

## The Impact of the Banking Role in the Iraqi Business Environment on the Activation of Sustainable Development

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### Abstract

*The study aims to examine the impact of the banking role in the Iraqi business environment on promoting sustainable development. This is achieved through dimensions of development, including sustainable land and agricultural use, clean energy and industry, digital technology, and health and well-being activation. To achieve this objective, a sample of 22 Iraqi banks listed on the Iraqi Stock Exchange was selected. Each bank has multiple branches within and outside Iraq, representing a large sample size. A total of 500 questionnaires were distributed, of which 480 were retrieved. Seven questionnaires were deemed invalid and excluded from the analysis, leaving 473 questionnaires for analysis. The data was analyzed using SPSS.V.27 software. The study found a significant impact of the banking role on activating clean energy and industry at a significance level of 0.05. An increase in the banking role by one unit resulted in an improvement of 0.478 in activating clean energy and industry. Similarly, the study found a significant impact of the banking role on activating digital technology and health and well-being at a significance level of 0.05. An increase in the banking role by one unit resulted in improvements of 0.407 and 0.369, respectively. Furthermore, the study revealed a significant impact of the banking role on promoting sustainable land and agricultural use at a significance level of 0.05. An increase in the banking role by one unit led to an improvement of 0.491. The study recommends the reinforcement and activation of the banking role in the Iraqi environment, aligning it with the rapid developments in most countries worldwide and making it a crucial contributor to sustainable development in the Iraqi context.*

**Keywords:** *banking sector; historical development of the Iraqi banking system, sustainable development.*

### Introduction

The development of the banking sector enables the provision of financing opportunities and the utilization of high banking liquidity, especially if suitable mechanisms can be provided for local institutions to borrow from private banks to finance infrastructure projects. This will improve the composition of loans provided by banks that are predominantly of a personal nature (Ministry of Planning, 2019: 52). The development of the banking system is a major source of raising banking growth and sustainable development. After the economic transformations after 2003, the banking sector in Iraq has grown, with a variety of banks and services offered by these banks, including investment, loan provision, and facilitation for savers, while others have contributed to

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stimulating trade exchange, as many Iraqi banks have sought to promote sustainable development (Al-Waeli, 2021: 18).

The Central Bank is the primary and sole entity responsible for ensuring the stability and continuity of the banking system. It has the authority to supervise and regulate banks, granting them licenses, and serving as a lender of last resort. The Central Bank carries out its supervisory function through specialized technical devices and various tools. Its supervision aims to ensure that banks comply with all procedures and instructions issued by the Central Bank, as well as the soundness of their financial and credit positions. The supervision and oversight of banks are conducted through laws, regulations, instructions, inspections of licensed banks, and audits of their records and data (Al-Amara, 2012: 56).

One of the main items on the agenda of the Central Bank is the supervision and review of loans and credit facilities, in addition to improving economic conditions and achieving development. This includes evaluating the status, movement, and balances of these loans, updating credit information about borrowers, identifying sound loans, and making necessary provisions for loans. It also involves assessing the bank's compliance with specified regulations (Othman, 2013: 357).

The policy followed by the Central Bank of Iraq serves as a tool for monetary policy to enhance banks' capacity to manage short-term liquidity and indirectly guide the necessary monetary policy. This can be evaluated based on various intermediate variables, including the exchange rate return and the growth rate in the money supply in terms of its ability to manage liquidity. Monetary policy tools adopted by the Central Bank should work in conjunction with other financial markets and securities to create an efficient payment system that instills confidence in banks to meet their obligations at reasonable costs. It also involves providing liquidity through additional needs such as cash reserves with the Central Bank and excess balances for legal reserve requirements (Hussein, Abd, 2020: 220).

The general perception of both growth and development is the continuous and rapid increase in real national income over time, allowing for an increase in the average per capita share within a certain period, usually one year. It may seem to non-specialists that these terms are synonymous, but the essence of each is different from the other (Al-Sarayti & Najah, 2010: 360).

Banking growth is one of the goals of sustainable development, and it is growth that is achieved in some economic indicators and occurs naturally and over time (Muhammad, 2015: 55). Economic growth is considered to be a certain increase in the growth rate of national income and the growth rate of real national income over time without the presence of multiple measures. In order for this rate to be achieved in a certain way (Abdul Hamid, 2010: 277), it is noted that economic growth means an increase in real individual income, not cash, as the latter refers to the number of monetary units that an individual obtains during a specific period of time, usually one year, in exchange for services. The productivity it provides, and thus real income is the result of dividing cash income by the general level of prices (Al-Zarkush, 2013: 7). Therefore, the first condition for banking growth to occur must be that the real income growth rate is greater than the population growth rate, and the second condition is that the rate of The increase in the average per capita share of monetary income is greater than the rate of increase in the general level of prices (Al-Sariti and Naga, 2010: 361-362). Others also saw the concept of economic development as being associated with raising the rate of capital accumulation (investment) over time, and this represents importance for capital, while Others believe that the development of the technological element is the most important, while some of them linked economic development to social development in what is called a better life (Darwish, 2010: 247). This group focused on the elements of production, while the other group linked the increase in income to the rate of population growth and saw it as a process in which real income is increased. A cumulative, rapid, and continuous

increase over a period of time, such that this increase is greater than the rate of population growth while providing productive and social services, protecting renewable resources from pollution, and preserving non-renewable resources from depletion (Yassin and Al-Tamimi, 2010: 515). Banks are one of the most regulated industries. In the world, the rules for bank capital are among the most prominent aspects of this regulation. This prominence results from the central role that banks play in financial intermediation, the importance of bank capital for the safety of banks, and the efforts of the international community to adopt common standards for bank capital. Banks have always been the most important financial intermediaries in almost all economies, this results from their role as providers of liquidity insurance and monitoring services and as producers of information. With regard to the regulation of bank capital, its importance stems, among other things, from the role it plays in bank safety and risk-taking incentives, and from its role in corporate governance in banks (Santos, J.A. , 2001:42), and it is also related to the impact of capital on the competitiveness of banks. This impact has in fact been one of the main factors behind international efforts to harmonize capital standards since the 1980s.

Banks are recognized as a group of financial intermediaries that accept deposits, either on demand or for specific periods, and engage in internal and external financing operations. They aim to achieve the goals of development plans, state policies, and support the national economy. Banks also undertake savings and financial investment development operations, both domestically and internationally, including contributing to the establishment of projects and conducting banking, commercial, and financial transactions according to the conditions determined by the central bank. (Al-Sayrafi, 2007: 7)

And sustainable development requires changes in the deployment and recovery of the actual value of financial assets and their relationship to the creation and supervision of real wealth and productivity. Therefore, a sustainable financial system is one that creates, evaluates, and deals with financial assets in ways that shape real wealth to serve the long-term needs of a comprehensive and environmentally sustainable economy. (Inquiry, U.N.E.P, 2015: 13)

The banking sector is considered one of the important sectors that plays a crucial role and is among the fastest sectors to respond to both international and local changes. The sector demonstrates its role as a partner in managing the economy and financing sustainable development plans. All countries and communities aim to achieve banking development, whether advanced or underdeveloped. Development is the goal of changing prevailing conditions for the better by utilizing the available resources in banks, especially after the evolution of the concept of development from economic development to the concept of sustainable development, which utilizes available resources in a rational manner. (Atiya et al., 2021: 241)

Indeed, the banking sector is one of the most important sectors operating in a country due to its prominent and crucial role in supporting the state's economic activity. Through its financial and monetary tools, this sector enables it to meet the needs and desires of various sectors and groups. As banks are profit-oriented financial institutions, they strive to provide their banking services to various social groups, thereby achieving financial returns. On the other hand, these institutions require external financial resources to finance their strategic projects. This makes them interested in attracting small savers and utilizing their savings to support development operations.

In the current technological advancement witnessed by the world today, Iraqi banks, like other international financial institutions, work on developing their banking performance through the utilization of technological means in their banking operations. This development has encouraged many clients to open various bank accounts for use in settling their daily payments through the use of electronic payment cards. (Hirjan et al., 2021: 60)

As a result, banking development and banking growth have significant importance in increasing and promoting sustainable development. The current study aims to clarify the impact of the banking role in the Iraqi business environment on promoting sustainable development in the Iraqi banking sector.

The first part: study methodology

The economic strategic changes in Iraq as a result of the change of the political system in Iraq in 2003 have constituted an additional role for banks, in particular, in the process of financing economic development by granting monetary credit to economic sectors on the one hand, and attracting the savings of the family sector and the business sector to mobilize and accumulate the necessary capital for the process of financing economic development on the other hand, so it was necessary to identify the role played by banks in the process of financing sustainable development in Iraq, and through reviewing some previous studies, namely (Tony, 2022), (Begum, 2022), (Zhao, 2021), (Alam, 2021), (Mutlaq, 2021), (Hamid, others, 2021), (Hamo, Hussein, 2021), (Zahra, 2021), (Al-Dabbagh, al-Naimi, 2021), (Hua, 2020), (Bello, 2020), (Matai, bin shenneh, 2020), (Zubaidi, Jassim, 2020), (, 2019 Nwoba), (mishni, Nashif, 2019), (Cao, 2018), (bin Sulaiman, 2017), (Saleh, 2017), (Oyedepo, 2017), (Wu, 2017), (Li, 2016), (Nabila, Jamaluddin, 2015) we suggest the following questions:-

1. Is there an impact relationship between the banking role and the activation of sustainable use of land and agricultural areas.
2. Is there an impact relationship between the banking role and the activation of digital technology.
3. Is there an impact relationship between the banking role and the activation of clean energy and industry.
4. Is there an impact relationship between the banking role and the activation of Health and well-being.

The importance of this study lies in the importance of the role played by banks, as they play a prominent role in several areas, including saving and providing banking facilities as well as opening bank accounts. Since banks are financial institutions of public benefit, which is represented by a set of needs of public benefit, and the legislator gave them the status of protection, these banks had to preserve the public interest and the trust deposited in them by the state and customers dealing with it, and this study promises that it seeks to demonstrate the role of Iraqi banks in financing and stimulating sustainable development by the specialist is working on the employment of her money. Therefore, the importance of the research highlights the role played by Iraqi banks in activating sustainable development, highlighting the role played by Iraqi banks in activating sustainable development.

The study aims to study the impact of the banking role in the Iraqi business environment on the activation of sustainable development, through the dimensions of development (sustainable use of land and agricultural spaces-clean energy and industry-digital technology-health and well-being activation)

The boundaries of the study were represented by a sample of the Iraq securities market, represented by the banking sector and the boundaries of the temporal boundaries (2022-2023)

In order to build the research structure, the researcher's attention was focused on the formation of theoretical and practical frameworks for the study based on both the deductive and inductive approach. The study sample was formed in the banking sector in Iraq to be the study sample where a questionnaire form containing the study variables was designed and will be directed to a selected sample of the banking sector in the Iraqi environment.

Through the search for studies related to the current study, we were able to collect a set of studies related to the study, the purpose of the study (al-Dabbagh, al-Naimi, 2021) to the role of the banking sector in supporting entrepreneurship in the Arab countries, a model and review the most important intellectual trends framing the role of the banking sector in supporting entrepreneurship and explaining the mechanism of the role, In addition to the foresight of a quantitative model characterized by objectivity and the ability to diagnose the nature ,size and direction of that role, using the methods of cumulative regression (PRM), fixed impact (FEM)and random impact (REM)based on double balanced Data (Data Panel Balanced ) for a sample consisting of nine Arab countries for the period (2017-2006), the results of the assessment revealed the significance of the role played by the banking sector in the entrepreneurship index of the group of Arab countries and throughout the study period by involving variants of bank credit granted to the private sector  $gdp / (BC)$  , The net interest income / interest-bearing assets (TD) in the events of the negative impact on the Entrepreneurship Index(ADU), (versus the positive impact of the variable assets of the banking sector ( $GDP / ASE$ ), which reflects the correlation of the role of the banking sector in supporting entrepreneurial activity with the idea of conditionality, which requires moving away from what is known as the phenomenon of financial substitution and directing part of the investment resources of the banking sector towards entrepreneurial projects, starting from counting finance as one of the most important obstacles facing entrepreneurial activity. The study (al-Toni ,2022) refers to the impact of banking awareness among government banks in achieving sustainable development and the impact of banking awareness among government banks in achieving sustainable development (field study ) the study was conducted on customers in the public sector in Port Said governorate and the total number of vocabulary of the actual sample of customers was 411, the following statistical methods were used: arithmetic mean, standard deviations, internal consistency coefficient, stability coefficient (alfakronbach), one-way variance analysis, Pearson correlation coefficient, simple regression analysis, The field study found a positive moral impact of banking awareness on the dimension of sustainable development (from the economic point of view) . In addition, there is a positive moral impact of banking awareness on the dimension of sustainable development and there is a positive moral impact of banking awareness on the social side . A study (Begum,2022) aims to highlight the vital role of the title for a comprehensive consideration of the aspects and their relationships with each other that motivate customers to comply and benefit from internet banking, and the analysis of the literature related to internet banking shows that although many studies have tried to identify the causes of inconvenience to non-adopters and / or manipulators of internet banking, there is not a single study, especially in Bangladesh that sheds light on the effects that affect the use of internet banking, so the current study provides more awareness of this matter, Bangladeshi banks conduct most of their banking business using outdated systems. The acceptance of online technology is higher in developed countries than in non-industrialized countries , such as Bangladesh, where an extensive and complete study of internet banking is needed to increase customer confidence in Internet Banking Technology and its use, and this study seeks to conceptualize the context of increasing consumer confidence and recognition of internet banking. Then, provided that the literature on internet banking, this reading reflects a structure and to determine whether a particular technology is likely to be reliable and recognized by banking trade customers in an emerging country like Bangladesh, where information was collected using a qualitative research method ,semi-structured interviews were conducted with bank managers and their clients, and facts were generated based on consumers ' insights of features that have an emotional impact on their decisions on whether to believe in the internet banking experience in Bangladesh or not. As this study has serious consequences for other studies and investigations of internet banking customers by taking into account that the entire volume and recognized knowledge is based on the critical philosophy; this may be used as a source for experts and additional research, and Banking Supervision officials will also be useful as a background for their upcoming banking guidance on the

topic of customer belief and acceptance. Despite the fact that the goals of this research were achieved, due to the fact that a structure was created to develop the trust of Bangladesh Bank customers and their acceptance of internet banking services, the study recognized the limitations of the research and made recommendations for future research.

Therefore, the banking sector, under the supervision and control of the central bank, plays an important role in achieving financial stability, through its ability to perform the role of financial intermediation efficiently and effectively by identifying systemic risks that threaten financial stability, and then enhancing the ability of the financial and banking system to absorb the impact of systemic risks and confront crises and the resulting huge economic and social costs that result from crises (Ferguson, 2003:7), as the central bank seeks to maintain financial stability by emphasizing the integrity of the banking sector by raising its ability to withstand unexpected financial shocks and economic fluctuations by maintaining The banking sector continues to perform its financial functions as savings, investment, credit, borrowing, liquidity creation and distribution even in times of external shock or economic imbalances (Chinasi, 2005 :2)

Chant (2003) believes that the containment policies implemented by the central bank contribute to addressing financial instability, containment policies are measures that can be taken to reverse or overcome the severity of financial instability during its occurrence, and include the facilities provided by the central bank as a last resort for lending, which protects debt-ridden institutions from lack of liquidity, as well as taking immediate measures to deal with weak institutions may also limit losses caused by instability, and the use of remedial measures to reduce the costs arising from financial instability after it occurs, remedial measures include restructuring troubled institutions through recapitalization, and and merging with Healthy institutions, infecting new management, these measures are aimed at reducing the costs of financial instability arising from the depreciation of any part of the financial system in its functioning (Chant,2003(3:

)Garry, 2004) argues that the banking sector bears completely different responsibilities from the responsibilities of other agencies involved in financial stability to a much greater degree, because those in charge of managing the banking sector must develop a broad knowledge of the economy and current economic conditions in order to form their judgments in setting monetary policy, and also understand the way financial institutions and markets work, because these are the main channels through which monetary policy affects, and (Garry,2004( 6:

There may be a close relationship between the effectiveness of the banking system in financing economic development and the extent of its ability to drive economic and social progress in the country,as the banking system works mainly in mobilizing national savings through executive policies and directing them towards various investments for all economic sectors(estimates, 2014:264). This is done by granting bank credit to both the public sector, the private sector and the government sector in order to achieve the desired economic development, which helps to reduce the gap between targeted investments and actual savings. In order for the banking system to exercise its role in financing development projects while achieving monetary stability, projects are financed without excessive granting of credit to prevent an imbalance in the national economy (Chen et al.,2018:6(

The role of the banking system is manifested by the intervention of the central bank through the use of monetary policy in influencing the variables of economic activity and directing it towards achieving high rates of economic growth. The central bank uses a set of tools to influence the money supply and credit conditions in the financial system (Meaning et al.,2018:4), these tools are divided into three main groups, namely direct control, general tools, and qualitative credit control tools, and they can be identified as :

The first group : direct control tools: through which the central bank can directly control bank credit either by issuing direct instructions and orders in accordance with the law,or using the means of moral persuasion (Kern, 2016:468(

The second group: qualitative credit control tools: used when the government controls sectoral credit or directs credit towards certain areas, a number of economists prefer to leave this guidance to the private sector and the government's role should be limited to achieving economic stabilization from public tools (Fapetu&Obalade,2015:162(

The third group: general tools: these tools are designed to influence the total volume of credit in the economy without distinguishing between economic activities or sectors. The debit mechanism, the statutory reserve ratio, and open market operations are the most important tools that the central bank uses to influence the money supply and credit volume. All three instruments lead to a direct change in the monetary base available to the banking system ,therefore it is preferable to coordinate their use to increase the efficiency of monetary policy (Ndubuisi, 2017:145(.

The central bank, as the main pillar of the banking system, uses the above-mentioned tools to direct bank credit towards targeted economic sectors to increase economic growth rates. In addition ,the financial system ( market and banking) performs a set of basic functions, the most important of which are the accumulation of savings and the allocation of capital through the provision of appropriate savings vessels, and then provide the necessary liquidity for investment requirements in line with economic development plans and programs (Bernanke, 2020:3). As well as providing information and providing information in advance and for a sufficient period about investment opportunities and capital allocation. Pricing of various securities and financial instruments openly and clearly, diversification and management of financial risks, conducting clearing and settlement operations,trade and exchange facilities and payment methods (Bianchi & Bigio, 2014:2(

Based on this, we propose the following hypotheses :

1. A significant correlation exists between the banking role and the activation of sustainable use of land and agricultural areas at a significant level of 0.05.
2. A significant correlation between the banking role and the activation of clean energy and industry exists at a morale level of 0.05 .
3. There is a significant correlation between the banking role and the activation of digital technology at a morale level of 0.05
4. A significant correlation between the banking role and the activation of Health and well-being exists at a morale level of 0.05 .
5. A statistically significant effect of the banking role in the activation of sustainable use of agricultural lands and areas is at a morale level of 0.05 .
6. A statistically significant effect of the banking role in the revitalization of clean energy and industry is at a morale level of 0.05 .
7. There is a statistically significant effect of the banking role in the activation of digital technology at a morale level of 0.05 .
8. A statistically significant effect of the banking role in the activation of Health and well-being is found at a morale level of 0.05 .

Part two: theoretical literature

## 2. 1 the concept of the banking system

The banking system is an instrument for achieving economic stability in any developed world economy in the light of providing the appropriate environment for economic policies in general and monetary policies in particular to perform their tasks accurately



and effectively .if the banking system enjoys the required depth and appropriate intensity, it will leave its mark on monetary policies aimed at achieving economic stability (Rostami et al.,2015:26). The concepts of the banking system have varied according to the different laws and regulations governing its business ,which vary from one country to another, and also according to the nature of the activity of these banks and their legal form, so it is difficult to find a comprehensive definition or concept of different types, forms and laws governing their business, perhaps the most widespread definition of a bank is an institution that takes the trade in money as its craft (Onyshchenko, 2015:116). The concept of the banking system can be defined through banking operations that rely on assets and customs that have been developed in accordance with the development of banks since their inception and the complexity of their operations .those assets and customs were originally built on principles and concepts derived from the right of the saver (lender) to preserve the value of his savings and the right of the investor ( borrower ) to increase his profits to the maximum extent possible and the right of the bank (which in this case is the intermediary that seeks to mobilize savings from savers and lend to investors) to achieve the maximum possible profit( Hoggarth et al.,2002:826).

As seen by (Karim et al.,2019:60 the bank is defined as (an institution that provides individuals with money on demand, as well as individuals deposit their money with it when they do not need it, i.e. it practices the process of accepting deposits and granting loans).For most regulators, the word banks conjures up the image of some special functions, including maturity transfer, as banks accept deposits from savers and guarantee their return on demand and use these deposits to provide loans for longer periods, and the possibility of converting short-term savings into long-term investments And then improve the productivity of the economy) Aleuatdinovich &Usarovna, 2022:2)). (France,2018:26)refers to the banking system" is that organ consisting of a group of financial intermediaries, through which the prevailing funds and savings flow to loans and investments, which represent the credit basis of the national economy and which operates under a framework of policies and directives assumed by the central bank in coordination with general economic policies under a set of strict laws".

## 2. 2 historical development of the Iraqi banking system

It was at the forefront of the evidence of the development of the banking system in Iraq after 1938, the establishment of the first Iraqi Commercial Bank in 1941 under the name of Rafidain bank.in addition to carrying out regular business, this bank was entrusted with maintaining government accounts. the establishment of Rafidain Bank marks the beginning of the contribution of government national capital in commercial banking in order to act as a bank for the government and as a competitor to foreign banks operating in Iraq. This was followed by the establishment of the National Bank of Iraq in 1947, which was one of the tasks of monitoring banks, therefore, one of its first works was to study the practical and legislative shortcomings of the Control Law No. 61 of 1938, and accordingly, the government issued in February 1900 Decree No. 1 of 1900, which was legislated in March of the same year as the Banking Control Law No. 31 of 1900 . The period in which this law was issued is no different from the one that passed after the issuance of Law No. 61 of 1938, due to the impact of the foreign presence represented by foreign experts in the work of the National Bank of Iraq (later the central bank) in addition to some shortcomings that were hindering the work of the bank (Hussein, 2018 :67. (

The second Arab Bank was opened in Iraq in 1953 under the name of the United Lebanese bank with a capital of a quarter of a million dinars and the number of its branches was (2) branches until 1964 (Ashoor&Ismail,2020:34(

The first Iraqi commercial bank was established by the private sector in 1954 as the Commercial Bank of Iraq , then its business expanded until the number of its branches reached (9) branches in 1964 with its paid-up capital remaining the same at the time of



establishment, amounting to half a million, then the private sector continued its banking activity where it established another bank named Baghdad bank in 1956 and the number of its branches reached (7) branches in 1964 where its paid-up capital on this date was one million dinars , Then this was followed by the opening of the inter-Lebanese bank branch in Baghdad in 1907 with a capital of a quarter of a million dinars, and this bank continued its business until the tariff was introduced at the beginning of 1992 and it was called the United Iraqi bank, and the number of its branches at that date was only two, then its business expanded until its branches reached (4) until 1964 with a capital of (300) thousand dinars, where the Iraqis contributed to (60%) of its capital and then the percentage was adjusted to (68%) where shares of interbank in Beirut (abdessabbar,: 2016 (268(

In 1963, the Credit Bank of Iraq was established with a paid-up capital of one million dinars, and the Ottoman Bank in London participated in (40%) of the shares of this bank, and another bank was established this year by the name of Al-Rasheed bank with a capital of a quarter of a million dinars .At the beginning of this period, specifically in 1950, seven commercial banks took over the banking business in Iraq, namely Rafidain Bank, Arab Bank, Oriental Bank, Ottoman Bank, British bank for Iran and the Middle East, zalkha Bank and credit bank with Seventeen branches of these banks in Baghdad and other cities of Iraq (Shahin,.2017: 57)

Therefore, the stages of development of the banking sector in Iraq can be divided into the following stages (Abdul Sabar, 2016 :270-268) (al-Fatlawi, 2019 :57-55(

#### 1. The first stage 1890 -1935

This stage marks the beginning of the emergence of banking in Iraq, which was characterized by the control of foreign bank branches over banking activity, and these branches focus in the main cities with their focus on granting short-term credit to the commercial sector in order to encourage import from Britain and deprive the industrial and agricultural sectors of all banking services and the transfer necessary for their development .this stage also witnessed the issuance of the Iraqi currency Law No. 44 of 1931, which established the currency committee headquartered in London. During this stage, there was no Iraqi central control over banks, nor was there any Iraqi bank, but the efforts of Iraqis were limited to some cashiers who worked in small banking offices as intermediaries between the public and banks.

#### 2. The second stage 1930 - 1993

This stage marks the beginning of the emergence of national banking in Iraq, as it was characterized by a specialized character due to the reluctance of foreign banks in Iraq to provide the necessary financing for the industrial and agricultural sectors .the government resorted to establishing the first National Bank, the Agricultural Industrial Bank, Under Law No. 51 of 1930. due to the dual jurisdiction and lack of capital, the bank was split into two banks, the Agricultural Bank and the Industrial Bank under laws No. 12 and 18 of 1940, where they began their operations in 1946. This stage also witnessed the emergence of national central banking in Iraq, where the National Bank of Iraq was established by Law No. 43 of 1947 for the purpose of regulating the activity of central banking, and this bank began its operations in 1948 and in 1956 it was renamed the Central Bank of Iraq by Law No. 72 .

#### 3. The third stage 1964 - 1990

This stage witnessed an important structural and organizational change in the development of the Iraqi banking business, as it witnessed the issuance of the banking nationalization Law No. 100 of 1964, which aroused a lot of controversy among specialists, both supporters and opponents of this law, and at this stage, specifically in August of 1964, commercial banks were organized into four groups as well as the Rafidain Bank and these groups are (Jassim, 2007:132 ) the Commercial Bank of Iraq

group : includes the Commercial Bank, the British bank for the Middle East and the Bank of Pakistan.

- Baghdad Bank Group: includes Baghdad Bank and Arab Bank .
- Al Rasheed Bank Group: includes Al Rasheed bank, eastern bank and United Iraqi bank.
- Credit Bank of Iraq group: includes credit bank and the Lebanese bank, then the Rasheed Bank Group was merged into Rafidain bank to replace the Rafidain Bank Group with the Rasheed Bank Group in 1965

Law No. 57 of 1988 was issued on the establishment of Al-Rasheed bank as a government commercial bank through the division of Al-Rafidain bank into two banks, the first is Al-Rafidain Bank, which each retains its identity and the other is the new bank named Al-Rasheed bank .

#### 4. Fourth stage 1991 – 1990

This stage was marked by the transition from the government banking monopoly to the era of banking pluralism and allowing the private sector to practice banking under law 12 of 1991 on the establishment of private private banks under the provisions of the Companies Law No. 36 of 1983 and then under the Companies Law No. 21 of 1997, as this law changed the reality of Iraqi banking, which left an impact on the nature of the performance of banking institutions and the quality of their services and activities provided to the public.

#### 5. Fifth stage 1999 - present

It is an important stage of banking work in Iraq, as it reflects the current picture reached by the banking system in light of structural and organizational developments based on the laws and decisions issued on improving and developing the institutional activity of banks at the present time.

### 2. 3 the concept of sustainable development

The concept of sustainable development includes all forms and methods of socio-economic development, not only in the short or medium term, but also in the long term, one of these methods is the balance between socio-economic systems and elements of natural capital, and local and global action plans were developed .the basic principles behind sustainable development were equity between countries and generations, long-term vision of the development process, systematic thinking and interconnection between the economy, society and the environment. (Orboi, M. D., Băneș, A., Petroman, I., Monea, M., & Bălan, 2010: 750(

Sustainable development can be defined as maintaining the stability of the system by developing a balance of responsibilities: the technique of economic, social, environmental and technological support without prejudice to the needs of future generations. (Duran, D. C., Gogan, L. M., Artene, A., & Duran, V ,2015: 808 (

The UN World Commission on Environment and development( 1987 WECD ) also formulated a definition of Sustainable Development, which is perhaps the most famous in all the sustainability literature: development that meets the needs of the present without compromising the ability of future generations to meet their own needs. (Jovovic, R., Draskovic, M., Delibasic, M., & Jovovic, M. ,2017 :256 (

And the formulation of the concept of sustainability as an intergenerational concept is already clear in the basic definition of the Brundtland Commission aimed at improving the living conditions of future generations, this basically means that each generation should solve its own problems instead of leaving them to future generations and avoiding actions that may be the beneficiary at the moment but may become a problem in the future. (KETSCHAU, T. J ,2017 : 342 (

The European Commission's green paper on the urban environment also states that: sustainable development is a much broader concept than environmental protection, it implies concern for future generations and the long-term health and safety of the environment, and embraces concern for the quality of life (not just income growth), equality between people nowadays (including poverty prevention), intergenerational equality (people in the future deserve an environment at least as good as the one we currently enjoy, if not better) and for the social and ethical dimensions of human well-being, and also implies that further development should be carried out only as long as it is within the capacity of assimilation of natural systems. (Network, H. C , 2015 : 9 (

Sustainable development is seen as the management and conservation of the natural resource base and the direction of technological and institutional change in a way that ensures the achievement and continued satisfaction of human needs for current and future generations. (Chittoor, J. S., & Mishra, S. K , 2012: 120(

Sustainable development is defined as transforming (developing) the economy, maximizing the economic and social benefit obtained at the moment without jeopardizing the possibilities of obtaining these benefits in the future, namely the development of society that creates the possibility of achieving comprehensive well-being for current and future generations by combining the environmental, economic and social goals of society without exceeding the permissible limits of impact on the environment. (Ciegis, R., Ramanauskienė, J., & Martinkus, B , 2009: 30 (

Sustainable development is a way of trying to integrate different environmental perspectives with social and economic ones in order to help people find appropriate solutions to the problems that affect their lives so that they can secure a better future for everyone. (Pacheco, J. A. B., Teijeiro-Álvarez, M. M., & García-Álvarez, M. T,2020: 4 (

She defined sustainable development as a process of world civilization that improves the life situation of the current generation (development) without simultaneously endangering the life chances of the future generation (preservation of the socio-economic and natural foundations of society). (Brauch, H. G,2013 :4 (

Sustainable development is the continuous process of increasing the capacity to meet the current needs of the system, expressed in power units. The goals are achieved by improving the quality of planning and implementation of innovations that provide an undiminished growth rate in the efficiency of resource use, greater income without increasing the rate of their consumption, minimizing losses in adverse external and internal effects. (Trusina, I., & Jermolajeva, E,2021 :305 (

Sustainable development is defined as the long-term continuous development of society to meet the needs of current and future generations through the rational use of Natural Resources and their replenishment by preserving the land for future generations to meet their needs.(Sustainability of the Islamic banking sector using green financial instruments (comparative study in the Iraqi and Palestinian environments (Yacoub & others, 2022: 7 (

Sustainable development is seen as "a set of processes aimed at changing the consumer behavior of available resources as well as investment methods, while directing technological developments and enterprises in order to ensure the present and future of mankind and to ensure various human needs.(Khanshul , 2018: 75 (

It is a comprehensive development aimed at improving the quality of life of contemporary generations in the economic, social, environmental and technological fields, ensuring the rights of future generations to meet their needs, the requirements and dimensions of which can be included in various education curricula . (Al-Obaidi, 2022: 518(

Sustainable development is seen as the activity that leads to the improvement of social well-being as much as possible while taking care of the available natural resources with the greatest possible harm and misuse of the environment, and therefore sustainable

development differs from development in that it is more complex and intertwined with what is economic, environmental and social.(Boufateh& qataf , 2021: 86 )

The third part: applied study (method and procedures(

### 3.1 Study Methodology

In this research, a descriptive approach was adopted. Descriptive research is one of the most important methods in scientific research that is primarily used to describe and explain a specific phenomenon and present it in a critical manner to obtain results or identify the causes that led to its occurrence. The importance of relying on the descriptive-analytical method lies in the difficulty of subjecting human phenomena to direct experimentation. Therefore, the descriptive-analytical method provides clarifications of the relationships between different phenomena related to the subject, such as the relationship between the whole and the part, and the relationship between cause and effect, which helps to deepen the understanding of the phenomenon.

### 3.2 Study Population

The field study was conducted on a sample of private commercial banks in Iraq, totaling 22 banks distributed across the bank branches in various provinces. A total of 500 questionnaires were distributed, and 480 questionnaires were returned. Seven questionnaires were deemed invalid for use, leaving 473 questionnaires for analysis. The data analysis was performed using SPSS software version 27. These banks were selected using random sampling.

### 3.3 Description of Study Instrument and Variable Measurement

The questionnaire used in the study consisted of two main sections. The first section represented the "Effectiveness of the Banking System," while the second section covered "Sustainable Development," which included four sub-dimensions: sustainable land and agricultural use, clean energy and industry, digital technology, and health and well-being. Table 1 provides an overview of the study variables and the corresponding statement numbers in the questionnaire.

Table 1: Study Variables and Questionnaire Statement Numbers

Study variables		Paragraphs	CODE
<b>The effectiveness of the banking system</b>		12	EOBS
<b>sustainable development</b>	Sustainable use of agricultural lands and areas	10	SUALA
	Clean energy and industry	12	CEI
	Digital technology	12	DT
	Revitalizing health and well-being	9	RHW

### Validity and Reliability Testing

To ensure the validity of the questionnaire, prior to its distribution to the study participants, we consulted 15 experts in the field of accounting. We then distributed the questionnaire to a sample of workers and later redistributed it to the same sample after a period of time. The results showed that the workers' responses were consistent and did not exhibit any significant changes. This indicates the face validity of the questionnaire due to the stability of the results. Additionally, we conducted a Cronbach's alpha reliability test for this applied study, and the results, as shown in Table 2, were as follows:

Table 2: Cronbach's Alpha Test Result

Cronbach's Alpha	Number of items
0.791	55

The previous table shows us that the number of paragraphs in the questionnaire for this study is (55) paragraphs, which were asked to the participants in this study through

several axes to reach the desired goal, and it turned out that the cronbach's Alpha rate is(0.791), which indicates the reliability of the questionnaire and the stability of its paragraphs, after confirming the apparent honesty of the questionnaire, and working with the observations of specialists, in addition to the observations obtained from the group on which the Applied study was conducted.

### 5.3 Reliability(cronbach's Alpha)

The minimum coefficient should be higher than(0.65) to confirm the reliability of the results (Goforth,2015) , as the results of Table No. 5 showed that the stability coefficients for the study variables were represented by values higher than (75%), which means the consistency and stability of the study variables represented by (the impact of the banking role in the Iraqi business environment on the activation of sustainable development), as the reliability value reached (0.821, 0.833, 0.920) respectively, which means the suitability of the measurement tool for employees of commercial banks in Iraq .

Table (3): study variables and phrase numbers in the questionnaire

Study variables		Paragraphs	Cronbach's Alpha
<b>The effectiveness of the banking system</b>		12	0.746
<b>Sustainable development</b>	Sustainable use of agricultural land and space	10	0.865
	Clean energy and industry	12	0.894
	Digital technology	12	0.817
	Revitalization of Health and well-being	9	0.796

### 3.6 field results

Descriptive statistics are brief descriptive coefficients summarizing a certain data set , which can be either a complete representation or in kind of the society under study. descriptive statistics are divided into measures of central tendency and measures of variability. measures of central tendency include the mean, the median, while measures of variability include the calculation of the mean, variance, minimum and maximum variables, deviation.

#### 1. The first axis : the effectiveness of the banking system

Table No. (4): description of the first axis according to repetitions and percentages

<b>The effectiveness of the banking system</b>	<b>Arithmetic mean</b>	<b>Standard deviation</b>
The bank is able to reconcile its commitment to confidentiality, which includes maintaining the client's secrets and accounts and not disclosing them except within the limits of the law, and its commitment to anti-money laundering measures that require investigating the client and reporting aspects in his bank accounts, especially suspicious ones .	3.06	0.670
The identity of customers, the procedure and due diligence of the bank are verified by the bank.	3.18	0.856
The identification documents of the clients are kept by the bank.	3.14	0.887
Strict care measures are taken to be effective and proportionate to the magnitude of the risks when establishing business relationships and operations with natural and legal persons (in countries identified as not applying international anti-money laundering standards).	3.45	0.712
There is an internal control role in the bank that is effective in following up and reporting any suspicious cases.	3.14	0.709
The bank's activity includes all banking transactions and it is	3.01	0.872

limited to transactions, withdrawals, deposits, auctions and transfers.		
It is ensured that the third party( agent )is regulated and controlled and an undertaking is obtained from the third party in which he is obliged to provide all identification data and relevant documents upon request and without delay.	2.99	0.730
There is a special department in the bank in which reports are filed on transactions of money transfer companies and banking bureaus.	3.74	0.625
There are workshops that are being held by the central bank aimed at educating employees about the risks of money laundering.	3.45	0.688
The information in the bank is updated for the customer in the account opening form when any changes occur in the year.	2.79	0.722
The bank has a continuous follow – up of the accounts of politicians and holders of senior positions in ministries and departments of the state in terms of deposits – withdrawals-foreign transfers .	3.14	0.886
The bank verifies the source of funds( incoming and outgoing transfers), their destination, the purpose of the operation and the beneficiary persons.	3.63	0.848
<b>The axis of effectiveness of the banking system</b>	<b>3.227</b>	<b>0.763</b>

In the previous table, we found that the value of the general average of the arithmetic mean of this axis is (3.227)and a standard deviation of (0.763)

2. The second axis: sustainable development is divided into:-

- Sustainable use of land and agricultural areas

Table No. (5): description of the first axis according to repetitions and standard deviation

<b>Sustainable use of agricultural land and space</b>	<b>Arithmetic mean</b>	<b>Standard deviation</b>
The banking sector contributes to increasing the sustainable use of land and agricultural areas.	2.15	0.785
The banking sector contributes to supporting the transformation and adaptation of agricultural and food systems to eliminate hunger and reduce poverty.	3.58	0.865
The banking sector contributes to maintaining the good management and sustainability of agricultural resources and ecosystems.	3.36	0.801
The banking sector contributes to enhancing agricultural integration and framing mechanisms, procedures, policies and systems of trade and agricultural investment.	3.14	0.762
The banking sector contributes to the development and prosperity of the countryside and rehabilitates and supports the capabilities of coping with environmental, economic and societal changes related to the agricultural sector.	3.89	0.754
The banking sector contributes to the good management, sharing and availability of agricultural knowledge technically and institutionally to support decision makers.	2.69	0.775
The bank seeks to link programs and strategic objectives, meaning that each of the proposed programs seeks to achieve one or more of these strategic objectives, whether directly or indirectly.	3.41	0.635
The Bank contributes to maximizing the strengths and opportunities available to agriculture and reducing threats and weaknesses.	3.35	0.723
The Bank contributes to strengthening the capacities of countries to improve the welfare, income and social stability	3.38	0.781

of rural residents by adopting sectoral reforms that promote good governance, transparency and ease of financing.		
The banking sector contributes to the granting of loans for the sustainable use of land and agricultural areas.	3.89	0.821
<b>The rate of the axis of sustainable use of land and agricultural areas</b>	3.284	0.754

In the previous table, we found that the value of the general average of the arithmetic mean of this axis is (3.284) and a standard deviation of (0.754) .

- Clean energy and industry

Table No. (6): description of the first axis according to repetitions and standard deviation

<b>Clean energy and industry</b>	<b>Arithmetic mean</b>	<b>Standard deviation</b>
Iraqi banks use modern devices in the design of their products in order to obtain long-term profits.	3.69	0.689
The founders and senior management of Iraqi banks have a vision about the company and the path it will reach.	3.17	0.743
Iraqi banks seek to achieve high productivity through the use of various devices in the services provided to customers.	3.25	0.745
Iraqi banks have a clear long-term plan in light of the available possibilities.	3.68	0.685
Iraqi banks seek to use research and development in the development of services provided to customers and environmentally friendly .	3.34	0.754
Iraqi banks are studying customer satisfaction and how to reach a high level of satisfaction.	3.85	0.685
Iraqi banks have an effective communication network through which information flows inside the bank.	3.79	0.865
Iraqi banks are working to achieve the principle of equal opportunities in their work.	3.35	0.747
Iraqi banks monitor the books of the effects of their operations on the environment .	3.22	0.685
Iraqi banks are constantly and periodically working on analyzing the internal and external working environment .	3.73	0.763
Iraqi banks are working to bring new capabilities and competencies and encourage employees to show their abilities and competencies .	3.03	0.745
Iraqi banks adopt a new strategy based on high-quality production innovations and innovations with clean energy considerations	3.19	0.865
Rate axis of clean energy and industry	3.441	0.725

In the previous table, we found that the value of the general average of the arithmetic mean of this axis is (3.441) and a standard deviation of (0.725) .

- Digital technology

Table No. (7): description of the first axis according to repetitions and standard deviation

<b>Digital technology</b>	<b>Arithmetic mean</b>	<b>Standard deviation</b>
The bank relies on electronic scanning procedures to provide its services electronically .	3.10	0.745
The bank relies on electronic accounting procedures that contribute to the control and evaluation of performance.	3.08	0.856
The bank applies digital technology to all aspects of the bank's work in order to improve control and performance evaluation on all aspects of the bank's work.	3.38	0.856
The bank has continuous monitoring of performance for the safety of the operation process and the provision of services .	3.94	0.475



Digital technology contributes to the improvement of internal control procedures in the bank.	3.27	0.653
Digital technology contributes to reviewing the actual performance with the planned performance of the bank.	3.69	0.865
Periodic reports submitted to the department in accordance with digital technology contribute to the success of control procedures and effectively.	2.12	0.589
The management is keen on applying the principle of separation of tasks and not assigning conflicting tasks to one employee in order to ensure business and proper performance.	3.36	0.658
Control systems include the existence of an emergency plan to ensure the workflow and reduce the likelihood of malfunction of electronic devices and systems.	3.89	0.763
The bank has a secure information system from hacking and espionage.	2.98	0.784
The management is keen to evaluate and monitor the components of internal control to ensure that they work as planned	3.36	0.731
The personnel of the monitoring devices have scientific qualification and experience well.	3.99	0.768
Digital technology hub modifier	3.347	0.799

In the previous table, we found that the value of the general average of the arithmetic mean of this axis is (3.347) and a standard deviation of (0.799) .

- Revitalization of Health and well-being

Table No. (8): description of the first axis according to repetitions and standard deviation

<b>Revitalization of Health and well-being</b>	<b>Arithmetic mean</b>	<b>Standard deviation</b>
The Bank contributes to supporting and improving the health level in the Iraqi environment.	3.08	0.745
The bank is working to support treatment solutions that are difficult in the country.	3.96	0.710
The bank aims to support its employees with a free health card .	3.41	0.746
The bank is interested in giving soft loans to people with chronic diseases.	3.33	0.685
The bank aims at eradicating poverty and achieving well-being among members of society .	3.58	0.678
Contribute to addressing pressing problems in society such as housing and food.	3.94	0.632
The Bank contributes to supporting young people in the field of entrepreneurship, improving educational opportunities and spreading awareness	3.63	0.765
The Bank contributes to improving the environmental impact by building clean industry projects.	2.65	0.745
The Bank contributes to the improvement and protection of the natural environment	2.46	0.658
The rate of axis activation of Health and well-being	3.338	0.733

In the previous table, we found that the value of the general average of the arithmetic mean of this axis is (3.338) and a standard deviation of (0.733) .

### 3.8 testing correlation hypotheses

1. Testing the first hypothesis: there is a significant correlation between the banking role and the activation of sustainable use of land and agricultural areas at a significant level of 0.05.

Table (9): values of the coefficients of simple correlation (Person) between the study variables

Variants		Activating the sustainable use of agricultural land and spaces	Nature of the relationship
<b>Banking role</b>	<b>Person Correlation</b>	<b>0.701**</b>	Strong positive correlation
	<b>Sig. (2-tailed)</b>	<b>0.000</b>	
	<b>N</b>	473	

The results of Table (9) indicate that there is a statistically significant correlation between the banking role and the activation of sustainable use of land and agricultural areas at a moral level of 0.05, and that the strength of the correlation is characterized by being very strong and its value is (0.701), which is at a moral level less than (0.05), which indicates the acceptance of the first hypothesis, which states (there is a significant correlation or effect between the banking role and the activation of sustainable use of land and agricultural areas at a moral level of 0.05).

2. Testing the second hypothesis (there is a significant correlation between the banking role and the activation of clean energy and industry at a morale level of 0.05 ).

Table No. (10): values of the coefficients of simple correlation (Person) between the study variables

Variants		Revitalizing clean energy and industry	Nature of the relationship
<b>Banking role</b>	<b>Person Correlation</b>	<b>0.692**</b>	Average positive correlation
	<b>Sig. (2-tailed)</b>	<b>0.000</b>	
	<b>N</b>	473	

The results of Table (10) indicate that there is a statistically significant correlation between the banking role and the activation of clean energy and industry at a moral level of 0.05, and that the strength of the correlation is characterized by being very strong and its value is (0.693), which is at a moral level less than (0.05), which indicates the acceptance of the second hypothesis, which states (there is a significant correlation between the banking role and the activation of clean energy and industry at a moral level of 0.05 )

3. Testing the third hypothesis (there is a significant correlation between the banking role and the activation of digital technology at a significant level of 0.05 ).

Table No. (11): values of the coefficients of simple correlation (Person) between the study variables

Variants		Activating digital technology	Nature of the relationship
<b>Banking role</b>	<b>Person Correlation</b>	<b>0.638**</b>	Average positive correlation
	<b>Sig. (2-tailed)</b>	<b>0.000</b>	
	<b>N</b>	473	

The results of Table (11) indicate that there is a statistically significant correlation between the banking role and the activation of digital technology at a morale level of 0.05, and that the correlation strength is characterized by being very strong and its value is (0.638), which is at a morale level less than (0.05), which indicates the acceptance of the third hypothesis, which states (there is a significant correlation between the banking role and the activation of digital technology at a morale level of 0.0 ).

4. Testing the fourth hypothesis (there is a significant correlation between the banking role and the activation of Health and well-being at a morale level of 0.05 ).

Table No. (12): values of the coefficients of simple correlation (Person) between the study variables

Variants		Revitalization of Health and well-being	Nature of the relationship
<b>Banking role</b>	<b>Person Correlation</b>	<b>0.608**</b>	Average positive correlation
	<b>Sig. (2-tailed)</b>	<b>0.000</b>	
	<b>N</b>	473	

The results of Table (12) indicate that there is a statistically significant correlation between the banking role and the activation of Health and well-being at a morale level of 0.05, and that the strength of the correlation is characterized by being very strong and its value is (0.608), which is at a morale level less than (0.05), which indicates the acceptance of the fourth hypothesis, which states (there is a significant correlation between the banking role and the activation of Health and well-being at a morale level of (0.05)).

5. The fifth hypothesis: there is a statistically significant effect of the banking role in activating the sustainable use of land and agricultural areas at a moral level of 0.05 .

In order to test the current hypothesis, the influence of the banking role on the relative importance in the audit was estimated at a significance level of 0.05, as shown in the following table:

Table No. (13): regression equation the impact of the banking role on the activation of sustainable use of land and agricultural areas at a moral level of 0.05

Variants	Activating the sustainable use of agricultural land and spaces						
Banking role	The regression equation $\beta$	value T	Sig.	value F	Sig.	Coefficient of determination R2	M. Corrector R2
	0.565	9.365	0.000	203.451	0.000	0.491	0.632

It is noted from the results of Table (13) that there is an impact of the banking role on activating the sustainable use of agricultural lands and spaces at a morale level of 0.05, as increasing the banking role on activating the sustainable use of agricultural lands and spaces at a morale level of 0.05 by one unit leads to improvement events by the amount of (0.491)

6. The sixth hypothesis: there is a statistically significant impact of the banking role in the activation of clean energy and industry at a morale level of 0.05 .

In order to test the current hypothesis, the influence of the banking role on the relative importance in the audit was estimated at a significance level of 0.05, as shown in the following table:

Table No. (16): regression equation the impact of the banking role in the activation of clean energy and industry at a morale level of 0.05

Variants	Revitalizing clean energy and industry						
Banking role	The regression equation $\beta$	value T	Sig.	value F	Sig.	Coefficient of determination R2	M. Corrector R2
	0.685	8.584	0.000	182.325	0.000	0.478	0.756

It is noted from the results of table (16) that there is an impact of the banking role on the activation of clean energy and industry at a morale level of 0.05, as an increase in the banking role on the activation of clean energy and industry at a morale level of 0.05 by one unit leads to an improvement of (0.478).

7. The seventh hypothesis: there is a statistically significant effect of the banking role in the activation of digital technology at a morale level of 0.05 .

In order to test the current hypothesis, the influence of the banking role on the relative importance in the audit was estimated at a significance level of 0.05, as shown in the following table:

Table No. (17): regression equation the impact of the banking role in the activation of digital technology at a morale level of 0.05

Variants	Activating digital technology						
Banking role	The regression equation $\beta$	value T	Sig.	value F	Sig.	Coefficient of determination R2	M. Corrector R2
	0.956	11.231	0.000	309.745	0.000	0.407	0.568

It is noted from the results of table (17) that there is an impact of the banking role on the activation of digital technology at a morale level of 0.05, since an increase in the banking role on the activation of digital technology at a morale level of 0.05 by one unit leads to an improvement of 0.407.

8. The eighth hypothesis: there is a statistically significant effect of the banking role in the activation of Health and well-being at a morale level of 0.05 .

In order to test the current hypothesis, the influence of the banking role on the relative importance in the audit was estimated at a significance level of 0.05, as shown in the following table:

Table No. (18): regression equation the impact of the banking role in the activation of Health and well-being at a morale level of 0.05.

Variants	Revitalization of Health and well-being						
Banking role	The regression equation $\beta$	value T	Sig.	value F	Sig.	Coefficient of determination R2	M. Corrector R2
	1.965	18.865	0.000	103.985	0.000	0.369	0.563

Based on the results from Table 18, it is evident that there is an impact of the banking role on the promotion of health and well-being at a significance level of 0.05. An increase in the banking role in promoting health and well-being by one unit leads to an improvement of 0.369 at a significance level of 0.05.

## Conclusions and recommendations

1. The results of the analysis showed a statistically significant correlation between the banking role and the promotion of sustainable land and agricultural use at a significance level of 0.05. The strength of the correlation was very strong, with a value of 0.701, which is significant at a level lower than 0.05. This indicates the acceptance of the hypothesis that there is a significant relationship or impact between the banking role and the promotion of sustainable land and agricultural use at a significance level of 0.05.

2. The results indicate a statistically significant correlation between the banking role and the promotion of clean energy and industry at a significance level of 0.05. The strength of the correlation was very strong, with a value of 0.693, which is significant at a level lower than 0.05. This indicates the acceptance of the hypothesis that there is a significant relationship between the banking role and the promotion of clean energy and industry at a significance level of 0.05.

3. The results demonstrate the impact of the banking role on the promotion of sustainable land and agricultural use at a significance level of 0.05. An increase in the

banking role in promoting sustainable land and agricultural use by one unit leads to an improvement of 0.491.

4. The results show a statistically significant correlation between the banking role and the promotion of digital technology at a significance level of 0.05. The strength of the correlation was very strong, with a value of 0.638, which is significant at a level lower than 0.05. This indicates the presence of a significant relationship between the banking role and the promotion of digital technology at a significance level of 0.05.

5. There is an impact of the banking role on the promotion of clean energy and industry at a significance level of 0.05. An increase in the banking role in promoting clean energy and industry by one unit leads to an improvement of 0.478.

6. The study recommends the need to strengthen and activate the banking role in the Iraqi environment and keep up with the rapid developments in most countries around the world. It should be made a vital source for sustainable development in the Iraqi environment.

7. It is necessary to sustain economic development by the researched banks through providing more small, medium, and large loans and establishing commercial projects, as they play a prominent role in the economic development process and drive the country's economy forward.

#### Conclusion

The importance of this study lies in the significant role played by banks, as they have a prominent role in several areas, including savings, providing banking facilities, opening bank accounts, and being financial institutions of public interest. These banks are entrusted with the responsibility of safeguarding the public interest and the trust placed in them by the state and their customers. This study aims to highlight the role of Iraqi banks in financing and promoting sustainable development by demonstrating their ability to mobilize savings through attracting deposits and aggregating capital. It also highlights their developmental role, as banks have goals that align with economic development objectives and possess developmental characteristics and features that are somewhat similar to specialized development banks. They work to invest their funds in various economic sectors through financing and investment formulas that are unique to them, based on principles and principles that promote the development process. Therefore, the importance of research is evident in shedding light on the role played by Iraqi banks in promoting sustainable development.

The study aims to examine the impact of the banking role in the Iraqi business environment on promoting sustainable development. This is achieved through dimensions of development, including sustainable land and agricultural use, clean energy and industry, digital technology, and health and well-being activation. To achieve this objective, a sample of 22 Iraqi banks listed on the Iraqi Stock Exchange was selected. Each bank has multiple branches within and outside Iraq, representing a large sample size. A total of 500 questionnaires were distributed, of which 480 were retrieved. Seven questionnaires were deemed invalid and excluded from the analysis, leaving 473 questionnaires for analysis. The data was analyzed using SPSS.V.27 software. The study found a significant impact of the banking role on activating clean energy and industry at a significance level of 0.05. An increase in the banking role by one unit resulted in an improvement of 0.478 in activating clean energy and industry. Similarly, the study found a significant impact of the banking role on activating digital technology and health and well-being at a significance level of 0.05. An increase in the banking role by one unit resulted in improvements of 0.407 and 0.369, respectively. Furthermore, the study revealed a significant impact of the banking role on promoting sustainable land and agricultural use at a significance level of 0.05. An increase in the banking role by one unit led to an improvement of 0.491. The study recommends the reinforcement and activation

of the banking role in the Iraqi environment, aligning it with the rapid developments in most countries worldwide and making it a crucial contributor to sustainable development in the Iraqi context.

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