Edelweiss Applied Science and Technology
ISSN: 2576-8484
Vol. 8, No. 3, 533-552
2024
Publisher: Learning Gate
DOI: 10.55214/25768484.v8i3.1749

The general budget and its impact on the investment efficiency of the Iraqi economy for the period 2004-2022

Ali Hasan Kassar[1*], Nassr Hammood Maznan[2]
[1]University of Babylon, Iraq; ah7492231@gmail.com (A.H.K.)
[2]College of Administration and Economics, Iraq; naseralenezy@yahoo.com (N.H.M.)

Abstract: In order to provide a stable and supportive environment for investment through public budget tools and variables, it is necessary to research methods that lead to stimulating investment operations and providing the necessary financing for economic activity. Total public revenues, total public expenditures, and the budget surplus or deficit have a significant impact on this. Total public revenues and public expenditures have a significant impact on the budget surplus or deficit, which in turn affects investment in the Iraqi economy. In the event of an increase in public revenues, such as an increase in oil or tax revenues, this will lead to an increase in the budget surplus. A higher budget surplus will provide the government with more financial resources to finance public investments and development projects. Achieving the appropriate environment accelerates economic growth and pushes investors to activate their activities, thus expanding their proceeds to form a development horizon and space that creates a broad developmental investment environment to demonstrate the investment opportunities available to investors. If public expenditures rise, such as increased spending on salaries and wages or government purchases, this will lead to an increase in the budget deficit. A high budget deficit will restrict the government's ability to allocate financial resources to finance public investments and development projects. This may negatively affect the investment climate and encourage investors to invest in the Iraqi economy.Therefore, it can be said that managing public revenues and expenditures in a balanced and effective manner has a significant impact on the budget surplus or deficit, which in turn directly affects investment levels in the Iraqi economy.The results of the standard model were obtained using the distributed slowdown autoregressive model (ARDL), which is considered one of the advanced standard methods, which relies on testing the stability of time series. This model gives results about the nature of the relationship in the short term (error correction model) as well as results for the long term. The research reached a set of conclusions, the most important of which is after testing the soundness and... Stability of the estimated model for the variables. The first step after testing the stability of the variables is to estimate the autoregressive distributed lag (ARDL) model for the function of total investments (Y) with lag periods (2) for the dependent variable (Y), the variable (X1) total public revenues as an independent variable, and the variable (X2) total Public expenditures are an independent variable, and the variable (X3) budget surplus is an independent variable. After conducting the model estimation process, we obtained the results for estimating the ARDL model, as the explanatory power of the estimated model was (R2 = 0.817), meaning that the independent variables included in the estimated model explain 81% of the changes in the variable. Follower. The estimated model also turned out to be significant, so the null hypothesis was rejected and the alternative hypothesis was accepted. Also testing the existence of a cointegration relationship between the variables of the model, i.e. the existence of a long-term equilibrium relationship, by testing the limits.

Keywords: *Budget, General budget, Investment efficiency, Iraqi economy.*

* Correspondence: ah7492231@gmail.com

1. Introduction

The state's general budget is one of the financial policy tools that plays a pivotal role in directing economic and social activity in the country. Through the estimates of revenues and public expenditures included in the budget, the government can influence various economic variables, including investment, which is the main engine of economic growth. During the period (2004-2022), the Iraqi economy witnessed radical changes at various levels, as a result of the political and security conditions that the country went through. This was reflected in the reality of the general budget and investment in the Iraqi economy. At the beginning of the transitional phase in Iraq (2004-2005) and after the fall of the Baath regime in 2003 and the formation of a transitional government. The Iraqi economy was restructured and new laws were issued to encourage investment. The rise in global oil prices also boosted public budget revenues. But due to political and security instability, investment levels declined. (2006-2010) The transitional phase and political stability pass after the formation of elected governments, the rebuilding of constitutional institutions, and the increase in budget revenues as a result of the rise in oil prices and stabilization of production, as well as a significant increase in public expenditures to finance recovery and development programs, which led to an increase in investments in the productive and service sectors. (2011-2017) is considered a period of unrest and security challenges due to the outbreak of the political crisis and the rise of the terrorist organization ISIS. The decrease in budget revenues due to the decline in oil prices and the decline in production. The rise in public expenditures also contributed to financing the war on terrorism and reconstruction. The decline in investment levels due to lack of stability and security. (2018-2022) is the stage of economic recovery, and after regaining control over the occupied territories and beginning reconstruction and achieving sovereignty, oil prices and production also improved, which enhanced the general budget revenues. Investment spending to finance infrastructure projects and services increased. The investment climate improved and investment flows increased in productive sectors. These political and economic developments were reflected in the performance of the general budget and investment in Iraq during this stage. The budget witnessed significant fluctuations in the size and structure of revenues and expenditures, and investment levels varied between highs and lows depending on the prevailing conditions. This will be analyzed in detail in the subsequent chapters of the thesis.

2. Research Objective

1- Identify the reality of the state's general budget in Iraq for the period (2004-2022) and the importance of the general budget and its role in achieving economic and social stability.

2- Study the investment reality of the Iraqi economy and analyze its components and determinants during the period (2004-2022).

3- Explaining the impact of the state's general budget on the efficiency of investment in the Iraqi economy, by studying the relationship between general budget variables (revenues and expenditures) and the volume of investments in Iraq.

4- Develop a set of proposals and recommendations that would enhance the role of the state's general budget in stimulating investment and increasing its efficiency in the Iraqi economy.

5- Identify the role of financial policies embodied in the state's general budget and their impact on the volume of investments in the Iraqi economy.

6- Study the reality of public revenues and expenditures in the Iraqi budget and analyze their trends during the research period.

7- Revealing the most important obstacles and challenges facing activating the role of the general budget in enhancing investment efficiency in Iraq.

8- Providing proposals and recommendations to economic and financial decision-makers in Iraq regarding mechanisms for developing the role of the general budget in stimulating investment and increasing its efficiency.

Edelweiss Applied Science and Technology
ISSN: 2576-8484
Vol. 8, No. 3: 533-552, 2024
DOI: 10.55214/25768484.v8i3.1749

3. Research Problem

The research problem consists of the following questions:

1- What are the general financial conditions of the Iraqi state through general budget indicators (revenues and expenditures) during the period (2004-2022)?
2- What is the nature and size of investments in the Iraqi economy during the period (2004-2022)?
3- What is the impact of the state's general budget (revenues and expenditures) on the level of investment in the Iraqi economy for the period under study?
4- What are the most important obstacles and challenges that limit the role of the general budget in enhancing investment efficiency in Iraq?

4. Research Hypothesis

This study is based on the following main hypothesis:"The state's general budget (revenues and expenditures) has a significant impact on the efficiency of investment in the Iraqi economy during the period (2004-2022), so that the general budget can contribute to stimulating investment and increasing its efficiency through the financial policies followed. This main hypothesis is divided into a group of the following sub-hypotheses:

1- There is a statistically significant relationship between the general budget revenues and the volume of investment in the Iraqi economy.
2- There is a statistically significant relationship between public budget expenditures and the volume of investment in the Iraqi economy. There are obstacles and challenges that limit the role of the general budget in enhancing investment efficiency in Iraq.

5. The Importance of Research

The importance of this research lies in the following points:

1- The importance of the general budget as a financial, economic, social and political tool that affects various aspects of economic and social life in the country.
2- The importance of studying the reality of investments and their development in the Iraqi economy due to their vital role in achieving economic and social development.
3- Highlighting the importance of the role of the general budget in stimulating investment and increasing its efficiency in the Iraqi economy, and clarifying the nature of the relationship between general budget variables (revenues and expenditures) and the level of investment.
4- Contributing to identifying the most important obstacles and challenges facing activating the role of the general budget in enhancing investment efficiency in Iraq.
5- Providing a set of proposals and recommendations that would help develop the role of the state's general budget in stimulating investment and increasing its efficiency in the Iraqi economy.
6- Enriching the scientific and academic library with a topic that addresses the impact of the general budget on investment in the Iraqi economy.

6. S Patial and Temporal Limits of Research

Spatial limits of research: This research focuses on studying the impact of the general budget on investment in the Iraqi economy, and therefore the spatial boundaries of the research are limited to the Republic of Iraq.Time limits for research: The temporal boundaries of the research cover the period from 2004 to 2022, for several reasons:

1- The year 2004 marked the beginning of Iraq's transitional phase after the fall of the Baath regime in 2003, as the country witnessed economic and financial restructuring.
2- Availability of data and information related to the research variables (general budget and investment) during this period.
3- Identifying the reality and developments of the general budget and investment in the Iraqi economy in recent years.Thus, the time limits of the research cover a time period of 19 years, which is a sufficient period to study the impact of the general budget on investment in Iraq.

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6.1. The First Requirement: the Theoretical Framework of the General Budget And Investment

6.1.1. Firstly: Definition of the General Budget

The budget is defined linguistically and according to the Arabic language dictionaries. It is the balance between two things, which means looking at which one is heavier, and the balance of the two things is equal in weight, meaning that the weight of one is the same as the weight of the other, and from here the name "budget" was quoted and it was assumed that revenues should be balanced with expenditures, as it is a comprehensive statement about public finances. It refers to expenditures, revenues, deficit or surplus (Muhammad bin Abi Bakr, 1981, p. 720.)

6.1.2. Secondly:The Importance of Budgeting

ThatThe importance of the general budget increases as the scope of the state's role expands and its intervention in the economic field increases. The general budget plays an important role in our current era, especially in developed countries, as it is no longer merely a statement estimating public revenues and expenditures that requires approval by the legislative authority to implement its provisions, but rather it has objectives. It is clearer than it was in traditional financial thought, and among these goals is achieving full use and mobilization of economic resources and contributing to increasing national income (Fatima Ahmed, 1999, p. 25). The significant increase in public spending after World War II and the emergence of the idea of a national budget deficit led to the abandonment of traditional thinking about the budget, as the budget was linked to the national economic system, which affects it and is affected by it. Conventional and tax policy has now played a major role in addressing economic problems such as inflation and recession, and the importance of the budget has increased from an economic standpoint as we have learned that government activity has many facets, and among the facets of this activity are the various taxes and loans that give the budget great economic importance. The British economist (Keynes) directed economic thought to use... Public budget and fiscal policy to achieve economic stability. He concluded in his analysis that in the event of an economic depression, government spending must be increased to increase aggregate demand in order to cure the economic recession. And eliminate its effects. (A'ad Ali, 1989, p. 26) ButIn the event of inflation, the government seeks to create a surplus in the general budget by reducing public expenditures and increasing taxes to absorb the surplus purchasing power of individuals (Fatima Ahmed, 1999, p. 26). Thus, the general budget, with its expenditures and revenues, represents a flexible tool in the hands of the government that it uses to achieve its purposes. The most important of these are the economic goals of addressing inflation and deflation, balancing the balance of payments, and directing investment, saving, and consumption policies in a way that ensures stability and economic growth (Fatima Ahmed, 1999, p. 27). In addition, it is a tool through which the state can know its financial position, because it represents a detailed statement for estimating revenues. State expenditures and how they are used to manage its public facilities and perform its obligations. In other words, it is a financial document that explains the country's financial and economic conditions. It is no longer merely a forecast of public expenditures and revenues, but rather has become a mirror of the country's financial trends and movements. Implementing agency programs.

6.1.3. Third: Planning Objectives of the General Budget

1. Linking and coordinating the budget as an annual program with economic and social development plans and setting a timetable for implementation.

2. Managing public money so that consuming administrative expenditures do not overshadow other productive expenditures or those that achieve public benefit, benefit the citizen, and work to end differences between classes.

3. Determine the needs of government apparatus units during the coming period.

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4. Organizing and controlling the collection and disbursement of public money in an orderly manner, represented by thoughtful allocations and not just scattered, scattered, and dispersed numbers that consume public money without serving a specific and specific goal.

5. Develop plans and programs to benefit from public funds in implementing development and social projects through technical agencies specialized in these fields.

6.1.4. The Second Requirement: The Concept of Investment and Its Theories

6.1.4.1. First: The Concept of Investment

It is defined as investing money in economic, social and cultural projects with the aim of achieving the accumulation of new capital and raising production capacity or renewing and replacing old capital (Ibtisam, 2013, p. 21).(

In general, investment consists of financial assets such as stocks, bonds, etc., and real assets such as machinery, equipment, land, and buildings. Land differs from the other components of investment in that it is not man-made and it is not possible to increase or decrease its total area. However, when a factory is built on it, it is considered an investment from the point of view Society (Hasan, p. 45 - p. 46).

6.1.4.2. Second: Investment Theoriesinvestment Theories

There are many theories through which investment is determined, and the relationship between its constituent factors can be clarified as follows:

1- Classical theoryClassical theory: Investment is determined in light of this theory by highlighting the relationship between the three main factors, which are (income, saving, and interest rate), as an increase in income leads to an increase in saving and vice versa, and saving is a supply of funds prepared for lending and is in the form of a curve. A positive slope towards the interest rate. As for investment, it is considered a demand for those funds and is in the form of a curve with a negative slope towards the interest rate. If the demand for investment loans is greater than saving, a deficit will occur that leads to a gradual rise in the interest rate (r) until this deficit disappears and equals. Saving with investment (S=I) at the equilibrium interest rate (r0), but if the supply of funds (savings) is greater than the demand for them (investment), a surplus occurs in those savings, which leads to a decrease in the interest rate until saving equals investment at the interest rate. Equilibrium (r0) also (Fadil, p. 18) and that the condition for equilibrium under this theory is aggregate supply S equals aggregate demand D, i.e. (S = D), and that equilibrium in the macroeconomy requires a balance between saving and investment (S = I), and since it is } Supply = Production + Change in Stock {Assuming that stock is zero, then S=Y, and total supply represents the income spent between consumption C and saving S (Rafah, 2014, p. 145-p. 146).

Y=C+S

Aggregate demand = consumer demandC + Investment Demand I

(Assuming that government spending and the external world are fixed amounts) then:D = C + I

Y = AD⇒C + S = C + I⇒S = I if Hoarding = 0

That is, saving equals investment, and this can be expressed in another way, as if savingS is the part of disposable income Y that remains after consumption, and investment I is the part of income that is not spent on consumption, so: I = YC, S = YI

A balance is achieved between saving and investment.S0=I0) at the equilibrium interest rate r0.

2- Keynesian theory (investment multiplier theory(Investment Multiplier: Keynes considered investment an independent variable and that its fluctuations are largely responsible for changes in the level of national income (Alaa Shafiq, 2003, p. 118), as he explained in this theory the effect of investment on national income, as an increase in investment spending leads to The increase in national income is not by the amount of the initial increase, but by double amounts that can be determined in light of what leads to an increase in investment through successive spending on consumption. This is called the investment multiplier (Adel Hashish, 2007, p. 117), which can be known as the coefficient Which shows the relationship between the change in independent investment and the change in income,

Edelweiss Applied Science and Technology
ISSN: 2576-8484
Vol. 8, No. 3: 533-552, 2024
DOI: 10.55214/25768484.v8i3.1749

and the investment multiplier is the reciprocal of the marginal propensity to save and can be expressed in the following formula (Mahmoud, 2009, p. 134):

M = = $=\frac{\Delta Y}{\Delta I}\frac{1}{1-MPC}\frac{1}{MPS}$

Whereas:M means the investment multiplier, MPC the marginal propensity to consume, MPS the marginal propensity to save, and (MPS = 1-MPC) and the relationship between the marginal propensity to consume and the multiplier is direct, while the relationship of the multiplier with the marginal propensity to save is inverse (R. McConnell, 2008, p. 161).). The work of the multiplier depends on all the primary and secondary changes occurring in any element of aggregate demand. This means increasing independent investment spending by a certain amount, which leads to an increase in demand for capital goods, and this in turn leads to an increase in the use in the sector of these goods, and then an increase in the incomes of workers in this sector. This leads to an increase in consumer spending for these workers due to an increase in their income, because every increase in income leads to an increase in consumption. The process is repeated until the first number of investment doubles (Mahmoud, p. 135 - p. 13)

3- The accelerator theory of investmentAccelerator: The accelerator theory of investment, in its simplest form, in an economy depends on the fact that a certain amount of capital stock (change in income) is necessary to produce a certain output. This means that there is a fixed relationship between capital stock and outputs, so what affects investment is not the size of income. But the change in income[1])The changes that occur in income or gross domestic product, i.e. (aggregate demand), lead to greater changes in the desired balance, and thus an increase in investment (Mahmoud, Ahmed, p. 142). The accelerator is measured by the capital factor, which is the volume of net investment (or the change in the economy's stock of capital goods) resulting from the change in income or gross domestic product in one dinar.

The acceleration can be measured by the following equation: $A=\frac{\Delta K}{\Delta Y}==\frac{Kt-Kt-1}{Yt-Yt-1}\frac{I}{\Delta Y}$

Whereas: (A) represents the capital coefficient, (Kt) represents the economy's balance of capital goods in a given year (Kt-1) represents the economy's balance of capital goods in the previous year (Yt) represents income in the current year, and since the accelerator measures the amount of investment necessary to increase income In the amount of one dinar, the accelerator can be derived in the following way (Hussein Dekan Darwish, lectures 2016-2017.):

I = f (Y), I1 $=\frac{\Delta I}{\Delta Y}$

If of then (=K , I1 = A)$\Delta I\ \Delta C\ \Delta I$

So A = , λ (where K = NI or I)$\frac{K}{\Delta Y}$

So NI (I) = A*$\Delta\ Y$

This equation is used by planners in estimating the size of investments needed to achieve the targeted increase in income or gross domestic product (GDP).GDP), where the value of the accelerator is estimated from the actual numbers of past years, and it is assumed that the technical level will be stable in the coming years. In fact, the return on investment is not limited to one year only, but extends to include the increase in output for several years in the future.

However, caution must be exercised in using the accelerator, as the capital factor does not remain constant for long periods, but is subject to changes, as it depends on the level of technical progress, the stage of growth, and economic progress, and the capital factor is lower than that of the most developed countries, as a result of the high efficiency of resource exploitation in developed countries. (Abdul Wahab, 2010, 153)

4- The theory of internal investment balances:Internal Fund Theory According to this theory, investment is determined by profits, as the desired capital balance and hence the investment depends on the level of profits. Jan Tinbergen has shown that the achieved profits accurately reflect the expected

[1]((Diptimai Kari, www.economicsdiscussion.net/investment/theories-investment/top-3-theories-of-investment-discussed/14585.

Edelweiss Applied Science and Technology
ISSN: 2576-8484
Vol. 8, No. 3: 533-552, 2024
DOI: 10.55214/25768484.v8i3.1749

profits, and that the investment depends on the expected profits, It is positively related to the profits achieved. It is established that managers prefer to finance investment internally (self-financing), and that enterprises obtain assets for investment purposes from several sources, including (retained profits, various types of borrowing, including the sale of stocks and the sale of bonds, and depreciation expenses, which are funds to avoid facing the depreciation of machinery, factories, etc.). Depreciation expenses and retained profits are considered internal sources for a particular facility, while the other sources are external sources.In recessionary conditions, the enterprise resorts to borrowing or selling shares on unrewarding terms, and may face its obligations by declaring bankruptcy, and may refrain from borrowing except under certain circumstances.(Johan E, 22, 2013). Managers are concerned with their profits recorded on a per-share basis, and any increase in the number of shares tends to reduce profits on a per-share basis. Managers do not want to finance the investment by selling shares unless the profits from the project clearly offset the effect of the increase in outstanding shares, and they fear losing Control if the additional shares are sold, which is why the internal balances theory appeared, as enterprises usually prefer to finance their investments internally and that investment is determined by profits, unlike the accelerator theory, where investment is determined by income or output. (Michael, 1999, p. 181)

5- The neoclassical theory of investmentThe Neoclassical Theory of Investment

This theory assumes that investment depends on the value of output and the prices of capital services, and the enterprise also tries to achieve the greatest profits, since (profitsZ = revenues TR _ costs TC), and the theory also assumed the existence of two elements of production, so the costs TC are TC= W * L + C * K, while the revenues TR are (TR= P * Q) Therefore, the profits are:Z = P*Q - (W * L + C * K) and that the establishment will employ workers to the extent that (value of marginal product = wage), that is, (P * MPL = W), and the entity uses capital to the extent that it is
(The value of the marginal product of capital = the cost of capital) meaning: (Welfare, p. 178). (

C= P*MPK, MPK = = $\frac{C}{P}$ $\underline{C}$

MPL== $\frac{W}{P}$ $\underline{W}$

That is, the cost of capital = marginal productivity of capital (Darwish, lectures 2016-2017)

Y=AKαLβ

$\frac{\partial y}{\partial k}$= AK α-1 Lβ

$\frac{\partial y}{\partial k}$= , $\frac{\alpha A K \alpha L\beta}{K} \frac{\partial y}{\partial k} = \alpha \frac{y}{k}$

and thatC is as follows: C= P * MPK

By multiplying both sides byK

C*K = PY, K =, K =α $\frac{P \alpha Y}{C}$ $\frac{\alpha P Y}{C}$

[C=P*] $\frac{\alpha Y}{K}$

The wage for the labor component is determined based on the period of effort expended by the worker in the same period, but the difficulty arises in the use of capital, because its purchase takes place over a period of time and its use takes place over distant periods, and this makes it difficult to achieve the following equation.: MPK = This theory focuses on (C) the cost of using capital. The use of capital depends on several factors, and any change in them leads to a change in the cost of using capital, including (prices of capital goods pc, interest rate i, corporate income tax t, The real rate of capital consumption d), all of which are directly related to the cost of capital (Rafah, 2016, p. 179.) $\frac{C}{P}$

6.1.5. The Second Requirement: The Reality of the General Budget and Investment in The Iraqi Economy

Edelweiss Applied Science and Technology
ISSN: 2576-8484
Vol. 8, No. 3: 533-552, 2024
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6.1.5.1. Firstly:Public Revenues In Iraq

Public revenues are represented by oil revenues, tax revenues, and other revenues (subsidies, grants, social contributions, rents, etc.), and Table (2) and Figure (6) illustrate this as follows:

Table 1.
Public revenues of Iraq for the period (2004-2022) (million dinars)

Oil revenues/General revenues%	Public revenues	Tax revenues	Other revenues	Oil revenues	Sunnah
98.9	32.982.739	159.644	195.892	32.627.203	2004
97.5	40.502.890	495.282	527.539	39.480.069	2005
94.9	49.055.545	591.229	1.930.006	46.534.310	2006
94.7	54.599.451	1.228.336	1.669.815	51.701.300	2007
93.9	80.252.182	985.837	3.908.054	75.358.291	2008
93.7	55.209.353	3.334.809	155.485	51.719.059	2009
95.2	70.178.223	1.532.438	1.826.115	66.819.670	2010
90.2	108.807.392	1.783.593	8.933.585	98.090.214	2011
97.3	119.817.224	2.633.357	586.791	116.597.076	2012
97.2	113.840.076	2.876.856	285.678	110.677.542	2013
92.1	105.364.301	1.885.127	6.406.764	97.072.410	2014
77.2	66.470.253	2.015.010	13.142.621	51.312.621	2015
80.7	54.839.219	3.861.890	6.280.320	44.267.060	2016
84.0	77.422.173	6.298.272	6.051.972	65.071.929	2017
89.7	106.569.834	5.686.211	5.263.803	95.619.820	2018
92.2	107.566.995	4.014.531	4.336.146	99.216.318	2019
86.2	63.199.689	4.718.190	4.032.985	54.448.514	2020
87.3	109.081.464	4.536.242	9.274.924	95.270.298	2021
95.0	161.697.437	3.911.397	4.162.763	153.623.277	2022

Source: Central bank of Iraq, general directorate of statistics and research, statistical bulletin for years (2004-2022).

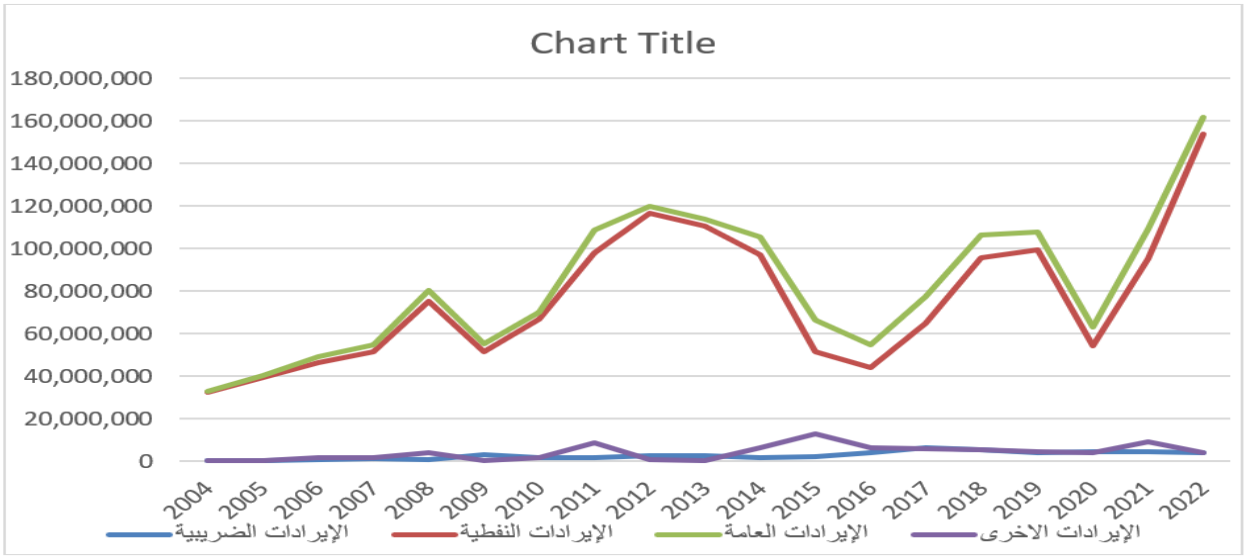

Figure 1.
Revenues during the period (2004-2022).
Source: Prepared by the researcher based on Table (1).

Edelweiss Applied Science and Technology
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6.2. Oil Revenues

Oil revenues are an important part of the components of public revenues, because the Iraqi economy in general is unilateral and relies on exports to finance its financial budget, as the table shows us (2) The contribution of oil revenues to public revenues during the years of research, as this contribution ranged between (77.1% - 98.9%), meaning an average of (91.9%).And in a yearIn 2004, oil revenues amounted to (32,627,203) million dinars, with a contribution percentage of (98.9%), which is the highest percentage of contribution to public revenues during the years of research, due to the decline and cessation of most economic activities after the American war on Iraq (Muhammad Al-Amiri, 2019, p. 177), and therefore made oil revenues It was sufficient to finance the budget and economic life at that time, and oil revenues continued to rise despite the fluctuation of crude oil prices in the global market until the year (2009), when oil revenues amounted to (51,719,059) million dinars, with a percentage of contribution swallowed (93.6%), meaning it achieved a decrease from the year (2008). The decline in oil revenues came as a result of the global financial crisis and the decline in crude oil prices. After this year, oil revenues rose again during the three years (2010-2011-2012) and reached (66,819,670-98,090,214-116,597,076) million dinars, with a contribution percentage of (95.2%). 90.2%-97.3%, respectively, of public revenues.In the year (2013) oil revenues decreased slightly, reaching (110,677,542) million dinars, i.e. a contribution rate of (97.2%). The reason for the decrease is attributed to the decrease in oil exports during that year. However, in the year (2014) oil revenues decreased, reaching (97,072,410). One million dinars, with a contribution rate of (92.1%) due to the conditions in Iraq during that period as a result of the entry of (ISIS), and the decline continued during the years (2015-2016), as oil revenues amounted to (51,312,621 - 44,267,060) million dinars, that is, a contribution rate of (81.4% -%) 77.1) of public revenues, respectively, and the contribution percentage of oil revenues for the year (2015) was the lowest percentage during the years of research. However, after the year (2015), oil revenues continued to rise until the year (2019), when oil revenues reached (99,216,318) million dinars with a contribution percentage (92.2%) in public revenues, while we note a decline in oil revenues for the year (2020) due to the health crisis (Covid-19), which led to a decline in revenues in general, while in the two years (2021-2022) (95,270,298 - 153,623,277) respectively, oil revenues increased again as a result of the improvement in the health situation in the world with a contribution rate of (87.3% - 95.0%) respectively.

6.3. Tax Revenues

Tax revenues constitute the largest percentage after oil revenues, but they represent only a very small percentage of public revenues, because Iraq suffers from a deteriorating tax system as a result of a group of factors, including tax evasion, financial and administrative corruption, and weak tax awareness among citizens. The government's dependence on oil revenues, neglect of tax revenues, limited incomes of citizens, and tax exemptions for those with high incomes (private positions), in addition to reducing income tax rates from (40%) to (15%), in addition to reducing the property tax from (35% to 10%, and neglecting indirect taxes such as (customs taxes and taxes on cars and vehicles), after they were temporarily suspended according to Coalition Authority Order No. (12) of 2003 and No. (54) of 2004 (Maytham Khudair, 2016, p. 81).).

6.4. Other Revenues

Other revenues are:Aids, grants, social contributions, fees, rents, etc. It is clear to us from Table (2) that other revenues have witnessed a clear state of fluctuation during the research period. In the year (2004), other revenues amounted to (195,892) million dinars and continued to rise until The year (2008), reaching (3,908,054) million dinars, and other revenues decreased for the year (2009), reaching (155,485) million dinars, as they began to increase during the years (2010-2011), reaching (1,826,115) and (8,933,585) million dinars. Respectively, then other revenues decreased again in the years (2012-2013), reaching (586,791) and (285,678) million dinars, respectively, after which other revenues increased until they reached (13,142,621) million dinars, during the year (2015), and it is considered the

Edelweiss Applied Science and Technology
ISSN: 2576-8484
Vol. 8, No. 3: 533-552, 2024
DOI: 10.55214/25768484.v8i3.1749

highest revenue. During the years of research, then the decline in other revenues continued during the years (2022-2020-2019-2018-2017-2016), as other revenues reached (6,280,320), (6,051,972), (5,263,803), (1,674,248) (9,274,924) million dinars. Respectively, in 2021, other revenues increased as a result of the increase in subsidies, grants and social contributions.The researcher believes that through the analysis of public revenues in Iraq, which we have previously shown, the Iraqi economy depends on one resource, which is oil, to finance its expenditures, and that the contribution of other revenues to public revenues is linked to the contribution of oil revenues to them.

6.5. The First Requirement: Total Investments and Savings in Iraq for The Period (2004-2022)

As a result of the exceptional circumstances that the country experienced, investment policy in Iraq was affected during the research period, as follows:

6.5.1. Total Investments in Iraq for the period (2004-2022) Gross Investments

The value of investments continued at similar levels until it decreased to (15,758,326) million dinars in the year2004 The beginning of investments after the American invasion, as the country was in a state of rebuilding, followed by a significant decline due to security instability and political turmoil, reaching (12,912,680) in 2005 with a growth rate of (-18.06%). Investments began to rise in 2006, and reached (19,055,174) with a rate Growth (47.57%). The year 2007 witnessed an improvement in the volume of investments, reaching (49,864,646) million dollars, with a growth rate of (161.69%), a significant increase as a result of improved security and oil investments. After that, investments declined in 2008 and recorded (36,547,069) million dinars, with a growth rate of (36,547,069) million dinars. ((-26.71) declined due to the global economic crises and their impact on oil prices.(100,007,482) In 2010, the volume of investment increased as a result of investment in infrastructure and oil, with a growth rate of 200%. In 2022, the value of total investments in Iraq reached 114,414,244 million dinars, recording a growth rate of 1%. As shown in the table (2).

Table 2.
Total investments and growth rate for the period (2004-2022).

معدل النمو %	اجمالي الاستثمارات (مليون دينار)	السنة
-	15758326	**2004**
-18.058	12912680	**2005**
47.56947	19055174	**2006**
161.6856	49864646	**2007**
-26.7075	36547069	**2008**
-9.04622	33240939	**2009**
200.8564	100007482	**2010**
-37.5034	62501288	**2011**
-11.8798	55076229	**2012**
-42.2776	31791296	**2013**
54.68363	49175932	**2014**
134.5035	115319265	**2015**
2.314742	117988608	**2016**
32.49797	156332513	**2017**
3.950574	162508544	**2018**
-8.45743	148764501	**2019**
-22.8347	114794579	**2020**
-19.4164	92505567	**2021**
23.68363	114,414,244	**2022**

Edelweiss Applied Science and Technology
ISSN: 2576-8484
Vol. 8, No. 3: 533-552, 2024
DOI: 10.55214/25768484.v8i3.1749

- Arab Monetary Fund and others, Unified Arab Economic Report, reports for several years.
- Ministry of Planning, Central Bureau of Statistics and Research, publications for several years.

6.6. Standard Model Analysisuser

6.6.1. Firstly:-Stable Resultstime Series

After discussing in the first section the nature of the stability of time series, what are the conditions for its stability, and the tests that are used to detect itAbout her,In this study, the results of the stability of time series will be analyzed using the extended Dickey-Fuller test (Augmented Dickey -Fuller) for this purpose in light of the results of the E-views 9 program package, and in light of the results of this test in table (3)EThe following is clear:

Table 3.
Results of the time series stationarity test for the studied variables.

Unit root test results table (ADF)
Null hypothesis: The variable has a unit root

	At Level				
		Y	**X1**	**X2**	**X3**
	t-Statistic	-1.5149	-1.8341	-1.5413	-3.0846
	Prob.	**0.5034**	**0.3527**	**0.4906**	**0.0460**
With constant		N0	N0	N0	**
	t-Statistic	-3.3548	-2.8913	-2.2381	-2.8778
	Prob.	**0.0956**	**0.1887**	**0.4428**	**0.1913**
With constant & trend		*	n0	n0	n0
	t-Statistic	-0.1398	0.6051	0.3967	-1.6428
	Prob.	**0.6216**	**0.8376**	**0.7876**	**0.0935**
Without constant & trend		N0	N0	N0	*
	At first difference				
		d(Y)	d(X1)	d(X2)	d(X3)
	t-Statistic	-4.1099	-3.8420	-4.9249	-3.6474
	Prob.	**0.0064**	**0.0116**	**0.0013**	**0.0178**
With constant		***	**	***	**
	t-Statistic	-4.0459	-3.5619	-4.7926	-3.4130
	Prob.	**0.0278**	**0.0665**	**0.0073**	**0.0872**
With constant & trend		**	*	***	*
	t-Statistic	-4.0835	-3.6355	-4.6940	-3.8370
Without constant & trend	**Prob.**	**0.0004**	**0.0012**	**0.0001**	**0.0009**
		***	***	***	***

Notes: a: (*) Significant at the 10%; (**)Significant at the 5%; (***) Significant at the 1% and (no) Not Significant
. b: Lag Length based on SIC
c: Probability based on MacKinnon (1996) one-sided p-values

From the table(3) We note that all time series have stabilized at two levels, namelyI(0)andI(1)That is, at its level(Level)And at the first difference(First-difference)It has settled(X3)at levelI(0)As for the chains(Y, X1, X2, X3)It settled at the first differenceI(1) andwhenSignificant levels ranged between ((1%to(5%)Whether with a secant, a secant and a direction, or without a secant and a direction, this is necessary for us according to the graphical form (13) which explains(CUM SUM, CUM SUM SQ)Using a formARDLTo estimate the relationship between the variables of the standard model used.AWhat's intable(11) It explains the least squares methodThe OrdinaryLeast SquaresOLS,variableat X1,X2,X3 The result of Prob is not significantBecause it isGreater than 5% significance level .

Edelweiss Applied Science and Technology
ISSN: 2576-8484
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DOI: 10.55214/25768484.v8i3.1749

Table 4.
Least squares least squares method.

Dependent variable: Y
Method: Least squares
Sample: 2004-2022
Included observations: 19

Variable	Coefficient	Std. error	t-Statistic	Prob.
C	23010756	32074043	0.717426	0.4841
X1	-1.371351	2.361784	-0.580642	0.5701
X2	2.016463	2.269421	0.888536	0.3883
X3	1.583214	2.971241	0.532846	0.6019
R-squared	0.202981	Mean dependent var		78345204
Adjusted R-squared	0.043577	SD dependent var		49709935
SE of regression	48614757	Akaike info criterion		38.42142
Sum squared residence	3.55E+16	Schwarz criterion		38.62025
Log probability	-361.0035	Hannan-Quinn crater.		38.45507
F-statistic	1.273377	Durbin-Watson stat		0.765699
Prob(F-statistic)	0.319286			

It is also notedEn resultDurbin-Watson statequals (0.765699) And sheASignificance level increased by 5% .

6.6.2. Secondly! -Estimating the Function Using the model E Self-Incline of Distributed Deceleration (ARDL)
6.6.2.1. Model Results ARDL for the Total Investment Function (Y)

The step is...AAfter testing the stability of the variables, we estimate the autoregressive model of distributed lagARDL for the function of total investments (Y) and with lag periods (2) for the dependent variable (Y)

Table 5.
Model resultsARDL for the aggregate investment function.

Dependent Variable: Y
Method: ARDL
Sample (adjusted): 2006-2022
Included observations: 17 after adjustments
Maximum dependent lags: 3 (Automatic selection)
Model selection method: Akaike info criterion (AIC)
Dynamic regressors (2 lags, automatic): X1
Fixed regressors: C
Number of models evaluated: 81
Selected Model: ARDL(1, 2, 2, 1)
Note: final equation sample is larger than selection sample

Variable	Coefficient	Std. Error	t-Statistic	Prob.*
Y(-1)	0.588830	0.206097	2.857047	0.0244
X1	1.733498	2.171397	0.798333	0.4509
X1(-1)	1.229181	2.225010	0.552439	0.5978
X1(-2)	-2.106274	1.294098	-1.627600	0.1476
X2	-1.660577	2.433278	-0.682444	0.5169
X2(-1)	-0.621658	2.180173	-0.285142	0.7838
X2(-2)	1.436797	0.793123	1.811570	0.1130
X3	-3.791738	2.774637	-1.366571	0.2140

X3(-1)	-2.979093	3.138750	-0.949134	0.3742
C	90155268	49736577	1.812655	0.1128
R-squared	0.817744	Mean dependent var		85875757
Adjusted R-squared	0.583415	SD dependent var		46981917
SE of regression	30323735	Akaike info criterion		37.58193
Sum squared residence	6.44E+15	Schwarz criterion		38.07205
Log probability	-309.4464	Hannan-Quinn crater.		37.63065
F-statistic	3.489722	Durbin-Watson stat		2.804862
Prob(F-statistic)	0.056742			

Note: *p-values and any subsequent tests do not account for model selection.

And the variable(X1)Total public revenues, and the variable(X2)total overhead expenses,And the variable(X3) Budget surplus,After performing the model estimation process, we obtained the results shown in the table (12) Model estimation resultsARDL: The explanatory power of the estimated model (R2=0.817That is, the independent variables included in the estimated model are explained81% of the changes in the dependent variable. And it was valuableAdjusted R-squared (0.583), and the model is also significant as the calculated F value was (3.489It is significant at the level of (5%).That is, the estimated model is significant, and thus we reject the null hypothesis (H0: b=0) and accept the alternative hypothesis (H1: b).≠0).

6.6.2.2. Eboundary Testing (Bounds Test)

This step consists of testing the existence of a cointegration relationshipAmong the model variables,That is, the existence of a long-run equilibrium relationship through testing limits (Bounds Test), which is shown in a table6. It is evident from the resultsETestborder(Bounds Test)En value (F-statistic) calculatedShe was(2.804862) which islessFrom the tabular value Minor Adult(2.72) at a significant level10)%)And accordinglynoWe accept the existence of a long equilibrium relationshipAmajorityAYWe acceptNull hypothesis,It is also notedEn resultDurbin-Watson statequals (2.083) And sheAGrow from the resultR-squared(and adult)0.585) This means that the regression is not spuriousbecauseD.W < R2.

Table 6.
E Boundary testing (Bounds Test) for the model Estimated.

ARDL Bounds Test				
Sample: 2006-2022				
Included observations: 17				
Null Hypothesis: No long-run relationships exist				
TestStatistic	Value	K		
F-statistic	1.474352	3		
Critical Value Bounds				
Significance	I0 Bound	I1 Bound		
10%	2.72	3.77		
5%	3.23	4.35		
2.5%	3.69	4.89		
1%	4.29	5.61		

Test Equation:
Dependent Variable: D(Y)
Method: Least Squares
Sample: 2006-2022

Included observations: 17				
Variable	**Coefficient**	**Std. error**	**t-statistic**	**Prob.**
D(X1)	1.733498	2.171397	0.798333	0.4509
D(X1(-1))	2.106274	1.294098	1.627600	0.1476
D(X2)	-1.660577	2.433278	-0.682444	0.5169
D(X2(-1))	-1.436797	0.793123	-1.811570	0.1130
D(X3)	-3.791738	2.774637	-1.366571	0.2140
C	90155268	49736577	1.812655	0.1128
X1(-1)	0.856405	3.862985	0.221695	0.8309
X2(-1)	-0.845438	3.666736	-0.230570	0.8242
X3(-1)	-6.770831	5.377890	-1.259013	0.2484
Y(-1)	-0.411170	0.206097	-1.995026	0.0862
R-squared	0.585887	Mean dependent var		5970680.
Adjusted R-squared	0.053456	SD dependent var		31168242
SE of regression	30323735	Akaike info criterion		37.58193
Sum squared residence	6.44E+15	Schwarz criterion		38.07205
Log probability	-309.4464	Hannan-Quinn crater.		37.63065
F-statistic	1.100400	Durbin-Watson stat		2.804862
Prob(F-statistic)	0.460309			

6.6.2.3. ETest theESerial link (Hameed, 2017, p 183):Breusch-Godfrey Serial Correlation LM Test))

It is a test(LM)AMore general thanECorrelation testAFor pleasuresY(DW) toAIt does not allow testing for degree autocorrelationAOn the level ofAAnd is used in the presence or absence of variablesESlow time (kinetic models) is usedAIt is also used in testing small and large samplesAs for the test Durbin-Watson It can only be used on variables that are stable at their level.

Table 7.
Serial correlation testSerial Correlation LM Test.

Breusch-Godfrey serial correlation LM test:				
F-statistic	4.764530	Prob. F(2,13)		0.0280
Obs*R-squared	8.036382	Prob. Chi-Square(2)		0.0180
Test equation: Dependent variable: RESID Method: Least squares Sample: 2004-2022 Included observations: 19				
Presample missing value lagged residuals set to zero.				
Variable	**Coefficient**	**Std. error**	**t-statistic**	**Prob.**
C	12878089	27274178	0.472171	0.6446
X1	1.871139	2.242832	0.834275	0.4192
X2	-1.854288	2.111184	-0.878316	0.3957
X3	-2.717423	2.864876	-0.948531	0.3602
RESID(-1)	0.803471	0.304527	2.638420	0.0205
RESID(-2)	-0.204603	0.315695	-0.648103	0.5282
R-squared	0.422967	Mean dependent var		3.58E-08
Adjusted R-squared	0.201032	SD dependent var		44378998
SE of regression	39668175	Akaike info criterion		38.08209
Sum squared residence	2.05E+16	Schwarz criterion		38.38033
Log probability	-355.7798	Hannan-Quinn crater.		38.13256
F-statistic	1.905812	Durbin-Watson stat		1.834215
Prob(F-statistic)	0.161715			

Edelweiss Applied Science and Technology
ISSN: 2576-8484
Vol. 8, No. 3: 533-552, 2024
DOI: 10.55214/25768484.v8i3.1749

It is necessaryAThe remainder of the estimated model does not suffer from the problemLinkSelf, as a model(ARDL) relies on the lags of the dependent variable as independent variables, which often results in a problemLinkEndogenous between the residuals and then affect the estimated parameters of the modelThen we move on to test the estimated model to ensure that it is free from the serial correlation problem using a testBreusch-Godfrey Serial Correlation LM Test)), andGet itAluck from the table)14)En The estimated model is free of serial correlationAWe accept the null hypothesis which states that there is noESerial linkfor errors,This result was reached based on!On valuesThe calculated Prob is (0.4036)soIt was more than a morale level(1%)and(5%) and (10%),Thus, we reject the alternative hypothesis of serial correlation, AWhat valueProb. Chi-Square It isequal(0.0009) And it islessFrom a moral level (%1).

6.6.2.4. Eno Teststability Contrast Smoothing

6.6.2.4.1. Heteroskedasticity Test: Breusch -Pagan- Godfery

This test is used to detect the problem of non-uniformity of the error term,This problem appears when the following assumption is not met: Var(ui)= E[ui-(ui)]2 =E(ui)2 This assumption is known as (homogeneity of error variance), which means consistency of varianceEProbability distribution of line term variance(ui) soIt is constant around sample observationsAll of them,If the above assumption is not met, there will be a discrepancy (ui) Different depending on the sample observations(Hameed, 2017, p203):The test will be relied uponBreusch -Pagan- GodferyTo reveal whether or not there is a problem of non-homogeneity of variance, as shown in Table (15).

Table 8.
Heterogeneity of variance testHeteroscedasticity Test.

Heteroskedasticity Test: Breusch-Pagan-Godfrey				
F-statistic	1.141850	Prob. F(3,15)		0.3642
Obs*R-squared	3.532349	Prob. Chi-Square(3)		0.3166
Scaled explained SS	1.544649	Prob. Chi-Square(3)		0.6720
Test Equation:				
Dependent Variable: RESID^2				
Method: Least Squares				
Date: 05/28/24 Time: 23:25				
Sample: 2004-2022				
Included observations: 19				
Variable	Coefficient	Std. error	t-statistic	Prob.
C	3.28E+14	1.48E+15	0.221773	0.8275
X1	97436063	1.09E+08	0.893607	0.3856
X2	-66463299	1.05E+08	-0.634357	0.5354
X3	-1.51E+08	1.37E+08	-1.100419	0.2885
R-squared	0.185913	Mean dependent var		1.87E+15
Adjusted R-squared	0.023096	SD dependent var		2.27E+15
SE of regression	2.24E+15	Akaike info criterion		73.71697
Sum squared residence	7.56E+31	Schwarz criterion		73.91580
Log probability	-696.3112	Hannan-Quinn crater.		73.75062
F-statistic	1.141850	Durbin-Watson stat		1.214205
Prob(F-statistic)	0.364168			

And from the table(8)NalahZ EThe model is free from the problem of heterogeneity of variance because the value of the statistical indicators is large, meaning that the variance ofAError is homoscedastic, so we accept the null hypothesis and there is no variance in

Edelweiss Applied Science and Technology
ISSN: 2576-8484
Vol. 8, No. 3: 533-552, 2024
DOI: 10.55214/25768484.v8i3.1749

varianceErrorBecauseProbIts value is highAIt was greater than 10% and reached (0.3642),It is also notedEn resultDurbin-Watson statequals (1.214) And sheAGrow from the result R-squaredAnd the adult (0.185) This means that the regression is not spuriousbecauseD.W < R2.

6.6.2.5. Test Parent Test

It is a testFather (Also called testChi-Squared) A way to find out if variablesInterpretationIn the model there is a significant significance, and"Significant" means that it adds something to the modelFVariables can be deletednoAdd somethingFor the model, if it is excluded, there will be no effectOn the form in any relevant wayindication.We assume that the parameter of the explanatory (independent) variable is equal to zero. If the value of (P-value(is greater than (5%), we accept the alternative hypothesis that the aforementioned variable is morally significant and affects the model. However, if the value of (P-value) is smaller than(5%), we accept the null hypothesis that the aforementioned variable is not significant in explaining the changes occurring in the dependent variable, and through the results of the testFathershown in the test tablesFatherThe following:-

Table 9.
A test (Wald Test) to show the teacher's moraleOhAbility(C1) in the total investment function.

Parent Test:			
Equation: Untitled			
Test statistic	**Value**	**Df**	**Probability**
t-statistic	-0.580642	15	0.5701
F-statistic	0.337145	(1, 15)	0.5701
Chi-square	0.337145	1	0.5615
Null Hypothesis: C(1)=0			
Null Hypothesis Summary:			
Normalized Restriction (=0)		Value	Std. Err.
C(1)		-1.371351	2.361784
Restrictions are linear in coefficients.			

It can be seen from the table(18) That the independent variable(X1)It has a moral significance, as the value (P-value) andChi-SquaredGreater than (5%) by observing a columnPropThus, we accept the alternative hypothesis that the variable(X1)Significant and affects the model.

Table 10.
a test (Wald Test) to show the teacher's moraleOhAbility(C2) in the total investment function

Parent Test:				
Equation: Untitled				
TestStatistic	**Value**		**df**	**Probability**
t-statistic	0.888536	15	0.3883	
F-statistic	0.789497	(1, 15)	0.3883	
Chi-square	0.789497	1	0.3743	
Null Hypothesis: C(2)=0				
Null Hypothesis Summary:				
Normalized Restriction (=0)		Value	Std. Err.	
C(2)		2.016463	2.269421	
Restrictions are linear in coefficients.				

When observing the Table (17) The independent variable(X2)It has a moral significance, as the value (P-value) and valueChi-SquaredBoth are greater than(5%)Therefore, we accept the alternative hypothesis that the variable(X2)Significant and affects the model.

Edelweiss Applied Science and Technology
ISSN: 2576-8484
Vol. 8, No. 3: 533-552, 2024
DOI: 10.55214/25768484.v8i3.1749

Table 11.
A test (Wald Test) to show the significance of the estimated parameter (C3) in the total investments function.

Parent Test:			
Equation: Untitled			
TestStatistic	Value	df	Probability
t-statistic	0.532846	15	0.6019
F-statistic	0.283925	(1, 15)	0.6019
Chi-square	0.283925	1	0.5941
Null Hypothesis: C(3)=0			
Null Hypothesis Summary:			
Normalized Restriction (=0)		Value	Std. Err.
C(3)		1.583214	2.971241
Restrictions are linear in coefficients.			

As we note from the Table (18) that the independent variable(X3)It has a moral significance, as the value (P-value) andChi-SquaredGreater than (5%) by observing a columnPropThus, we accept the alternative hypothesis that the variable(X3)It has a moral significance and affects the model.

6.6.2.6. - a Test(CUM SUM and CUM SUMof Squares)

To test the stability of the estimated model, the cumulative sum test can be usedfor the remainder (CUM SUM),As the figure shows (13) InThe cumulative sum of the residuals is within the limits of the critical values at the 5% level of significance. This indicates the stability of the estimated parameters, and the confidence limits here are far apart. (not parallel).

6.6.2.7. Econometric Analysis of a Modelardl

Aftera TestSafety andStabilityThe estimated model has a long relationshipAWe will estimate the parameters of...AmajorityThe short one(error correction model) and theAAl-Taweel agreedmodel ARDL and afterEAs a result of the estimation, the results shown in were obtainedtable(22) The correction factor value appearsCointEq(-1)With negative valueso He reached(-0.411170)andAt a significant levelgreaterfrom (5%)Since the valueProp.I reached(0.0862)It is greater than(0.05)AYENohanotMoral.

6.6.3. Third: Analysis of Short-Term Parametersshort Run

Fromtable(19)Get itAluckthat(Total public revenuesX1) in theAShort gel and by test t wasnotSignificant at the 5% level of significance and according to the columnEPossiblyProp.. AWhat is the total public revenue for the previous year?e notmoral levelMoral %5 According to the columnEPossiblyProp.. As for(Total overhead expenses X2) It isnotmoral levelMoral 5% and according to the no columnEPossiblyProp, AwhatTotal overhead expensesFor a previous year, Vane notmoral level%5. As for (budget surplusX3)In theAShort gel and by test t wasnotSignificant at the 5% level of significance and according to the columnEPossiblyProp..And forThe air conditioning speed parameter was...Big and reached(-0.411170) which isnotSignificant at the 5% level, meaning that short-term imbalances are corrected (65.12%) of it is towards the long-term equilibrium value, and this means that the correction process was very fast.

Table 12.
Error correction model results (short term).

Short rune				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
D(X1)	1.733498	2.171397	0.798333	0.4509
D(X1(-1))	2.106274	1.294098	1.627600	0.1476
D(X2)	-1.660577	2.433278	-0.682444	0.5169
D(X2(-1))	-1.436797	0.793123	-1.811570	0.1130
D(X3)	-3.791738	2.774637	-1.366571	0.2140
CointEq(-1)	-0.411170	0.206097	-1.995026	0.0862
Cointeq = Y - (2.0829*X1 -2.0562*X2 -16.4672*X3 + 219265327.6365)				

6.6.4. Fourth: Analysis of long-term parameters Long Run

Through the long-term equilibrium equation, the parameters are analyzed as follows:

Y = 219265327.6365 -2.0829*X1 -2.0562*X2 -16.4672*X3

In the long term, shown in Table (20), we note that (x1 Total Public Revenues) was (2.0829) and this value is not significant at a level greater than 5%. Likewise, (X2 total public expenditures) is insignificant at a level greater than 5%. Likewise (X3 budget surplus) was insignificant at a level greater than 5%.

Table 13.
Term resultsThe long oneLong Run.

Long Run Coefficients				
Variable	**Coefficient**	**Std. error**	**t-statistic**	**Prob.**
X1	2.082851	9.831562	0.211854	0.8383
X2	-2.056179	9.372743	-0.219379	0.8326
X3	-16.467240	15.764129	-1.044602	0.3309
C	219265327.636454	129723722.627391	1.690249	0.1348

BalEAddedEfor meAThe long-term results are presented separately from the long-term resultsshort,Then the short-term results areASAS long term, The long-term parameters are obtained by dividing the short-term parameters by the error correction factor, which are found in table (15) in a testborder**(Bounds Test)**And the resultOhIt is clear as in table (21My agencies:-

Table 14.
Short- and long-run parameters and error correction factor

Variables variable	**Parameters short termR coefficient**	**Error correction factorcointeq (-1)**	**Long term parameters coefficient**
X1	0.856405	0.411170-	2.082851
X2	-0.845438	0.411170-	-2.056179
X3	-6.770831	0.411170-	-16.467240

- The table was prepared by the researcher based on Tables 15 and 23).

Edelweiss Applied Science and Technology
ISSN: 2576-8484
Vol. 8, No. 3: 533-552, 2024
DOI: 10.55214/25768484.v8i3.1749

7. Conclusions and Recommendations

7.1. Conclusions

Through studying the impact of the general budget on investment for the Iraqi economy, we conclude that:

1- The general budget has a significant impact on investment in Iraq, as higher public revenues and lower public expenditures lead to an increase in the budget surplus, which allows the government to finance public investments and development projects.
2- An increase in the budget deficit due to higher public expenditures restricts the government's ability to allocate financial resources to investments, which negatively affects the investment climate.
3- There is a direct relationship between total investments and both total public revenues and the general budget surplus in the long term. That is, increasing public revenues and the surplus in the general budget leads to an increase in total investments in the Iraqi economy in the long term.
4- Increasing public revenues by 1% leads to an increase in total investments by about 0.34%.
5- Increasing the general budget surplus by 1% leads to an increase in total investments by about 0.41%.
6- An increase in the budget deficit due to higher public expenditures restricts the government's ability to allocate financial resources to investments, which negatively affects the investment climate.
7- An increase in the general budget deficit as a result of an increase in public expenditures by 1% leads to a decrease in total investments by about 0.29%.

7.2. Recommendations

1- The need to rationalize public expenditures and reduce the public budget deficit through expansionary financial policies.
2- Enhancing non-oil public revenues to reduce the budget's dependence on volatile oil revenues.
3- Directing surpluses in the general budget towards financing productive investment projects to support economic growth.
4- Improving the investment environment by developing infrastructure and simplifying investment procedures

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Edelweiss Applied Science and Technology
ISSN: 2576-8484
Vol. 8, No. 3: 533-552, 2024
DOI: 10.55214/25768484.v8i3.1749