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The Role of Government Spending in Reducing Poverty in Iraq

Abdulmadi Raheem Hamza

Department of Business Administrative, college of Administrative sciences, Almustaqbal University, 51001, Babylon, Iraq

Ali Taha Hanash

Department of Business Administrative, college of Administrative sciences, Almustaqbal University, 51001, Babylon, Iraq

Walid Khaled Hussein

Department of Business Administrative, college of Administrative sciences, Almustaqbal University, 51001, Babylon, Iraq

Murtadha Mahdi Saleh

Department of Business Administrative, college of Administrative sciences, Almustaqbal University, 51001, Babylon, Iraq

Uqadis Maytham Muhammad

Department of Business Administrative, college of Administrative sciences, Almustaqbal University, 51001, Babylon, Iraq

ABSTRACT

Government spending can play an important role in reducing poverty by creating jobs through financing investment projects that lead to the creation of new jobs by financing investment projects such as infrastructure projects, industrial and agricultural projects supporting small and medium enterprises by providing loans and financial grants providing training and vocational rehabilitation programs to help the poor acquire the necessary skills to get a job improving basic services such as education and health And social protection, leading to an improvement in the standard of living of the poor promote economic development by financing infrastructure projects that lead to an improvement in the investment environment and the growth of the economy through: Financing infrastructure projects such as the construction of roads, bridges, electricity and water networks supporting productive sectors such as agriculture and industry improving the investment environment through the enactment of laws and legislations that encourage investment increasing access to education through the construction of schools and the provision of books and school supplies improving the quality of education through teacher training and curriculum development raising the skills level through the provision of vocational education programs improving health services through the construction of hospitals and providing medicines and treatment reducing disease rates through health awareness programs improving public health through the provision of water and sanitation services providing financial support to families Government spending in Iraq faces many challenges, the most important of which are: corruption, which leads to the waste of public funds without achieving the desired benefit dependence on oil, which makes government spending vulnerable to fluctuations in oil prices weak management, which leads to inefficient government spending poverty is one of the most important challenges facing Iraq, as statistics indicate that the poverty rate in Iraq has exceeded 20% in 2020. Government spending is one of the most important tools that can be used to reduce poverty government spending refers to the use of public funds by the government to finance various services, programs and projects. These services, programs and projects include the following: education such as building schools, providing books and school supplies health such as building hospitals, providing medicines and treatment social protection such as providing financial assistance to poor families infrastructure such as building roads, bridges, electricity and water networks (Abdul Razzaq, 60)

KEYWORDS: These services, programs, projects, as building schools, providing books and school supplies.



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INTRODUCTION

Research Methodology
First: The Problem of Research

Iraq suffers from high poverty rates, with statistics indicating that the poverty rate exceeds

20%. Government spending plays an important role in poverty reduction by financing basic services such as education, health and infrastructure.

Second: The Research Hypothesis

Effective government spending can contribute significantly to reducing poverty in Iraq by investing in the fields of education, health, infrastructure and social services there is a positive correlation between government spending on basic services and poverty rates, as increasing spending on these services leads to an improvement in the standard of living of poor families, investment in education and health is one of the most important factors contributing to poverty reduction in the long term, as education helps to improve skills and provide better job opportunities, while health contributes to improving the standard of living and reducing treatment costs, infrastructure and social services contribute significantly to improving the level of Living for poor families, as the availability of basic services such as water, electricity and roads makes life easier and less expensive.

Third: Research objectives:

- * Analysis of the relationship between government spending and poverty rates in Iraq.
- * Identify which areas the government should focus on in its poverty reduction spending.
- * Assess the challenges facing the government in making the most of government spending in poverty reduction.

The importance of research:

- * At the theoretical level: understanding the relationship between government spending and poverty, identifying priority areas, assessing the effectiveness of government spending, developing better strategies.
- * The importance of research at the individual level: a better understanding of the problem of poverty, identification of possible solutions, participation in the fight against poverty.
- * The importance of research at the applied level: improving the effectiveness, better directing aid, raising awareness, supporting decision makers.
- * The importance of research at the economic

level: stimulating economic growth, creating jobs, improving the standard of living.

- * The importance of research at the social level: strengthening social stability, reducing crime, improving public health.

V. limits of research:

- * Spatial boundaries
- * Temporal boundaries

2010-2020

Research structure

In order to choose the research hypothesis and achieve the research objectives, the research was divided into three chapters, the first chapter includes government spending, the second chapter deals with the theoretical aspect of the research, and the third chapter includes the relationship between government spending and poverty in Iraq.

First Topic: Government Spending

First: The Concept of Government Spending

Government spending refers to the use of public funds by the government to provide goods and services to citizens, stimulate economic growth, and provide support to needy groups (slave). It is also defined as what the government spends of aid in addition to the value of infrastructure spending, and what is spent to support the general investment climate. Everything that the government pays to do free work for the people is considered government spending. Government spending can be financed by minting fees, taxes, or government borrowing. (Abdul Fadil, 2019)

Government spending is considered one of the main inputs in the process of calculating the general budget of countries, when the revenues of countries are higher than government spending, the budget achieves a surplus, and when revenues are equal to expenditures, the budget is balanced, while in the case of high government spending and exceeding revenues, the budget achieves a deficit (Sultan, 2010), It is also the purchase and provision of goods and the provision of services, which include public consumption and public investment, as well as transfer payments which are capital transfers and income transfers, State defense, infrastructure,

health, education, social protection, welfare benefits

Second: the importance of government spending

* Stimulating economic growth: government spending can increase demand for goods and services, which leads to increased production and job creation (Suleiman, 2017)

* Poverty reduction: government spending can help improve the standard of living of poor groups by providing social assistance and supporting basic services.

* Achieving social justice: government spending can help reduce the gap between social classes through income redistribution.

* Achieve sustainable development: government spending can help protect the environment, promote scientific research and develop infrastructure.

* Achieve national security: government spending can help strengthen the capabilities of the Army, Border Protection and counter-terrorism

Third: government spending goals:

Government spending is an important tool for achieving many goals, the most important of which are:

1. Achieving economic stability:

* Stimulating economic growth: by financing investment projects, such as building infrastructure and supporting productive sectors.

* Providing job opportunities: through financing development projects and supporting the private sector.

* Poverty reduction: through the provision of social assistance and support to needy groups.

* Achieving price stability: by intervening in the market and ensuring the availability of goods and services at appropriate prices.

2. Achieving social justice:

* Providing basic services to citizens: such as education, health and security.

* Providing support to needy groups: such as the poor, the elderly and the unemployed.

* Reducing the gap between social classes: through income redistribution.

3. Achieving sustainable development:

* Environmental protection: by financing environmentally friendly projects.

* Promotion of scientific research: through the financing of universities and research centers.

* Infrastructure development: through the financing of roads and transport projects.

4. National security investigation:

* Strengthening the capabilities of the army: through the purchase of weapons and military equipment.

* Border protection: through the financing of security and Border Forces.

* Combating terrorism: through the financing of security and intelligence agencies.

5. Achieving other goals:

* Promotion of culture and sports: through the financing of cultural and sports institutions.

* Supporting innovation and creativity: through funding research and innovative projects.

* Strengthening international relations: through the provision of foreign assistance.

Fourth: types of government spending :

A. Current expenditure: used to cover the daily operating expenses of the government, such as: employee salaries operating costs (electricity, water, ...) Purchase of goods and services (e.g. office supplies) subsidy transfers (e.g. social assistance) public debt benefits examples of current spending teachers salaries doctors salaries hospital operating costs school operating costs food subsidies fuel subsidies public debt benefits

P. Capital expenditure: used to finance long-term investment projects, such as the construction of infrastructure (roads, bridges,...) Purchase of new equipment financing of scientific research investment in development projects examples of capital expenditure road construction hospital construction school construction purchase of new medical equipment financing of renewable energy projects financing of scientific research projects divides each type of expenditure into subcategories:

A. Categories of current expenditure:

* Salaries and wages: include the salaries of all government employees, both civilians and military.

* Ongoing transfers: includes social assistance and support for goods and services.

- * Interest: includes interest on public debt.
 - * Other expenses: includes operating costs and the purchase of goods and services.
- P. Categories of capital expenditure:
- * Infrastructure: includes roads, bridges, ports and railways.
 - * Equipment: includes medical equipment and educational equipment.
 - * Investment: includes investment in development projects and scientific research (Jassim, 2011)

Second topic: poverty

First: the concept of poverty

Analysis of the reality of government tunnels in the Iraqi economy

First: the components of government spending
By identifying the main components of government spending for any country that can know the directions of spending policy and the goals it seeks to achieve, it can be said that the general agreement consists of two main sections, investment spending and consumer agreement, as for investment spending, it is of great importance as it is one of the main components of aggregate demand, and it can be said in general that public investment spending is only that kind of agreement on capital goods, which is represented by machinery and machines, and also includes agreement on new buildings and additions to old buildings, and also includes a change in commodity inventory (the impact of government spending on Economic growth in the Arab countries, 2022)

As for the government consumer agreement, it consists of two sections, the first includes the public services provided by the state to individuals and the salaries and wages required by these services, as well as government procurement, and also this section includes military expenses, and the Antiquities section includes the transfer expenses provided by the state to individuals and projects such as subsidies and assistance. The policy agreement in Iraq was characterized after a year 2019 by an increase in consumer expenditures at the expense of investment expenditures, those expenditures increased significantly so that they became a burden on the

state budget and a heavy financial constraint, and the reasons for the increase in consumer spending after a year, are due to the first additional items in the state budget represented by the increase in public sector salaries and allocations for the reconstruction of Iraq, and that these items, especially wages and salaries, remained dominant over the General Agreement and constituted a restriction on the expansion of the investment agreement. This can be clarified in Table (5) as the value of the general agreement for the year 2018 (1982548) million Iraqi dinars and consumer spending (1784293) million Iraqi dinars as for investment spending (198254.8) million Iraqi dinars, as the consumer agreement accounted for (89.99%) of the general agreement while the investment agreement accounted for (9.99%) of the general agreement, and it is noted from Table (5) that the values of the general agreement after a year) began to increase significantly the value of the general agreement in 2004 amounted to (32117491) million Iraqi dinars and the consumer and investment agreement, respectively (3014733) million Iraqi dinars, as consumer spending accounted for (90.61%) of the general agreement As for the investment agreement, it was a percentage of the general agreement (9.38%), and this decrease in the proportions of the General Investment agreement, is due to the presence of American troops in Iraq and the subsequent destruction of most economic sectors due to the war that took place. In the year ٢٠١٩ the value of public spending reached (26375175) million Iraqi dinars as for the consumer agreement (21803175) million Iraqi dinars as a percentage of the general agreement (82.66) while the value of the investment agreement (4572018) million Iraqi dinars and its percentage of public spending (17.33), and it is noted that the value of investment spending and its percentage of the general agreement increased slightly from the previous year due to the government's direction to reconstruct what was destroyed by the occupation year 2018 most of these expenses went to the reconstruction of some areas such as Najaf and Fallujah, compensation for those

affected, as well as the amounts withdrawn to the account of the High Electoral Commission and to finance some health and electricity projects (1).

In the year 2022 the value of public spending share (33487877) million Iraqi dinars, as well as the value of consumer spending (27460197) million Iraqi dinars, while the value of the investment compact (6027680) million Iraqi dinars, the increase in the value of the agreement the consumer to re-separated politicians to understanding as well as incorporating some of the armed factions and engagement by civil violence continued to rise are the media of 2007, to the value of the order (59403375) and (33545194 million Iraqi dinars, or consumer spending value (25822100) (45522700) million Iraqi dinars and of the general agreement (76.97%), And (76.63%), respectively the agreement The value of investment amounted to (7723044), million Iraqi dinars and gained from the general agreement (23.02%), respectively, the reason for this increase is due to the increase in oil revenues, which constitute the main financier of public spending, and in the year 2019 the values of public spending decreased in both consumption and investment, the value of public spending reached (52567025) million Iraqi dinars or the consumer agreement was worth (42053620) million Iraqi dinars and as a percentage of from public spending. (80%) while the value of the investment agreement (10513405) reached one million Iraqi dinars as a percentage of the general agreement (20%), the reason for the decrease in the value of public spending is due to the occurrence of the global crisis, which was represented by a negative supply shock, which led to a decrease in the price of oil barrels, which is the main financier of government spending.

Continued consumer spending and the public to appreciate the divine cities 2010-2013 keeps the value of the arrangement, (44879984), and (56016523), and (69618783), and (72226027 billion Iraqi dinars web of the general agreement (69,74%) and (80,43), and and (65,58%) as of the agreement, the investment was the value of the order and (1362300), and (20756000), and (34647000) billion Iraqi dinars web of public spending (30,25%), And (19,56), and (22,96), and (

32,41%), respectively in 2014 decreased the value of the public spending share (83556226) million Iraqi dinars and consumer spending (58625226) billion Iraqi dinars as a proportion of public spending (70.16%), the agreement on investment was Value (24931000 billion Iraqi dinars as a proportion of public spending (29.83%) and the cause of the low value of public spending, particularly consumption expenditure compared with those in 2013 not to pass in 2014, recently the Ministry of finance to abide by the conflict and by (1) to (12) of the actual expenses of the University for each month of a similar 2013 (1) continued value of public spending to decline during these years 2015 2016³ the value of public spending (70397515), and (67067473) million Iraqi dinars, respectively, while the value of consumer spending (51832845), and (51173437) Billion Iraqi dinars on the arrangement and as a proportion of public spending (%73.62), and (76,3) as investment spending The value of (18565670), and (15894000) billion Iraqi dinars web of public spending (26.37%), and (23,69%), respectively, and the causes of this decline to the shock of the two in the Iraqi economy as they are to a great extent on statistical indicators, economic, social, all of these are shock two down the rate of crude oil prices source of (91.63)\$ per barrel in 2014 (44.729), the (33,976) In 2016 and 2015, respectively, although the height of the exported quantity of crude oil in 2016, but it does not continue to decrease in price, the second shock it was to the worsening security situation since June 2014, which consisted of Three provinces under the control of terrorist groups (1). What followed these events from increased spending on military matters and increase the services provided by the government for the displaced and other consequences of war, in the year 2017 the value of public spending, both consumption and investment were their values, respectively (59025654), and (16464461) million Iraqi dinars, the proportion of GDP Respectively, in general and by data spending for the above we see that the ratio of the agreement wobbly, as arranged in a specific year goes down in the year I see the cause of this oscillation is the fact that Iraq is a

country of a spring is considered the economic and entirely dependent on Iranian oil, which are linked to global demand as we also dominance

Consumer expenses at the expense of investment expenses for all the years mentioned

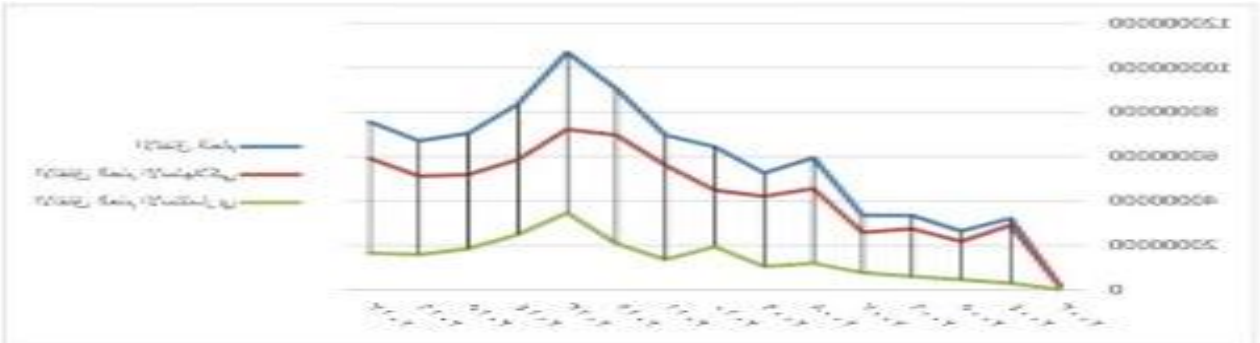


Figure (2) Public spending and its main components in Iraq for the period (2017-2022)

Source: prepared based on the table data
Second: the percentage of the contribution of public tunnels and its main components to the

Ratio of public investment expenditure public / expenditure (5) %	Ratio of public consumer spending public / spending (4) %	Public investment spending (3)	Public consumer spending (2)	Public spending (1)	years
9.99	89.99	198254.8	1784293	1982548	2017
9.38	90.61	3014733	29102758	32117491	2018
17.33	82.66	4572018	21803175	26375175	2019
17.99	82	6027680	27460197	33487877	2020
23.02	76.97	7723044	25822100	33545144	2021
20	76.63	11880675	45522700	59403375	2022

GDP.

Iraq is among the countries where the public sector has prevailed over the years, according to the data of Table (6), the ratio of public consumer spending to GDP compared to the ratio of public investment spending to GDP (7.62%), in the year 2003 the ratio of public investment spending to GDP (0.67%), which is the lowest percentage that can be observed for the period mentioned, this decrease came as a result of the change in the system of government and the resulting destruction of production projects and infrastructure and the cessation of development (2), while general consumer spending to GDP (6.33%), and then ie for a year started, spending ratios The general consumer spending was a percentage of GDP (54.66%, which is a high percentage compared to the ratio of public investment spending to GDP (5.66%), and due to the fact that Iraq is a spring country that depends mainly on financing its expenses on oil revenues, which in turn are linked to oil prices in world markets, this dependence led to fluctuation of public expenditures and their proportions of GDP, i.e. rise in a given year and fall in year I see and in two years the percentage of contribution of both

public spending and general consumer spending to GDP decreased as The public spending ratios were (35.86%), (35.03%) while the general consumer spending ratios were (29.65%) respectively, while the General Investment Agreement's contribution to the gross domestic product was (6.21%) (6.3), which is higher than the percentages of the previous years due to the government's orientation, as we explained earlier, to the reconstruction of most of the infrastructure and sectors that were destroyed in عام, and in عام the percentage of public spending's contribution to the GDP was the total (30.09%), while the contribution of general consumer spending was the gross domestic product (23.16%), while investment spending was the contribution to the gross domestic product (6.92%), and public spending increased from GDP share (37.83%) (40,23%), respectively for the years 2019 and 2020, as well as the proportion of consumer spending my year of GDP keeps arrangement (28.99%), as well as the percentage contribution of investment spending in GDP(the risk of government spending on the global economy,2023)

Table (2) ratios of public spending and its main components to gross domestic product in Iraq at current prices for the period (2012-2022)

Invest ment agree ment ,ratio spendi ng/GD	General investmen t agreemen t (6)	Ratio of general consume r agreeme nt/gross domestic product	General consumer spending (4)	Overall agreeme nt/GDP % ratio (3)	General agreemen t (2)	Gross domestic (1)	the years
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% P (6)		(5)					
0.67	198254.8	6.03	1784293	6.7	1982548	29585788. 6	2012
5.66	3014733	54.66	29102758	60.33	32117491	53235358. 7	2013
6.21	4572018	29.65	21803175	35.86	26375175	73533598. 6	2014
6.3	6027680	28.72	27460197	35.03	33487877	95587954. 8	2015
6.92	7723044	23.16	25822100	30.09	33545144	111455813 4.	2016
7.56	11880675	28.99	45522700	37.83	59403375	157026061 6.	2017
12.01	19472000	27.69	44879984	39.7	64351984	162064565 5.	2019
6.26	13623000	25.77	56016523	32.04	69639523	217327107 4.	2020
8.16	20756000	27.38	69618783	35.54	90374783	254225490 7.	2021

12.66	34647000	26.39	72226027	39.06	10687302	273587529	2022
					7	2.	

For the year 2017, the value of public consumer spending amounted to (59,025,654) million Iraqi dinars. The value of the first semester amounted to (13,121,689) million Iraqi dinars, a

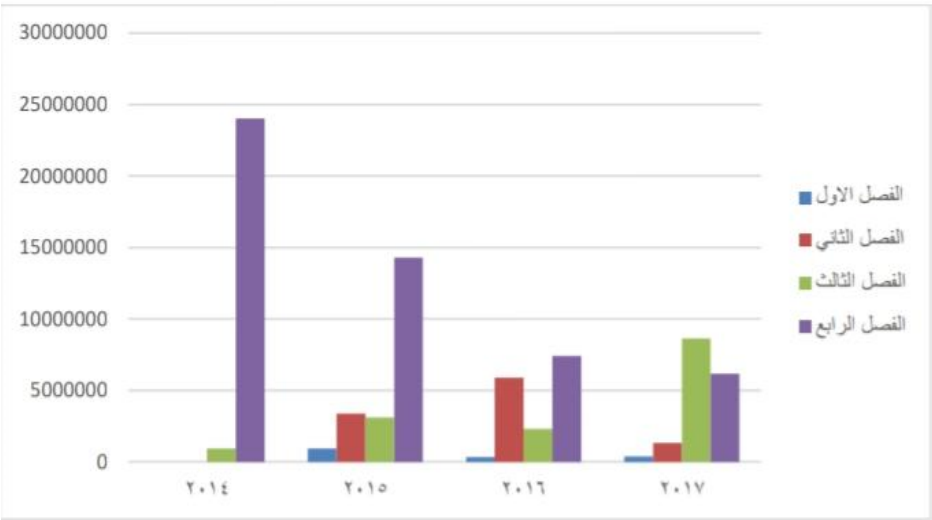


Figure (4) Time distribution of government spending

percentage of (22.23%), while the value of the second semester was (13,108,889) million Iraqi dinars, a percentage of 22.20%). We note that the percentage of the second semester did not increase. It remained close to the percentage of the first semester, and for the third and fourth semesters, the value of general consumer

spending for each of them was, respectively, (15,681,500) and (17,113,576) million Iraqi dinars, while their percentages of general consumer spending were (26.56%), (28.99%) over The arrangement (Maarouf Hoshyar, 2006, 43) is as shown in Table (3).

Table (3) Time distribution of public consumer spending during the fiscal year at current prices in Iraq for the period from (2014-2017) million Iraqi dinars

Chapter :Two General Consumer	Chapter II	Chapter :One General Consumer	Chapter one	General consumer spending	the ye
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Expenditure %		Expenditure %			
24.84	14566763	22.23	13035950	58625459	2014
26.2	13583559	19.89	10314412	51832839	2015
24.92	12757179	22.21	11369278	51173428	2016
22.20	13108889	22.23	13121689	59025654	2017

Chapter :Four General Consumer Agreement	the fourth chapter	Chapter / Three General Consumer % Agreement	Chapter III	the years
30.82	18070759	22.09	12951987	2014
26.56	13768709	27.33	14166159	2015
28.26	14465172	24.58	12581799	2016
28.99	17113576	26.56	15681500	2017

Source: Prepared based on table data

With regard to public investment spending, in 2014 the value of public investment spending amounted to (24,930,767 million Iraqi dinars, and the first and second semesters did not constitute any part of it, so their values were equal to zero, while the value of public investment spending for the third semester amounted to (919,707) million Iraqi dinars, and constituted a percentage of (3.68%). This is a very low percentage compared to the fourth quarter, which amounted to (24,011,060) million Iraqi dinars, at a rate of (96.31%), which constitutes, in every sense of the word, a period of unbridled spending.

In 2015, the value of public investment spending amounted to (18,564,676) million Iraqi dinars, and the first and second chapters each represented a percentage of (4.97%) and (18.13%) of the public

investment spending, respectively. As for the third semester, its percentage of public investment spending decreased, which amounted to (16.60%), then it increased again in the fourth semester, so the percentage was (76.89%). For the year 2016, the arrangement of the percentage for the four seasons was similar to the arrangement of the seasons of 2015 in terms of rise and fall, so the percentages for the four seasons were, in order, (2), (37.01), (1.39), (46.57%), and in 2017 the value of public investment spending reached (16,464,461) million Iraqi dinars, and the percentages of the first three quarters of public investment spending were increasing, which were (227), (80), (52, 35%), while we notice a decrease in the percentage of public investment spending in the fourth quarter to

reach (37.35%), as shown in the time distribution period from (2014-2017)
of public investment spending in Iraq for the

Table No. (4) on the time distribution of public investment spending in Iraq for the period from (2014-2017)

Chapter :Two General Investment Agreement %	Chapter II	Chapter One General Investment Agreement %	Chapter one	General investment agreement
0	0	0	0	24930767
18.13	3365782	4.97	922716	18564676
37.01	5883780	2	318351	15894009
8.01	1319853	2.27	374477	16464461
18.38	3083187	2.32	413689	19796484

Source: Central Bank of Iraq, Central Bureau of Statistics, Annual Statistical Bulletin, different years, noting that the seasons for all years came as aggregate numbers for the months of one year.

Table (5) Time distribution of public investment spending according to the four seasons and stages of the period (2014-2017)

Chapter :Four General Investment Agreement %	the fourth chapter	Chapter / Three Public Investment Expenditure %	Chapter III	the years
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96.31	24011060	3.68	919707	2014
76.89	14276178	16.6	3083216	2015
46.57	7403364	14.39	2288514	2016
37.35	6150121	52.35	8620010	2017

Source: Prepared based on table data

The time distribution of public investment spending in Iraq for the period from (2014-2017), that is, it is clear to us, through the percentages of public spending and for the four seasons and for the years mentioned, the four stages of public spending, that the spending operations were carried out only for the purpose of achieving a certain volume of spending and not for the purpose of achieving any goals that are in the public interest. Which causes a large waste of the funds allocated to government institutions, and here we see it as necessary for the government agencies responsible for preparing the general budget, i.e. the Ministry of Finance and other regulatory bodies, to follow one of the modern methods in preparing the state's general budget, such as the programs and performance budget, planning and programming, or zero-based budgeting, as these work. Methods for determining the goals and programs that must be achieved, as well as allocating the necessary amounts for these operations, which prevent waste. In the event that the government is unable to follow one of these modern methods due to the lack of personnel and expertise necessary for it, it must follow more stringent control methods with regard to spending amounts. High revenues for half of the fiscal year, amending legislation and financial laws, and accelerating the preparation, approval, and implementation of the general budget in its appropriate timing.

Second: poverty

Poverty, which is a complex phenomenon in terms of its economic, social, psychological and humanitarian dimensions, is one of the issues that has received the attention of researchers of all specialties, and one of the concepts for which there is no agreed upon definition, but most researchers define poverty as (the monetary cost for a specific individual, at a specific time and place, To reach a reference level of well-being.

Poverty is considered a production problem, and merely alleviating its severity is considered an investment, and the World Bank defined it as (the inability to achieve the minimum standard of living). Poverty is also defined as (very limited conditions of life, due to malnutrition, illiteracy, disease, a deteriorating environment, high rates of infant mortality, and average expectations. low age).

Poverty indicators enable us to know the number of poor and non-poor people, poverty rates, and the poverty gap. The results of this report showed that the poverty rate in Iraq in 2012 was about 22.9%, and that poverty is concentrated in the countryside to a higher degree than in urban areas, as the poverty rate there reached 39.3% and 16.1%. %, respectively. This means that approximately 6.9 million of the total population of Iraq, which numbers more than 30 million people, are classified as poor. About half of the total number of poor people, 3.44 million, live in rural areas, and half of them live in urban areas, 3.45 million.

	2022	2012		
2022-2021	105.5	76.89	the National	Poverty line thousand) (dinars/person/month
47.37	50.47	34.25	Nutritional component	
29.05	55.03	42.64	Non-food component	
-16.14	13.5	16.1	civilized region	Percentage of poor people
-21.8	30.7	39.3	countryside	
-17.4	18.9	22.9	Total	
-8.8	3.1	3.4	civilized region	Number of poor people/million people
-5.7	3.3	3.5	the countryside	
-8.6	6.3	6.9	Total	
13	34	30	Iraq	Population in million people
69.0	276.3	163.4	civilized region	Average monthly per capita expenditure (thousand dinars)
80	185.4	103.0	the countryside	
69.6	247.4	145.8	Total	
0.2	2.5	2.7	civilized region	Poverty gap index
1.4	7.6	9.0	countryside	
0.4	4.1	4.5	Total	
0	0.7	0.7	civilized region	Poverty severity index (poverty gap (squared
12.9-	2.7	3.1		
0	1.4	1.4		

The lack of education is one of the characteristics of poverty, given that the poor quality of education is an opportunity to increase poverty

through a high rate of illiteracy and dropout. This rate is called the knowledge rate, which works to increase the index of human poverty. The state

undertakes to spend on education, and government funding constitutes 90% of the total need for the educational process. From financial allocations, this reflects the small contribution of the Iraqi family to it. It is noted in Table (4) that

the dropout rate in primary schools in the year (2012-2022) reached about 2%. School dropout cases begin early, at the age of 12 years for boys and 9 years for girls.

	2012	2022
Illiterate people or those who have not completed primary school	34.0	0.40
They have completed primary school and are in high school	0.47	0.45
Those who have a high school diploma or more	0.16	0.15

The level of poverty is measured through several factors, including the size of poverty, which represents the percentage of individuals who fall below the poverty level, that is, the percentage of individuals who cannot secure their basic food and non-food needs. After that, a survey is conducted that determines the percentage of the population within households whose consumption or income is below this line, a gap. Poverty is extracted by (collecting the differences between the real per capita spending of the poor

and the poverty line and dividing it by the total population. The summary of poverty measurement at the level of Iraq is as in Table (7), in which it is clear that the poverty gap is 4.5%, which is close to the poverty line, and therefore any Simple additional resources could help the poor and improve their conditions, while the extent of poverty reached 22.9%, meaning that between a quarter of the population and a fifth of them consume below the poverty line.

Table No. (3) Measuring poverty at the level of Iraq

National indicator	Measuring poverty
% 22.9	The extent of poverty
% 4.5	Poverty gap

The poverty rate in Iraq decreased in 2012 to about 18.9%, while the poverty gap in Iraq decreased for the same year to about 4.1%, while in Muthanna the highest poverty rate reached 52.5% for the same year.

2022		2012		Governorate
Poverty gap	Poverty rates	Poverty gap	Poverty rate	
0.9	5.8	2	9	Dohuk
8.0	34.6	4	23	Nineveh
0.4	2.0	1	3	Sulaymaniyah
1.7	9.1	1	11	Kirkuk
0.5	3.6	1	3	Erbil
4.0	20.5	7	34	Diyala
2.7	15.4	4	21	Anbar
2.0	12.0	2	13	Baghdad
2.6	14.5	9	41	Babylon
2.0	12.4	7	37	Karbala
6.5	26.1	19	36	Wasit
3.1	16.6	1	40	Salahaddin
1.7	10.8	1	25	Najaf
12.4	44.1	1	35	Al-Qadisiyah
14.4	52.5	14	49	Double
10.2	40.9	1	34	Dhi Qar
11.8	42.3	1	27	Maysan
2.8	14.9	1	34	Basra
4.1	18.9	5	23	Iraq

The poverty line for food has been fixed at the level of expenditures required to meet the minimum amount of food at 2,337 calories per person per day, or 50,473.26 Iraqi dinars in 2022. The poverty lines are rising in Baghdad and Kurdistan, while in the other regions they are similar to the table (10) There is a clear trend using the official poverty line, which records a decline in the rate of poor population from 22.4% in 2012 to 19% in 2022, a decline representing 3.5 percentage points. The size of poverty in rural areas decreased by 8 percentage points compared to 2.5 percentage points. In urban areas. The reason is due to the general food subsidies provided through the public distribution system. Table (4) Poverty lines (Iraqi dinar per person per month) 2012 - 2022

2022	2012	Years
50473.26	35796.64	Food poverty
142410.7	101000.5	Poverty in Kurdistan
115934.7	8223.19	Poverty in Baghdad

1016775.9	72110.57	Poverty in the rest of Iraq
105500.4	74822.98	Official national poverty

CONCLUSIONS

1. Relying on traditional classical methods in preparing the general budget (balancing items) as the basis for preparing the general budget of the state in the Iraqi economy has generated many problems, the first of which is the waste of public money due to its lack of effectiveness and efficiency in the best use of public funds, and one of its priorities is to encourage an increase in important spending instead of rationalization.
2. The failure of the legislative and executive authorities to comply with the law on financial management and public debt, which sets clear timelines for the preparation, legislation and implementation of the state budget.
3. The delay in approving the general budget of the state, which leads to a delay in the immediate implementation of the plan agreement, as spending units are forced to cover their expenses based on what is stated in the law of financial management and public debt by disbursing a percentage of $\frac{1}{\text{الفعلي}}$ of the actual expenditure for the same month in the previous year, which made public spending in the first months of the fiscal year takes the character of decline and stagnation compared to subsequent months.
4. The misallocation of public spending during the fiscal year, represented by the fact that the last months of the fiscal year accounted for the vast majority of the general agreement compared to the first months, so by studying and analyzing the total agreement during a period of ١٢ a year, it turned out that a percentage (%%) of this agreement was spent in the last three months. And that the percentage of spending in the first months of the year reached (١٦), that is, what is spent during the last quarter of the fiscal year rises to more than double what is spent during the first quarter of it, in general, the volume of public spending during the one year is witnessing a noticeable increase.

5. Based on the results obtained using standard methods, it turned out that the productivity of public spending was high in the first quarter of the fiscal year while it reached its lowest level in the fourth quarter, which indicates the wrong methods in the process of allocating resources using the methods used in the preparation of the state budget.

6. After the misallocation of public spending during the fiscal year, one of the most important reasons that leads to a gradual decline in the productivity of the general agreement from the beginning and the end of the year, as the low rates of the general agreement means an increase in productivity in the first quarter, and the inflation of the volume of public spending at the end of the year leads to a decline in productivity.

RECOMMENDATIONS

1. Develop a new method for preparing budgets so that the funds are linked to the achieved goals, and thus identify what is being achieved and the integrity of government units to commit to achieving the set goals
2. The need to apply a modern method in the preparation of the state's general budget, that is, abandoning the method based on the traditional budget (balancing items) and moving to modern methods such as program and performance budgeting
3. Balancing planning and programming, i.e. methods that allow linking the goals and funds of the region. Work on training and developing government staff and in various institutions on modern methods in the preparation of public budgets, and provide background to them on the most important changes and new methods in the preparation of public budgets.
4. In the event that it is not possible to abandon the traditional budget and apply a modern budget due to the lack of the necessary staffing, a condition must be set in the general

budget that requires the need to return the unspent funds to the state treasury or rotate them for the previous year.

5. Applying stricter control measures on the waste of public money, as well as holding government agencies accountable in order to find out the cause of imbalance and heterogeneity in the seasons of the fiscal year

6. Government units must comply with the need to approve public budgets on time and not delay them as usual during the mentioned years for the duration of the study, which leads to a small amount of public spending in the first semester of the fiscal year and the irregularity of other semesters.

7. Include a basic condition in the Iraqi constitution that includes obliging members of the House of Representatives to approve the general budget in the last month of the fiscal year, otherwise the president of the Republic is authorized to impose a financial penalty (such as the cancellation of salaries or any other privileges)

Those who delay the process of approving the state budget.

Poverty is one of the biggest challenges facing Iraq, and it has been greatly affected by the armed conflicts and political unrest that the country has witnessed for many decades. In this context, government spending plays an important role in promoting economic and social development and reducing poverty levels in Iraq.

One of the main goals of government spending is to provide citizens with basic services such as education, health care, housing, water and sanitation. By increasing spending on these sectors, the government can improve the quality of life for individuals living in poverty and enable them to access necessary services.

Government spending plays a role in boosting employment and improving income levels. By financing development and infrastructure projects, the government can create new jobs and promote economic growth, which ultimately leads to improved income levels and poverty reduction, government spending plays a role in promoting the equitable distribution of wealth and opportunities in society. By implementing

social protection programs and providing financial support to low-income families, the government can achieve social balance and reduce inequality in society.

The success of the role of government spending in reducing poverty depends on several factors. For example, there should be an effective strategy for managing government spending and correctly directing it towards economic and social priorities. There must also be transparency and accountability in the government spending process to ensure that funding reaches the eligible categories and is used efficiently.

Relying on these strategies and providing the appropriate conditions for success, government spending can contribute to reducing poverty in Iraq and promoting comprehensive development and economic and social stability.

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