

Analysis of the Effect of Public Spending on the Unemployment Index in Iraq for the Period (2004-2021)

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Abstract

The research aims to try to analyze the reality of public spending, in both its consumption and investment parts, and the phenomenon of unemployment in Iraq, and to know its causes during the period (2004-2021), and then to demonstrate the effect of public spending on the unemployment rate in Iraq by relying on the analytical method first, and then following a standard approach for the purpose of measuring the effect of the independent variables, which included (public spending, consumer spending and investment spending) on the dependent variable (unemployment rate).

The research concluded that the average percentage of the consumer contribution and investment spending from public spending in Iraq, in which the control of consumer spending is 80%, while the percentage of investment spending was only 20%, and that the problem of unemployment in Iraq came as a result of the slowness of the economic system and the inability to achieve its goals, especially with regard to advanced economic growth rates, and in the pattern of economic growth based on oil extraction.

The research concluded with a number of recommendations, perhaps the most important of which are: The Iraqi government should follow a policy of correcting the structure of public spending by reducing the level of consumption spending and raising the level of investment spending, which contributes to increasing production and productivity, which is reflected in an increase in the level of job opportunities, and follow the policy of productivity alimony, as well as the Iraqi government enacts laws that support the private sector, as well as providing financial and moral support to investors, which contributes to raising the level of investment in the private sector and provides more job opportunities in it.

Keywords: *public spending, consumer spending, investment spending, unemployment rate.*

Introduction

One of the problems that most human societies suffer from at different degrees of growth and development, albeit in varying proportions. The Iraqi economy because of its dire social, political and economic effects, and this problem has exacerbated since the eighties of the last century, the impact of the increasing dependence of Iraq on the oil sector, and the unplanned expansion of the non-productive services sector and sectors related to the military institution, accompanied by a great neglect of the productive sectors such as agriculture and industry, and the neglect of investment productivity in civil activities.

Iraq did not suffer from obvious unemployment in the seventies of the last century because of the programs included in the five-year development plans, but in the eighties,

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Iraq's entry into the Iran-Iraq war contributed to postponing the entry of thousands of young people into the labor market. Until after the end of the war, when nearly a million individuals entered the labor market without the skills that would qualify them to obtain work with a high income. Livelihood and the increase in unemployment and poverty rates due to the economic blockade, and a major imbalance in the labor market, and the Iraqi economy has become incapable of absorbing employment, to become an economic and social problem that Iraqi society suffers from in the modern history of Iraq, so that the unemployment rate reached (26.8%) in 2004, and this is a result. What led to the events of change in 2003, by the US forces and the Coalition Authority in issuing decisions, has led to the cessation of economic activity in most economic sectors.

Government spending, in both its consumption and investment parts, is one of the variables of fiscal policy that drives economic activity, which affects demand and productivity, and then employment levels to reduce unemployment levels .

The first topic: research methodology

Firstly. Research problem: Unemployment is one of the basic problems that stood as an obstacle to development in most societies and is faced by most different countries of the world with different levels of progress and their economic, social and political systems. The recent changes that occurred in Iraq after 2003, so trying to know the impact of spending on the unemployment index and the methods that help measure it and predict its course (the size of unemployment and its rate in the future) is very important, and from here the problem can be formulated in the following question:

To what extent are unemployment rates affected by government spending in Iraq?

The following questions branch out from this question:

1. What is the reality of the phenomenon of unemployment problem in Iraq?
2. What are the most important sections of spending that affect the unemployment rate in Iraq?

secondly. Research hypothesis : The hypothesis that we seek to test can be defined as follows:

The study starts from the hypothesis that there is an inverse relationship between government spending and the unemployment rate in Iraq.

Third. The importance of the research: The importance of the study lies in the fact that it shows the impact of government spending, both consumer and investment, on the unemployment rate in Iraq, and the extent to which unemployment rates in Iraq can be affected.

Fourthly. Research objectives: The study aims to:

1. Studying the theoretical and fundamental framework of public spending and the unemployment index.
2. An attempt to analyze the reality of public spending and the phenomenon of unemployment in Iraq and find out its causes during the period (2004-2021).

Fifth. search limits:

1. The study limits include the temporal period (2004-2021).
2. The limits of the spatial study include Iraq as a model.

Sixthly. Research methodology: The analytical descriptive approach was followed, and the necessary statistical and standard methods were used to study the relationship between government spending and the unemployment rate, in order to explain the impact

of consumer and investment spending on unemployment rates and analyze it through applying the steps of standard models, identification, estimation, testing and prediction.

Seventh. Research Structure : The research was divided into three sections, the first section included: the research methodology, while the second section included the theoretical framework for public spending and the unemployment indicator, while the third section included an analysis of the relationship between public spending and the unemployment rate in Iraq for the period (2004-2021), and the research concluded with a group of conclusions and recommendations.

The second topic: the theoretical framework for public spending and the unemployment index

Firstly. The concept of public spending:

Government spending can be defined as (a set of expenditures that the state spends in the form of a certain amount of money during a specific period of time aimed at satisfying specific needs of the society that is organized by this state) (Al-Jubouri, Al-Zamili, 1992, 2014). Or that it is the monetary amounts spent by the public authorities, either aimed at satisfying the general needs of the members of society or in order to upgrade the level of economic and social well-being for them (Hamad, 2014, 14). The researchers believe that public spending does not have to be a monetary amount only. Its shape is mantle, and the benefit from it must be an ostrich, just as the previous definitions agreed that public spending necessarily results from public parties intended to serve the public.

Or how much is subject to monetary evaluation, which is ordered to be spent by a person of public law to satisfy the need in general, or it is the balances approved in the budget or the financial appropriations allocated to cover the burdens of the state and its financial obligations, which in many cases are of a necessary nature and are also for the implementation of some economic and social policies (preserved, 2015, 15). It is also what expresses the volume of government intervention and the assumption of public burdens, whether by the central government or the state government, and it is one of the aspects of the economic policy approved by the state, which depends on the direct impact on the economic and social reality. (Dagher, 2010, 113).

Public spending is known according to its current name, and it means expenditures with their various items, and the acquisition of non-financial assets such as goods and services, the cost of financing, grant subsidies, social benefits, and other projects. Especially (Al-Janabi, 2017, 284).

secondly. The real reasons for the increase in public spending:

The real increase in public expenditures in most countries in recent years is due to multiple reasons that differ according to the level of development achieved by each country. These reasons are summarized as follows (Khalaf Allah, 29, 2017)

1. Economic reasons: can be summarized as follows:

2. Evolution of the size of the national income :

a- The national income is one of the most important economic reasons leading to an increase in the volume of public expenditures. With the increase in the national income, the state increases its various projects, because the state can deduct larger portions of the incomes of individuals and put them in the service of the public interest as a result of the increase in tax bases. Revenues encourage the state to increase the volume of its expenditures in various aspects

b- The development of the economic role in the state: As a result of the crises, the state abandoned its neutrality, which was imposed on it by the free economy system, and

followed a new policy based on intervention in economic life, and its aim is to achieve a balance that the automatic market system failed to achieve, especially after the spread of Keynesian thought, which led to an increase in the volume and diversity of public expenditures. And its multiplicity is like distributing subsidies or public investments with the intention of pushing the actual demand to the level necessary to achieve full employment, i.e. to increase the national income.

c- Social reasons: The progress of social consciousness, the spread of the socialist doctrine, and the strength of the working class led to the intervention of the state in the social field to advocate for the weak classes and to protect and strengthen their position; The great crisis of 1929 contributed to an increase in social expenditures and an expansion of subsidies and services to improve social conditions for those who have the means to do so, as it is a duty dictated by social solidarity; As a result of all this, different countries have prepared systems for social security based mainly on ensuring the means of living for individuals and ensuring medical treatment for them. There is no doubt that all of this leads to an increase in public expenditures, and it is also natural that an increase in population leads to an increase in public spending as a result of the expansion of states in their services and try to raise their level.

d- Financial reasons: The ease of borrowing at the present time has led the state to frequently resort to contracting public loans to obtain resources for the public treasury, which contributes to the government in increasing spending, especially on war affairs, in addition to the consequences of debt service in terms of paying its installments and interest in terms of an increase in public expenditures ; In the case of surplus revenues or reserve money that is not allocated for a specific purpose, this leads to the government spending it in unnecessary ways, and thus increasing public expenditures.

e- Administrative reasons There is no doubt that the lack of administrative organization and its failure to keep pace with the development of the economic and social society and the extravagance in the number of employees in excess of the need for work and the extravagance in accessories of public positions leads to an increase in government spending and this increase is real because it leads to an increase in the burden of public costs on Citizens at a higher rate than the increase in public services, because it represents an increase that is not directly productive because it does not result in an increase in the real value of the public benefit, and it is in fact closer to transformational expenditures than to actual (real) expenditures.

f- Political reasons: The spread of democratic principles and systems led governments to resort to extravagance in expenditures in order to be able to win public opinion, and the degree of morality of its employees led to wasting a lot of money as a result of bribery and embezzlement and their lack of concern for state funds and thus increased public spending, and it also led to an increase in the state's foreign relations To increase the degree of diplomatic and commercial representation, to participate in international conferences and bodies, and to help the friendly foreign country and liberation movements to increase their expenditures; Among the political reasons is also the expansion of the scope of wars and what it requires of modern machinery and equipment to win the war, and then the expenses related to civil defense and compensation for the effects of what it left behind. War and others to increase public spending in the state.

Third. Concept of Unemployment:

Unemployment is a language that is from the hero of the thing that nullifies the hero, and our hero is the followers of amusement and ignorance (Karam's Perspective, 1988, 227). The unemployed is that individual who is above a certain age without work and is able and willing to work and searches for a prevailing wage level, but the symbolic one does not find it (Hazza, 289, 2021).

The concept of unemployment refers to (the difference between the quantity supplied and the amount of labor used in various economic activities at the prevailing wage levels and working conditions in the market) (Al-Bashir, 2002, 24). It is also known as (workers who have lost their jobs and are looking for work and waiting to return to work) (Al-Mashhadani, 2006, 78). As for the definition of unemployment according to the criteria set by the International Labor Organization, it includes (everyone who is able and willing to work, and accepts it at the prevailing wage level, but to no avail) (Parkin, 1992, 54.)

Fourthly. measure the unemployment rate:

Unemployment rates are measured to obtain a comprehensive indication of the economic situation of a particular country, as well as knowledge of market conditions. The high level of unemployment indicates a decrease in the supply of labor, that is, the entire economy does not operate at the level of comprehensive or full employment. The unemployment rate is the ratio of people who do not work to the total labor force. Unemployment rates and their trends over time indicate the rate of economic activity and the ability of the economy to provide work for all the workforce. It is the ratio of the number of unemployed individuals to the total labor force.

The percentage of the unemployed varies according to (rural / urban), as well as divided into (center / outskirts). It is divided according to (gender, age, governorate, type of education, and academic level). The unemployment rate can be calculated in the following way (Johnev, 1996, 95-110):

- a. Unemployment rate = number of unemployed ÷ number of labor force x 100.
- b. Labor force participation rate = labor force ÷ active rate x 100.
- c. The size of the labor force = the number of workers + the number of unemployed.

The methods of measuring unemployment rates depend on household surveys, which are more appropriate according to the measurement of unemployment rates according to international standards related to unemployment statistics. Sound statistical information on unemployment constitutes the logical and rational basis for the decision-making process and drawing up the general and sectoral economic policy. It is not possible to dispense with information for the workforce because it is included in the decision-making process, whether at the level of the state, private, public and mixed companies, or research centers for all activities related to public and private issues.

The third topic: analysis of the relationship between public spending and the unemployment rate in Iraq for the period (2004-2021)

Firstly. Contribution of consumer and investment spending to public spending:

The volume of consumer spending can be seen through the percentage of its contribution to public spending compared to the percentage of investment spending. Table (1) and Figure (1) show the contribution percentages of consumer and investment spending in Iraq for the period (2004-2021), as follows:

As it is clear from Table (4) that consumer spending had the largest proportion of public spending, reaching (91%) in 2004, after which it fluctuated between decline and rise to reach its lowest level by (66%) in 2013 and then continues to rise. until it reaches (96%) in 2020, and this gives us an impression of the government's interest in the consumer spending side by raising the level of employment in the government's administrative apparatus in various ministries and agencies as well as grants, support and subsidies.

As for investment spending, it is clear that it was at a rate of (9%) in 2004, and after that it fluctuated between rise and fall, reaching its highest level at a rate of (34%) in 2013. The reason for this is due to the increase in public expenditures as a result of the increase

in oil revenues from the rise in oil prices. Then, this percentage began to decline to reach (4%) in 2020, which is the lowest percentage of investment spending throughout the study period, due to the decrease in oil revenues due to the Corona crisis, as most of the expenditures were directed in the form of consumption expenditures as a result of raising the level of subsidies due to the spread of the Corona pandemic and the required support subsidies for the injured.

Schedule (1)

Contribution percentages to consumer and investment spending in Iraq for the period (2004-2021)

Investment Spending % Contribution (5)	Contribution of consumer % spending (4)	total public spending (3)	investment spending (2)	consumer spending (1)	the years
9	91	33,178,500	3,114,000	30,064,500	2004
17	83	26,932,500	4,668,000	22,263,000	2005
14	86	37,494,608	5,277,000	32,217,608	2006
17	83	39,307,836	6,588,000	32,719,836	2007
22	78	67,277,181	14,976,000	52,301,181	2008
17	83	55,589,062	9,648,000	45,941,062	2009
22	78	70,134,201	15,553,341	54,580,860	2010
23	77	78,757,665	17,832,112	60,925,553	2011
28	72	105,139,574	29,350,951	75,788,623	2012
34	66	119,127,555	40,380,749	78,746,806	2013
30	70	83,556,226	24,930,767	58,625,459	2014
26	74	70,397,515	18,564,676	51,832,839	2015
24	76	67,067,437	15,894,009	51,173,428	2016
22	78	75,490,115	16,464,461	59,025,654	2017
17	83	80,873,189	13,820,333	67,052,856	2018
21	79	111,723,522	24,422,590	88, 730,093	2019
4	96	76,008,244	3,208,905	72,873,538	2020
13	87	102,849,650	13,322,973	89,526,686	2021
20%	80%	average			

Source: From the researcher's work, based on the Republic of Iraq, Ministry of Finance, final accounts, different years (20014-202). Columns (4) and (5) are from the researcher's work.

This is illustrated by Figure (1). The average percentage of the contribution of consumer and investment spending to public spending in Iraq, in which the control of consumer spending is 80%, while the percentage of investment spending was only 20%.

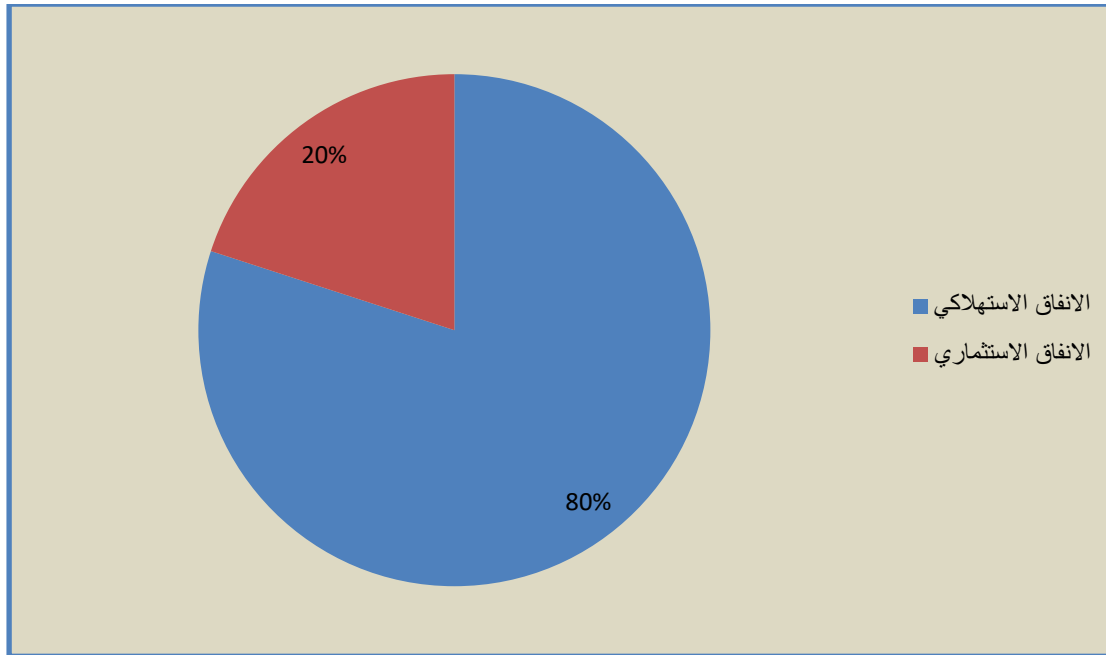


Figure (1) The average percent

age of the contribution of consumer and investment spending to public spending in Iraq for the period (2004-2021) Source: From the researcher's work, based on Table (1).

secondly. Analysis of the relationship between public spending and the unemployment rate:

Public spending, in both its consumption and investment parts, leads to a reduction in the level of unemployment through the existence of a flexible production system and a high marginal tendency to consume. With a marginal tendency to consume high, therefore, the high level of demand leads to an increase in the level of production in the case of a flexible productive device, or raises the level of imports in the absence of a flexible productive device, as is the case in Iraq. In both cases, the level of employment will rise. In the first case, production increases and increases. Employment of workers for the ability to fill the increase in aggregate demand resulting from the increase in spending. As for the second case, which is represented by an increase in imports, it leads to an increase in employment in the private sector. Table (2) and Figure (2) include the relationship between public spending and the unemployment rate in Iraq. It turns out that the unemployment rate in Iraq reached (26.8%) in 2004, offset by public spending (33,178,500) trillion dinars. And this was reflected in the decrease in the level of unemployment, after it was (17.9%) in 2005, it decreased to (15.3%) in 2008 as a result of the increase in public spending from (26,932,500) trillion dinars in 2005 to (67,277,181) trillion dinars in 2008.

And when public spending reached its peak in 2013, which amounted to (119,127,555) trillion dinars, it was matched by the lowest level of unemployment, which amounted to (11%). It raises operating levels.

Schedule (2) The structure of public spending and the unemployment rate in Iraq for the period (2004-2021)

Unemployment rate	total investment spending	total consumer spending	total public spending	the years
26.8	3,114,000	30,064,500	33,178,500	2004
17.9	4,668,000	22,263,000	26,932,500	2005

17.5	5,277,000	32,217,608	37,494,608	2006
15.2	6,588,000	32,719,836	39,307,836	2007
15.3	14,976,000	52,301,181	67,277,181	2008
14.0	9,648,000	45,941,062	55,589,062	2009
12.0	15,553,341	54,580,860	70,134,201	2010
11.1	17,832,112	60,925,553	78,757,665	2011
11.9	29,350,951	75,788,623	105,139,574	2012
11.0	40,380,749	78,746,806	119,127,555	2013
16.4	24,930,767	58,625,459	83,556,226	2014
16	18,564,676	51,832,839	70,397,515	2015
16	15,894,009	51,173,428	67,067,437	2016
16	16,464,461	59,025,654	75,490,115	2017
16	13,820,333	67,052,856	80,873,189	2018
14	24,422,590	88,730,093	111,723,522	2019
28	3,208,905	72,873,538	76,008,244	2020
22	13,322,973	89,526,686	102,849,650	2021

Source: From the researcher's work, relying on the Republic of Iraq, Ministry of Finance, final accounts, different years (2004-2021), and data of the Iraqi Ministry of Planning, different years, (2004-2021). In 2014, public spending decreased to (83,556,226) trillion, and the unemployment rate rose to (16.4%).

As for the period (2019-2020), public spending decreased, after it was (111,723,522) trillion dinars in 2019, it reached (76,008,244) trillion dinars in 2020, and this was reflected in the increase in the unemployment rate to (28%), as the decrease in public spending came As a result of the decrease in public revenues due to the Corona pandemic, which negatively affected oil prices, and that the Corona pandemic led to a policy of closing roads, transportation, factories and laboratories in various sectors, which raised the unemployment rate in Iraq

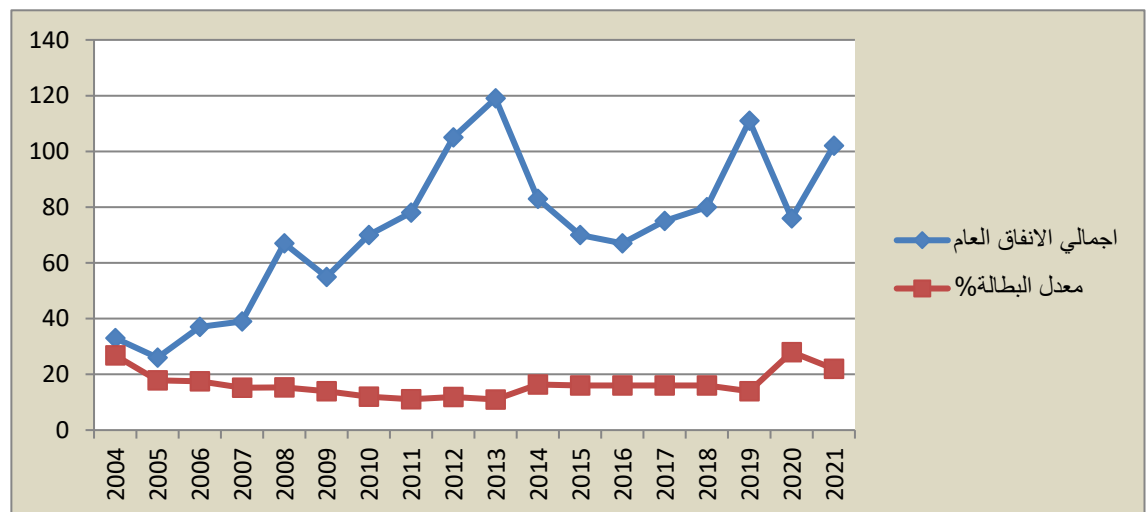


Figure (2): The relationship between public spending and the unemployment rate in Iraq for the period (2004-2021) Source: From the researcher's work, based on Table (2).

It also appears from Figure (2) that in the year 2021, that is, at the end of the study period, public spending has risen again to reach (102,849,650) trillion dinars, and unemployment rates have decreased from (28%) to (22%).

It is clear from the foregoing that spending had an impact on the unemployment rate and was inversely related to it, but it did not play its required role in raising the level of employment to that level at which unemployment is at the acceptable level of (3%).

secondly. Analysis of the relationship between consumer spending and the unemployment rate:

Table (2) and Figure (3) include the relationship between consumer spending and the unemployment rate in Iraq. It turns out that the unemployment rate in Iraq reached (26.8%) in 2004, offset by consumer spending (30,064,500) trillion dinars.

As for the period (2005-2008), spending increased and its increase was as follows: (22,263,000, 32,217,608, 32,719,836,52,301,181) trillion dinars, respectively, offset by a decrease in unemployment rates, which were as follows: (17.9%, 17.5%, 15.2%, 15.3) on Respectively, as raising the level of consumer spending goes in the form of wages and salaries for workers in the government sector, as well as compensation, grants, subsidies, and purchases for the government sector.

In 2009, despite the decrease in consumer spending to (45,941,062) trillion dinars, due to the occurrence of the mortgage crisis that affected oil prices negatively, the unemployment rate continued to decline, reaching (14%) due to the government's policy to raise the level of employment in the government sector. The number of workers in various state agencies increased from (1,047,000) million people in 2004 to (2,389,901) million people in 2008, and in 2011 the number increased to (2,645,220) million people.

During the period (2011-2013), consumer spending rose again due to an expansionary fiscal policy by the Iraqi government, which stimulated employment levels and led to unemployment reaching (11%) in 2013, which is its lowest level during the study period. In 2014, the security crisis in Iraq led to a decrease in consumer spending, and it also led to a wave of displacement, disruption in government factories, and the destruction of the administrative structures of the administrative apparatus in a group of Iraqi governorates, and this was reflected in the high unemployment rate, which reached (16.4%) in 2014. 2014.

As for the period (2015-2018), public spending increased slightly, but due to the adjustment and stabilization policies imposed by the International Monetary Fund and the World Bank, which included stopping appointments in all sectors of the government, which led to the unemployment rate remaining at (16%) during that period.

As a result of the rise in oil prices and its revenues, which led to an increase in public spending, especially consumer spending, which amounted to (88,730,093) trillion dinars, this contributed to reducing the unemployment rate to (14%). Figure (3) shows the relationship between consumer spending and the unemployment rate in Iraq :

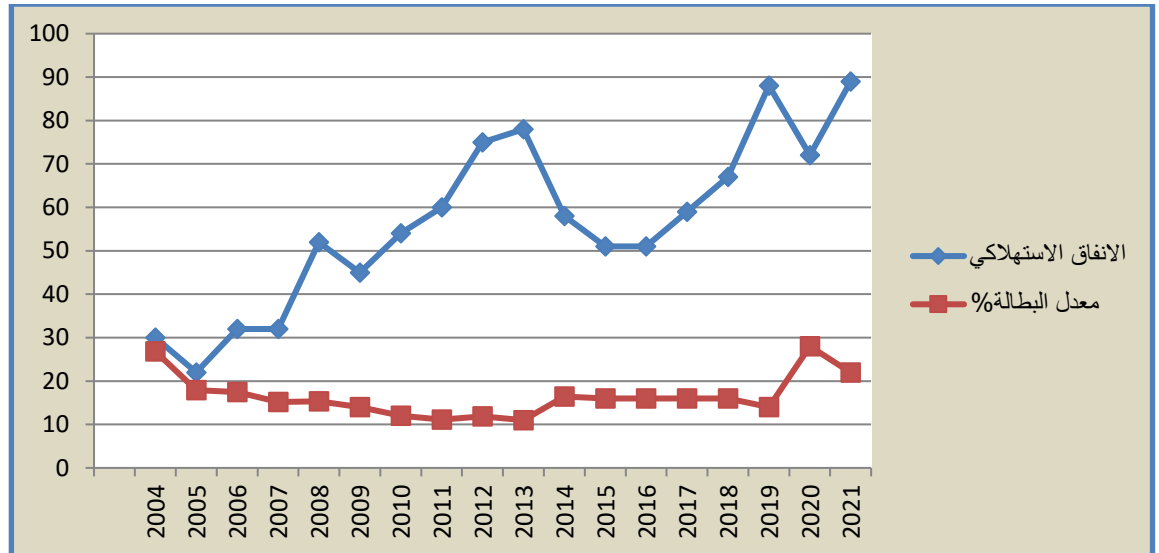


Figure (3) The relationship between consumer spending and the unemployment rate in Iraq for the period (2004-2021)

Source: From the researcher's work, based on Table (2).

As we mentioned previously, the Iraqi economy was affected by the double crisis in 2020, which was represented by the Corona crisis, the crisis of low oil prices, the decline in consumer spending to (72,873,538) trillion dinars, and the adoption of the ban and closure policy, which contributed to raising the level of unemployment to (28%).

It also appears from Figure (3) that consumer spending rose again in 2021 after the end of the Corona pandemic crisis and the rise in oil prices, and the Iraqi economy gradually recovered from the crisis in 2020 (Central Bank of Iraq, 2021, 47), as consumer spending rose to (89,526,686) trillion dinars and unemployment decreased to (22%).

Third. Analysis of the relationship between investment spending and the unemployment rate:

Table (2) and Figure (4) include the relationship between investment spending and the unemployment rate in Iraq. It turns out that the unemployment rate in Iraq reached (26.8%) in 2004, offset by investment spending (3,114,000) trillion dinars, with investment spending reaching (15,553,341) trillion Dinar In 2010, the unemployment rate decreased to reach (12%), and therefore the increase in investment spending made a small contribution to the reconstruction of the exhausted infrastructure, which reduced unemployment.

And with the rise in the level of investment spending to its highest level in 2013, when it reached (40,380,749) trillion dinars, bringing the level of unemployment to (11%). And the reconstruction of the infrastructure, on the other hand, will raise the level of employment and reduce the unemployment rate.

As for the period (2014-2016), the decline seemed clear on investment spending, as it decreased to (15,894,009) trillion dinars in 2016, after it was (24,930,767) trillion dinars in 2014. The reason for that is to raise the level of military spending because of the security events that Iraq faced. During that period, this negatively affected the unemployment rate, reaching (16%) in 2016, and it will continue at the same level until 2018.

Investment spending rose again, reaching (24,422,590) trillion dinars in 2019, so that the unemployment rate decreased to (2%) from the previous year and reached (14%) in 2019.

As for during the period (2020-2021), investment spending increased to (13,322,973) trillion dinars in 2021, after it was (3,208,905) trillion dinars in 2020, as the decrease in investment spending in 2020 came as a result of a decrease in public spending due to the Corona crisis that affected Negatively on the oil revenues of Iraq, on the other hand, the unemployment index was high in 2020, as it reached a rate of (28%) due to the closure policy followed by the global system, and after the end of the Corona crisis and the rise of the investment agreement, the unemployment rate decreased to reach (22%) at the end of the period, i.e. in In 2021, and Figure (4) shows the relationship between investment spending and the unemployment rate in Iraq:

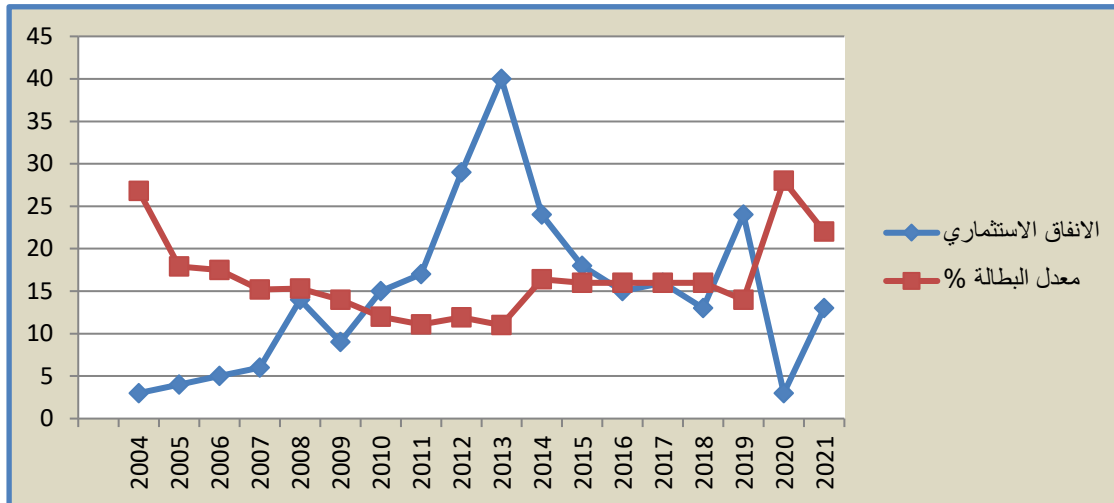


Figure (4) The relationship between investment spending and the unemployment rate in Iraq for the period (2004-2021) Source: From the researcher's work, based on Table (2).

From the foregoing, it is clear that investment spending was low during the study period and did not have a significant impact on the unemployment rate in Iraq. Therefore, it is necessary to raise the level of investment spending to accelerate the process of rebuilding the infrastructure in Iraq, which was destroyed by wars, such as rehabilitating electricity, water, irrigation and sanitation networks as well. For the reconstruction of the transport and communication sector, which will contribute to absorbing the unemployed labor force and reduce the level of unemployment. Work must also be done to rehabilitate the factories that have stopped working according to government programs, in addition to training and developing the labor force in order to qualify them for the ability to work and enter the market effectively, and increase Paying attention to the private sector and protecting it by activating laws and legislations that contribute to raising the sector's level of gross domestic product, and this would reduce unemployment levels in Iraq, which is a complex problem until now.

Conclusions and recommendations

Firstly. Conclusions:

1. That spending was taking an upward path for most of the study period and is highly correlated with oil revenues.
2. The current spending has increased in Iraq during the study period as a result of the increase in the number of workers in the public sector and the increase in the level of ranks for those working in it, and that the fluctuation that occurs in it is a result of changes that occur in public revenues due to changes in oil prices at the global level.
3. Investment spending was characterized by weakness and was growing negatively in many years of study, and this gives us a character of the Iraqi government's lack of interest in investment spending and lack of interest in providing public services and

raising the level of infrastructure and the electricity and water system and other public services such as sidewalks, paving, and so on.

4. The average percentage of the contribution of consumer and investment spending to public spending in Iraq, in which the control of consumer spending is 80%, while the percentage of investment spending was only 20%.

5. The problem of unemployment in Iraq came as a result of the slowness of the economic system and the inability to achieve its goals, especially with regard to advanced economic growth rates, and in the pattern of economic growth based on oil extraction.

6. The characteristics of the Iraqi labor force are one of the reasons for the increase in the unemployment rate in Iraq, as the labor force lacks work experience, in addition to its lack of the necessary training to meet the needs of the labor market.

7. Weakness of the Iraqi government and the public and private sectors in providing more job opportunities and absorbing the unemployed.

secondly. Recommendations:

1. Work to diversify sources of income and not rely on oil revenues, which are always volatile due to the fluctuation in oil prices.

2. The Iraqi government must follow a policy of correcting the structure of public spending by reducing the level of consumer spending and raising the level of investment spending, which contributes to increasing production and productivity and creating a suitable environment for investment, which is reflected in an increase in the level of job opportunities.

3. Follow the alimony productivity policy, in order to work to raise the efficiency of spending to perform the functions required of it, which is to raise the rate of economic growth, raise the level of employment, and reduce the level of unemployment.

4. Work to rationalize public spending and focus on sectors that contribute to creating added value (the most productive sectors), which raises economic growth rates.

5. The Iraqi government enacts laws that support the private sector, as well as providing financial and moral support to investors, which contributes to raising the level of investment in the private sector and provides more job opportunities in it.

6. The government supports the agricultural sector, construction, tourism and the development of small and medium industries.

7. Work on developing educational methods, in a way that the educational outputs are compatible with the requirements of the labor market.

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