Dinars	Growth Rate	Currency in CirculationM2%
2004	10149	--	70.6	12254	--	58.4
2005	11399	12.3	80	14684	19.8	62.2
2006	15460	35.6	80	21080	43.5	52
2007	21721	40.5	65.5	26956	27.9	52.8
2008	28190	29.8	65.5	34920	29.5	53
2009	37300	32.3	58.4	45438	30.1	48
2010	51743	38.7	47	60386	32.9	40.3
2011	62474	20.7	45.3	72178	19.5	39.2

ISSN: 1533 - 9211

2012	63,736	2.0	48	75466	4.5	40.5
2013	73831	15.8	47.4	87679	16.2	40
2014	72692	1.5	39.5	90728	3.5	39.7
2015	65435	10	53.2	82595	8.9	42.2
2016	70733	8	59.4	88082	6.6	47.7
2017	73921	4.5	63.9	89441	1.5	52.8

The Source: Prepared by the Researcher Based on: *Central Bank of Iraq*, General Directorate of Statistics and Research, annual releases.

Note M1 Since 2004, it has risen steadily, reaching the highest growth, which came to (40.5), in 2007. However, it started to decline in 2014, reaching (72692) billion dinars in that year; then (65435) billion dinars in 2015; then (70,733 billion dinars in 2016); and the lowest percentage of the currency in circulation was (39.5%).

This percentage was achieved in 2014 due to internal and external shocks (security and financial). The first shock was clarified in the fight against terrorism (ISIS), and the second is the significant decline in oil prices, then back M1 increased again in 2017, reaching a value of (73921) billion dinars, and the percentage of the currency's contribution outside the banking system rose to (63.9%).

Either M2It continued to rise gradually until 2014, which achieved the highest annual growth rate in 2006, amounted to (43.5%) with a value of (21080) billion dinars, and reached the lowest growth rate (3.5%) with a value of (90728) billion dinars in 2014, as it ranged. The percentage of currency circulated outside the banking system was between the highest percentage (62%) in 2005 and (39%) in 2011, monetary mass decreased in 2015 achieving a negative growth rate (8.9), and in 2016 it rose again at the end of the study period with a value of (89441) billion dinars in 2017.

1- Exchange Rate:

It is clear from the above table that the *Central Bank* continued to improve the price of the Iraqi dinar against the dollar, as the value of the Iraqi dinar increased and the value of the exchange rate decreased before it in the foreign currency auction from (1453) to reach its lowest value (1166) in 2012, where this improvement comes in the price of Exchange as a result of the increase in foreign reserves with the *Central Bank of Iraq* to approximately (60) billion dollars at the end of 2011 has returned and rose to reach the end of the study period to (1184). And we come to the exchange rate in the parallel market, and it was in a state of decline from (1453) in 2004 to reach its lowest value to call (1182) in 2009, it returned to rising at the end of the study period, achieving an exchange rate of (1258) in 2017. And the evolution of the course of the official and similar rates, and we see in the table that the parallel exchange rate fluctuated around the official exchange rate, and it was found that this gap continued to expand along the study period after its zero value for the gap in 2004, it rose to achieve the highest price difference, reaching (92) dinars in 2016. Then the difference between the official and parallel prices decreased to get (74) dinars in 2017.

Table 7

The Evolution of the Official and Parallel exchange Rate of the Iraqi Dinar against the Dollar

Years	Official Exchange Rate (Dinar - Dollar)	Change in Official Rate %	Parallel Exchange Rate (Dinar - Dollar)	Change in Parallel Price %	The Gap between the Two Prices is 1-2
2004	1453	--	1453	--	0
2005	1469	(1.10)	1472	1.3	3
2006	1467	(0.13)	1475	0.2	8
2007	1255	(14.4)	1267	(14.1)	12
2008	1193	(4.9)	1203	(5.0)	10
2009	1170	(1.92)	1182	(1.7)	12
2010	1170	0	1185	0.25	15
2011	1170	0	1196	0.9	26
2012	1166	(0.3)	1233	3.09	67
2013	1166	0	1232	(0.08)	66
2014	1166	0	1214	(1.46)	48
2015	1167	0.08	1247	2.7	80
2016	1182	1.28	1274	2.1	92
2017	1184	0.16	1258	(1.25)	74

The Source: Prepared by the Researcher Based on: *Central Bank of Iraq*, Directorate General of Statistics and Research, Annual Bulletins (2004-2016) and Monthly Bulletin for 2017.

1- Inflation Rate

Table 8 shows us that the level of inflation rose from (37%) in 2005 to achieving the highest rate throughout the study period, which amounted to (53%) in 2006, at a positive annual rate of (43.8), and that the reasons for this are a rise in transportation margins, due to High fuel prices, and also due to the evacuation of some rented floors and replacing them with new tenants with new and high prices at this period (Saad, 2012, pp. 1-5).

We note its decline in 2007 to reach (31.8%) with a negative annual change of (40.2), and it decreased significantly in 2008 to go (2.6) with a negative yearly change of (91.8). In 2009, inflation rates disappeared, and an economic recession occurred, as the inflation rate reached negative (2.8) and a negative annual change of (203.7), and that these imbalances that occurred in inflation rates were caused by the drop in oil prices and the *Central Bank of Iraq* played the role of monetary policy in reducing interest rates and improving the exchange rate of the local currency against the dollar in mid-2009 from In order to revitalize the Iraqi national economy after succeeding in decreasing the high price levels for the period (2004-2017) and to reduce such a phenomenon that occurs in the Iraqi economy, which is (stagnant inflation), and what is meant by it is an inflation event with accompanying unemployment at the same time.

Table 8 Inflation Rate in the Iraqi Economy for the Period (2004-2017)

Years	Consumer Price	Inflation Rate %	Change in Inflation

	Index 100 = 1993		Rate %
2004	8816	---	---
2005	12074	37.0	---
2006	18501	53.2	43.8
2007	24206	31.8	(40.2)
2008	24851	2.6	(91.8)
2009	24155	(2.8)	(207.6)
2010	24749	2.4	(185.7)
2011	26333	6.4	166.6
2012	27719	5.26	(17.8)
2013	28511	2.85	(45.8)
2014	28907	1.39	(51.2)
2015	29303	1.37	(1.4)
2016	28644	(2.2)	(260.5)
2017	27839	(2.8)	27.2

The Source: Prepared by the Researcher Based on: *Central Bank of Iraq*, General Directorate of Statistics and Research for Annual Bulletins (2004-2017) and Monthly Bulletin for 2017.

Fourth: Addressing Iraqi Economic Shocks by Coordinating between Fiscal and Monetary Policies

The development of the work and role of the financial and monetary policies, in addition to the reforms that were mentioned in the previous two sections, changed the structure of the new Iraqi economy during the period of the study, as the two policies witnessed a set of transformations in the legislation of a set of laws in the Iraqi economy, and the most important of these laws and legislation are:

First: The role of fiscal policy by issuing the Coalition Provisional Authority related to tax policy, which included amending and reducing tax rates on personal income and profits of private companies, as it was amended by approximately 15%, which was previously 40%, and increased tax exemptions in items No. 1 and 5 From Article No. 12 of Income Tax Law No. 113 of 1982 and subjecting public sector employees to bear the tax burden to improve revenue rates. As for the role played by monetary policy by replacing the old Iraqi money with a new one, according to the order on January 15, 2004, it replaced about (4) trillion Iraqi dinars with a new currency (Bassem, 2004). This procedure resulted in several important advantages, including "preventing currency counterfeiting, improving its value, and making it uniform throughout Iraq, which restored confidence in the Iraqi dinar, which greatly contributed to improving its exchange rate."

Second: The financial and monetary policies issued the Public Debt Management Law No. 94 in 2004, which includes the sale of government securities according to the market mechanism, which makes the *Central Bank* the task of the financial agent for the Ministry of

Finance in managing treasury transfers instead of the old mechanism, the cheap cash policy used previously. Before 2004, the application of this paragraph would lead to an improvement in the imposition of growth and economic stability by controlling the levels and rates of inflation and when there is cash liquidity, controlling the level of liquidity and employing its flow in to bridge the deficit to which the general budget is exposed.

Third: Adopting indicators of the actual revenue ratio to the gross domestic product to reflect the role of the government in influencing the domestic product is considered one of the modern trends of fiscal policy in the Iraqi economy, because it did not work on a new approach to find different sources of revenue i.e. the financial return, but instead continued. Monetary policy issued Law No. 74 of 2004 provisional for the establishment of stock markets in Iraq, which aims to develop the interest of investors in the markets in facilitating and organizing fair work to comply with the principle of transparency and credibility.

Fourth: The fiscal policy concluded the agreement on financial compensation and foreign indebtedness with the Paris Club, which was clarified in the previous request, which stipulated the settlement of external public debt, which was one of the main obstacles to economic developments in Iraq, that was facilitated by what was called emergency aid for the stages. The difficult conditions that the Iraqi economy went through which the sector was able to allow the foreign sector and foreign companies to invest while reducing the tax rates imposed on companies by creating a social-economic system that achieves justice in the distribution of wealth through the participation of citizens in the ownership of wealth. As for the role of monetary policy, it issued the *Central Bank of Iraq* Law No. 56 of 2004, which granted the *Central Bank* complete independence from the government in the conduct of its banking operations and prohibited the local government from lending in Article No. 12 of the same law mentioned by using its monetary tools to achieve stability for local prices on a financial system Steady and competitive based on the market mechanism, with the law above giving the *Central Bank* the effective supervisory authority to implement the stability of the banking system in Iraq (*Central Bank of Iraq*, 2004, pp. 51-53).

The coordination between the fiscal and monetary policies and the harmony between them in the direction of fiscal policy is evident through the main tool, and its task is the general budget in maximizing consumer spending at the expense of investment spending, which was clarified in the previous investigations during the study period (2004-2014) and then decreased after the shocks that occurred Because of the drop in global oil prices in 2008 and the security shock due to the terrorist organization ISIS, which negatively affected projects and the structure of the Iraqi economy.

Conclusions

1. The general budget's flexibility to respond to economic shocks was reduced by the old approach, which was represented by the oil source as a fundamental pillar of public revenues. A new approach to find another source of funding to offset neglected taxes and customs duties that weren't levied on goods and services also failed to materialize.
2. The new direction of monetary policy after 2004 is to achieve prices by not neglecting the exchange rate against the local currency, which is played by the *Central Bank* and with an

influential role in the adequacy of the levels and ratios of GDP. Still it did not achieve complete success in the growth of real GDP outside the oil sectors (except for oil) in addition to the low rates of government and investment spending.

3. Low inflation rates, which the Iraqi economy suffered from before the study period, and during the study period, their rates were slightly high. When they decreased, the objectives of the fiscal and monetary policies would have been achieved had it not been for the financial and security shocks in 2008 and 2014.
4. The role of the *Central Bank* during the study period has played a significant role, culminating in apparent success in implementing its monetary policy against inflation indicators and achieving stability in the general level of prices through its control of liquidity according to monetary policy tools success was met by a weak response by the fiscal policy (the government) due to The increase in imported goods from abroad and the decrease in demand for investment purposes, in addition to the decline in oil prices in global markets during the crisis in 2014.

Recommendations

1. Working on coordinating the fiscal and monetary policies and not contradicting their policies to target unemployment and inflation in the Iraqi Economy to achieve the right path for economic development.
2. The fiscal and monetary policies must be activated, and their tools used by both (the Iraqi Ministry of Finance and the *Central Bank of Iraq*), represented by (expenditures and revenues) in imposing fees and taxes on imported foreign products that compete with the local product. As for the monetary policy tools, they must work on using indirect tools to improve the local currency rate and control monetary variables.
3. Encouraging and providing support for the tourism and antiquities sector in Iraq, as it constitutes a rentier source for obtaining foreign currency revenues that increase the legal reserve, which aims to achieve monetary and economic balance and stability.
4. It requires work to reconsider the foreign borrowing policy in a way that helps to get rid of the external debt crisis. The role of the government is to work to raise the efficiency in using borrowed funds and operating them in investments to generate returns and revenues to help pay off the external debt and to pay attention to cash reserves in foreign currencies and not resort to it only when necessary.
5. The government must deal with the issue of financing the state's general budget deficit, taking into account the financial, and non-financial burdens, and resorting to the internal public debt to face the budget deficit to ensure that the internal public lending is financed from productive investment expenditures, with the aim of the debt being able to fill itself by raising the level of debt through the economic activity.
6. The phenomenon of high prices, which creates a shock of inflation, and this shock must be dealt with carefully and deliberately because inflation is one of the economic shocks that threatens the structure of financial balance and its effects on the poor classes of society, especially those with limited income.

References

Ahmad, N. (1999). The role of public spending in achieving economic stability. (The Case of the State of Kuwait). *Journal of Gulf Studies and the Arabian Peninsula, No. 92, Academic Publishing Council, Kuwait University*

Ali, A. & Abdel, M, (2004). *Money, Banks, and Financial Markets*. (1st edit.). (Dar Al-Hamid Library: Amman, Jordan).

Ali, B. (2016) Global oil market analysis. *Central Bank of Iraq*.

Bach, G. (1950). *Federal reserve policy making*. NY Alfred Akin.

Basem, A. (2004). The role of the central bank in achieving economic stability in the new phase, Al-Mada, Issue 238 T1, Baghdad.

Abd Algani, Y. M., Ritonga, M., Kiran Bala, B., Al Ansari, M. S., Badr, M., & Taloba, A. I. (2022). Machine learning in health condition check-up: An approach using Breiman's random forest algorithm. *Measurement: Sensors*, *23*, 100406. https://doi.org/10.1016/j.measen.2022.100406

Fatma, Dr Gulnaz. (2016). Fitzgerald's Critique of Capitalism and Imperialism in The Great Gatsby Dr. Gulnaz Fatima. NEW FRONTIER, INTERNATIONAL JOURNAL OF HUMANITIES AND SOCIAL SCIENCES (ISSN NO. 2394-8221) MARCH 2016, VOLUME 2, ISSUE 2. 2. 50-60.

Sharma, Nisha, Anil Kumar Yadava, Mohd Aarif, Harishchander Anandaram, Ali Alalmai, and Chandradeep Singh. "Business Opportunities And Challenges For Women In The Travel And Tourism Industry During Pandemics Covid-19." *Journal of Positive School Psychology* (2022): 897-903.

Fatma, Dr Gulnaz. (2015). Political Dominance and Wrecked Identity Reading Margret Atwood's The Handmaid's Tale in a Changing World Scholar-Critic ISSN 2348 – 6945 (Online) Vol-02, Issue-03, December 2015. www.scholarcritic.com. Scholar Critic - An International Journal of Language, Literature and Culture Studies. Vol-02, .. 18.

Alalmai, Ali A., Gulnaz Fatma, A. Arun, and Mohd Aarif. "Significance and Challenges of Online Education during and After Covid-19." *Turkish Journal of Physiotherapy and Rehabilitation* 32, no. 2.

Tripathi, Mano Ashish, Ravindra Tripathi, Navneet Sharma, Surabhi Singhal, Muskan Jindal, and Mohd Aarif. "A brief study on entrepreneurship and its classification." *International Journal of Health Sciences* 6 (2022).

Central Bank of Iraq. Directorate of Research and Statistics, Annual Report for the year (2004), Baghdad.

Dia, M. (2008). *The economics of money and banking*. University of Youth Foundation for Publishing, Algeria.

Einzig, P. (1972). *Textbook on monetary policy*. Macmillan's 2. Martin's Press London .

Federal, Reserve, and Statement on Longer Running Goods and Monetary Policy Strategy, January 24., 2017.

Hussein, A. & Ahmed G. (2000). *Public finance and the financial system in Islam*. (Dar Al-Maysarah: Amman, Jordan).

Hussein, S. & Younes, I. (2010). *The economics of money and banking*. (1st edit.) Dar Safaa for Publishing and Distribution, Amman.

Latif, T. (2018). Analyzing and measuring the interactive impact of fiscal and monetary policies on economic growth in Iraq. [PhD thesis: Wasit University, College of Economy].

Mahmoud, A. & Mounir, A. (2015). Economic policy trends in Iraq post-2003. *Journal of Economic and Administrative Sciences, University of Baghdad, Volume 2, No. 85*.

Nasr, F. & Hammoud, M. (2009). *The impact of economic policies on the performance of commercial banks.* (1st edit.). (Dar Safaa: Amman, Jordan).

Republic of Iraq, Ministry of Planning and Development Cooperation, Department of Economic Policies, Iraqi Economy Report (2010), Baghdad.

Saad, B. (2012). *Inflation in the Iraqi economy*. Ministry of the Central Statistical Organization, Statistical Training and Research Center, Baghdad.

Salman, B. (1996). *The economics of money and banking*. University Institute for Studies and Publishing, Beirut.

Siegel, B. (1986). *Money, Banking, and the Economy: a Monetarist point of view*, translated by: Taha Abdullah Mansour and Abdel Fattah Abdel Rahman, Riyadh, Saudi Arabia