

The impact of the security environment for investment in directing the economic work of the regulator: Investment Market in Iraq a model

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Abstract

We reviewed in this paper the main challenges facing the Iraqi economy in providing a safe environment for investment, the study identifies priorities for investment spending within the framework of the projected government revenues (oil, etc.) with the continued absence of competitive investment environment attractive for investment, remains the pattern of participation of the private sector of the Year "is necessary to fill investment gap

The expected results will contribute to raising the level of welfare of citizens and working to create the required investment environment and address the imbalance in the structure of GDP and provide jobs for the unemployed through the activity of the private sector

Introduction

Under the Iraqi economy and the long-term live crises suffocating, suffering from real structural imbalances Whether it true or financial, and was behind a range of reasons, including those relating to the absence of economic policy is prudent and not linked to the long-term, they are separated and connected according to the political situation prevailing in the country, and this is of course contrary to the rules of the modern economic construction, moreover drain the country's resources in wars worthless, that the Iraqi government faces today they are trying to lift the Iraqi economy from its problems, especially in the provision of basic services to citizens is the deficit and the gap of investment, which requires filling from other sources both from domestic investment (private sector) or from foreign investment, all of which depend on the creation of favorable investment environment actors and convince investors come to the investment arena, otherwise, will continue to difficulties and problems and challenges, which are reflected by the inability to raise the economic and social development indicators, especially that the world today has become one yard to compete to attract investment, wins it believes in and earn the confidence of investors.

Aim of the research: Search is trying to achieve a set of goals are:

- Develop a conceptual vision for investment and its importance
- The study of the investment climate in Iraq in the light of the investment environment elements
- Knowledge of the problems and obstacles in the Iraqi investment environment

The research problem: the Iraqi economy suffers from a lack of availability of a suitable environment for attracting investment and for several reasons, some of them relating to non-security and stability and the deterioration of infrastructure as well as the lack of conditions for the development of the Iraqi private sector policies, all of this is reflected not to provide a secure environment for investment

Research Hypothesis: despite the obvious intention and the quest by the Iraqi government to provide suitable investment environment and achieve successes in it, investment is still suffering from reduced barriers to gain domestic and foreign investor confidence.

First: the investment- investment environment

1- The concept of investment: investment is an important element in the economy through its role in the economic system and its association directly variables economy and other (savings, consumption, employment, output) is also described as the effective means to change the national structure of the economy in favor of modifying the structural imbalances and also is one of the pillars of sustainable development is not a country, because of its role in increasing production capacity and positive relationship with economic grow Investment identified as the composition and process of capital accumulation, also known as the employment of money and economic, social and cultural projects in order to achieve the accumulation of new capital, and raise production

capacity, refurbished, the old capital compensation. (1)

That means that investment as a transfer of capital from its original form of cash to the production or service, hence the areas of investment expanded to include aspects of social life and not only goods-producing economic fieldsth.

Under Iraqi Investment Law (13) of 2006 investment identified as the investment of capital in any activity or economic project that will benefit the country's legitimate

Thus, it is clear that investment is the employment of surplus funds to individuals, companies and even governments and organizations in various assets intended to obtain additional resources in the future and at the lowest percentage of risk. (2)

2- . The importance of investment

The investment of the economic activities that have not had a disparity of views on the role that can be played in economic activity, and through multiple channels, which have a direct impact on the determinants of economic growth, local Kalmkharc, lower cost of capital and transfer of modern scientific techniques, and the development of the financial sector local, and the development of local companies through copying technology, etc., and in general can be summed up the importance of investing at the level of the economy, including the following:

a. Investment contribute to increase the national production , it kind of added to the resources available , or maximize these resources or increase the benefit.

B. Investment contribute to increased national wealth (fixed capital formation) , whether this investment is domestic or foreign .

T. Contributes to the local and foreign investment in tackling the problem of unemployment through the employment of many of the workforce , and therefore one of the solutions to address the problem of unemployment , as well as the fight against poverty and raise the per capita income level .

W. The investment financing for development process, particularly in countries that suffer from a lack of financial resources, being the best source of funding when compared with short-term funding sources and borrowing unconditional.

C. Investment, especially foreign described as a conduit for the transfer of technology The benefits Walt obtained by the host countries are the effects of technological spread through technological multiplier as it works on the dissemination of technology and modern management methods on a large scale through several channels, whether related to competition between foreign and domestic companies, or acquire skills through jobs in foreign companies or foreign companies do training and development of local staffs, or through mergers with foreign companies. (3)

3. The concept and elements of the investment environment:

In the system of globalization has become a whole world open to competition to attract investment space, does not enjoy any state developed a proprietary him, but that all countries, including contained to attract or expel a pole contender for other countries factors , the ability of any state to earn the confidence of investors will depend on its ability to provide the conditions ideal for the investor in terms of both safety and yield , facilities and so on , and Iraq under the new transformations is a pole of the globalized world arena It seeks to attract more investments in anticipation of positive its returns as well as being the tool that is based on the processes of transformation toward a market economy , and it is also important that the Iraqi constitution, focused on the role of the private sector in the process of economic reform and state backing him in it, all of this requires action on climate create investment , which means the laws and policies of economic and political institutions that affect investor confidence in the group and convince him to direct its investments to a country without the other. (4)

Arab Foundation has defined to ensure the investment as the environment , which is characterized by the existence of a deficit in the general budget offset by an acceptable balance of payments deficit is simple and rates of inflation and the exchange rate is overvalued by political and institutional environment that is stable and transparent predictable for commercial , financial and investment planning . (5)

Based on the above, it can be an attractive investment climate definition or investment security that includes the economic, political and social factors, including the diverse Bmahratha economic policy stability, also includes improving the foundation of the frame and the issuance of incentive laws for Investment and Trade (individual property protection, encourage competition, laws to ensure the resolution of disputes, promotion, preparation of maps and opportunities of investment, held bilateral and multilateral agreements) and all it will lead to support investment environment.

Elements of the investment climate:

It faces investor among a group of elements that determine the investment activity in the host country and point. The following is the most important of these elements:

1. economic and environmental system:

— Economic system: whenever a more liberal economic system works to reduce barriers and restrictions on the movement of capital, trade and operates in accordance with the market mechanism, the more led to be an attractive environment for investment.

- The political system: political factors of the more factors that affect investment decisions investor always looks into account the risk of non-economic that such nationalization, confiscation and intervention might be exposed to in its affairs, incentives and temptations other no matter how high is not enough to win investor confidence in a country that suffers from a lack of safety, and therefore the more democratic political system and there is a high transparency of information is the welfare of the investment climate and vice versa in the case of authoritarian be repulsive environment for investment. (6)

Ecosystem, and it includes several elements, including administrative system based appliances on the investment management of structured and frame him and bureaucratic government apparatus, and financial and administrative corruption and most of all the more Gath those bodies and government agencies and has enjoyed simply measures the clarity and the lack of complexity and administrative obstacles, and be capable of meeting the investor's needs whenever it was an attractive climate for investment and on the contrary, in the case of corruption and bureaucracy and backwardness banking and other things that lead to be repulsive environment for investment. (7)

2. investment laws and legislation: include investment president Act, as well as a set of laws and legislation complementary (Monetary law, taxation, customs) and all these laws in order to be attractive for investment must and characterized by evolution and flexibility fully in the emerging circumstances and needs of the growing of the decision and institutions as well as they involved transparency and clarity of vision. (8)

3. economic policies: include macroeconomic policies which show images of multiple forms by investment behavior and economic philosophy of the host country to invest, the more politics and a clear, flexible and non-conflicting goals, and operating efficient, effective and consistent with the changes and transformations at the level of the national economy and on the level of global transformation, was attractive for investment, and vice versa, its example of fiscal policy to be attractive, if they bear the financial and financing incentives and indicators stable, while the trade policy that offers incentives not to government intervention and the abolition of duties and quantitative restrictions are also attractive for investment, and so on for the rest of the policies.

4. Economic indicators: includes a performance of economic indicators, which refers to the analysis of the degree of investment attractiveness, and all the indicators are that the outcome of the work of the above ingredients, all of which fall within the investment environment.

The reality of the investment environment in Iraq

There are a range of factors that have an impact on the investment environment in Iraq, including:

The security of the political system: pointed out that the investment climate is among the factors influencing the investment decision, and the positive impact achieved in light of the political and security stability within the host country's investment is by looking at the nature of the regime and its stability and the nature of the relationship between the political blocs, democracy, transparency and others and examine it in Iraq indicates that the investment environment has been affected by the current political and security circumstances in unstable condition, which reflected the uncertainty of the future for investors and affected even on the flight of the national capital to the outside, but Iraq is a distinct case for investment, Despite the

volatility of the security situation , creating a frequency to the national capital and foreign to get into the economy , despite also having confusion in the mind investor caused by the security situation , but it is accurate and objective view of the state of Iraq show that 60% of the geographical area of the country is safe and stable , and constitute the environment acceptable investment community investment

Conclusions and recommendations :

attracting investment does not happen overnight and it does not depend only on the host countries, but needs a period of time is short which prepares the host country autoimmune conditions and objectivity of the investment process to attract , Kthaih laws and legislations domestic public opinion and the provision of facilities and the development of backup controls of the results negative potential and others.

The existence of the market effective or the presence of the raw material required is almost more important than encouraging investment incentives and demand, because the investor if there is sufficient market it is able to negotiate for these incentives , so it has to be aspects that will come out of the foreign investor in accordance with the requirements of the account and not to the incentives they come later .

3. The availability of public investment climate is an important issue and should include the size and ease of operations and the cost of political risk and whenever the state has worked to expand the investment climate base whenever the state to attract investors , and vice versa.

Any investment project does not arise from a vacuum but is created and works within a state and a political entity and must interact with the objectives of this political entity and not against it in other words, the investment project should not be a different interface for other purposes

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