

Effective Economic Reform and its Impact on Poverty Reduction, Supporting Growth and Sustainable Development of the Iraqi Economy

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Abstract

Iraq can, by and large, be classified as a single-sector dependent economy. Historically, crude oil and gas have brought ample revenue each year to finance the government budget. Until recently, high crude oil prices and revenues masked underlying weaknesses in Iraq's public financial management (PFM) systems. With this high reliance on crude oil exports' revenue, Iraq has suffered from decades of conflict as well as the impact of the COVID-19 pandemic, at recent years. After experiencing an oil price-driven growth spurt with a gross domestic product (GDP) growth rate of 7.6 percent in 2022, the economy contracted by 1.6 percent in 2024, as oil prices fell, and crude oil GDP declined by 6.2 in 2024. While the non-oil economy was growing by 4.2 percent during 2024. Accordingly, Iraqi economy facing quite a few challenges; amongst these challenges, are the apparent domination of the crude oil sector on the economy, relatively high poverty rate of about 18 percent, unemployment rate of 13.5 percent in 2024, as well as the presence of quite few economic and social impediments to promptly achieving the sustainable development goals (SDGs), in Iraq.

The principal objective of this paper is to shed light on the urgently required economic and fiscal reforms, and to analyse the impact of needed and duly implemented reforms on economic growth, sustainable development, poverty alleviation, and hence, the well-being of society at large. The research methodology used in preparing this paper was a mix of, amongst others, reviews of related literature, official economic institutions' annual reports, desk work, utilizing previously done and published work by the authors, on the subject matter, and remotely discussions with some Iraqi leading economic institutions' personnel.

It can be concluded that the real efforts of reforming the economic and fiscal aspect of the Iraqi national economy, as well as implementing the aimed at economic, fiscal and enabling environment reforms, besides eliminating the wide-spread corruption would, undoubtedly, contribute positively to alleviating poverty, increasing socio-economic prosperity, and achieving the sought after sustainable development goals (SDGs) in Iraq.

Keywords: Iraqi Economy, Economic Reform, Economic Diversification, Poverty Alleviation, Growth and Development, Sustainable Development Goals.

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1. Introduction

With increasing domination and reliance on the crude sector of the economy, where this as an economic phenomenon was quite apparent, and hence, in 2024, the oil sector accounted for (38 percent) of GDP and was the main source of government revenues, making the, public budget highly vulnerable to oil price fluctuations [8], [10], and hence, to external shocks. The revenues finance a large public sector that accounts for about (40 percent) of total employment in the economy. This leaves little room for structural reforms and investments for a sustainable economic transformation. With an additional of about one million young people on the labour market every year, the economic conditions are currently not conducive to creating enough new jobs, especially in the private sector, to accommodate the new labour force entering the labour market in the country. The official general unemployment rate is comparatively high at (13.5 percent) of total labour force in 2024, particularly, for women (21.4 percent) and youth (25.8 percent). The poverty rate is relatively high in such an economic resources rich country, such a rate officially reported is over (17.5 percent) nation-wide in 2024, with clear spatial disparities in the level of poverty conditions by Governorates. According to the published official statistics the poverty rate in Erbil within Kurdistan Region of Iraq was (5.9 percent). In contrast, the rate in Al-

Muthana Governorate was (43.6 percent) [7], [8]. These are besides that Iraq is already highly affected by the recent climate changes such as increasing droughts, sand dunes, and desertification which burden agriculture as well as other economic sectors.

Hitherto, and since 2003 Iraq has not well structured and defined socio-economic development visions nor medium-term strategic plans. Though the country, and through the ministry of planning (MOP) has prepared and issued a few five-years development plans. Notwithstanding, these published plans' contents and objectives have not been implemented nor followed in real economic working time, by the related Iraqi economic institutions and concerned sectors of the economy. That said, the last of these plans was the national development plan (NDP) for the period 2024-2028, which was prepared by MOP and published late 2024, was done in quite conventional manner, and it has few serious potholes. Amongst these strategic gaps, in summary, are: **i)** the plan has not been based on a consistent, well-structured, and modelling driven medium-term macroeconomic framework (MTMF), **ii)** the plan has based its calculations, and assumptions on the statistical data of 2022, as well as it has used the 2022 as its base-year for indexations and comparisons, this is despite of its starting date is 2024, **iii)** the plan has fully bypassed the actual economic structure and conditions as well as the statistical data on the various segments of the national economy of the year 2023, **vi)** the plan in its quantified parts and tables, somehow, was inconsistent with using the concept of the real economy in the base year, where it in some part it used the constant prices of 2007 and in other referred the base year as 2022, **v)** when the plan has identified the gross investment nation-wide and by main sectors of the economy, has not identified the project where these investments are allocated to. Investment projects are the vehicle where production, and hence, real growth is brought up into the Iraqi economy [9]. Given, the absence of a full-fledged economic development programmed, with a long-term development vision that is based on well-structured and quantified integrated economic model, supplemented with medium-term strategic development plans, as well as programme-based budgets (PBB) with medium term budget framework (MTBF).

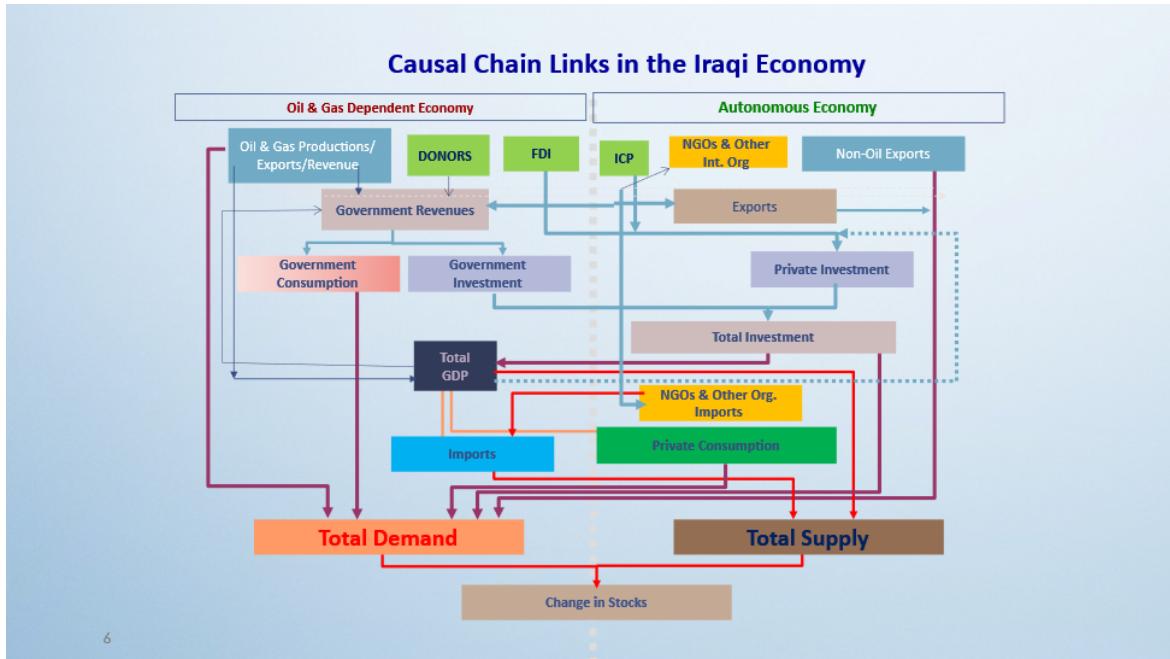
However, and against this background and reality, below are several areas in need of reform, as well as proposed reform actions to address challenges in a consistent, coordinated, sustainable, and effective manner.

2. Macroeconomic Stability, Economic Diversification, and Spatial Imbalances

Iraq macroeconomic setting is facing instability, as the economy is characterized with high unemployment, rising inflation rate, and slow real economic growth. This is besides that the process of economic diversification and lessening the dependency of crude oil exports and revenues has given quite low priority at recent years, together with the slowing of the non-oil sectoral activities, particularly, the slowing of the main productive sector such as; manufacturing industry and agriculture, and the domination of the crude oil sector on the country exports and national revenues to finance the nation's budgets. Hence, apparently Iraq economy became pure rentier economy in an absolute term.

The Iraqi macroeconomic setting needs to be restructuring, and more investment required to be allocated to the main productive sectors of the non-oil economy. This is imperative to focus on the main variable that leading the growth of the economy and establish realistic and quality programme for growth and economic stability, with full utilization of the growth and development interlinkages and causal-chains prevailing in and within socio-economic segments and sectors of the Iraqi economy. In doing so, the aimed at economic diversification will be achieved, and the domination of the crude oil sector in the economy will be reduced, together with the phenomenon of the rentier economy prevailing in the Iraqi economy will be eliminated. On the spatial dimension of the Iraqi economy, however, it is quite evidently that there are high disparities between different Governorates of the country, as well as clear imbalances amongst these different administrative units (or regions). These imbalances obviously exist as a result of different social, economic and public services available in these spatial units which require special attention and well-designed and tailored interregional development programmes and plans to realistically, and gradually, establishing the sought after balanced regional development based on regional potentialities and available spatial comparative advantages.

Figure 1: Causal Chain Links of the Iraqi Economy



3. Foreign Exchange and External Balances

The major proportion of the foreign currency inflows into the Iraqi economy comes from the crude oil sector. The crude oil sector has contributed to total Iraqi exports in 2021 and 2022 by 90.2 percent and 92.6 percent, respectively. These inflows normally flow back out of the economy, in the form of payments for importation of goods and services to meet domestic demand. At present, most of these imports are of consumable goods, many of which can (and used to) be produced domestically. As a result, significant amounts of spending have no direct positive impact on effective demand in the Iraqi economy to stimulate domestic production, income, and/or employment. Such spending can be considered a pure leakage of Iraqi development efforts. Concerted and sincere efforts should be put in place to revive Iraqi productive activities/sectors and increase the domestic supply of goods and services to meet domestic demand. Besides supporting and enhancing the external account balances, exports of Iraqi commodities with clear comparative advantages should be promoted and expanded to diversify the economy.

Additionally, substantive amounts of foreign exchange have been transferred outside the country by Iraqi individuals as well as some firms, rather than deposited and/or invested inside the country¹. New measures for creating an investment and business conducive environment should be adopted in Iraq. Iraq should work to reduce total imports (and associated bills) by developing the nation's productive sectors (i.e. agriculture, manufacturing, etc.) to satisfy a substantive portion of domestic demand for commodities currently being imported. This can achieve potentiality, with feasibility, and comparative advantage, to promote productive capacity and create positive substitution effects. This program should be adopted in parallel with improved policies to enhance and increase diversity of non-oil revenues as well as increase the overall government revenue base. This is imperative to curtail resource outflows and to bring some of these resources back into the economy, to be reinvested in productive sectors and service activities needed. Such an enabling environment and investment stimulating policy, by and large, should also be established to encourage and attract much needed foreign direct investment (FDI) into the key sectors of the economy.

4. Tax Policy and Taxation Systems

Iraq needs more efficient, effective, and corruption-free tax administration and collection systems that reduce the amount of taxes owed that are never collected or that “leak” through existing collection systems. In other developing countries, the portion of taxes lost due to corruption, evasion, and inefficient systems can be as high

¹ Total foreign exchange amounts sold through the foreign exchange auction held by the Central Bank of Iraq (CBI) during the periods 2022 and 2023 were much higher than the value of total imports of goods and services, by the private sector, into the economy during the same period.

as 25 and 32 percent of total presumed tax revenues [1]. Improvements in tax administration and collection could potentially increase the share of non-oil revenue of the total government budget and lessen the dependency of the Iraqi budget on unstable crude oil revenue. Such a reduction in the reliance on oil revenue would help build budget resilience against unexpected declines in crude oil prices and/or demand and protect the provision of basic public services and critical investments in public works. More efficient systems should include more modern Customs administration to improve collection of fees and duties by the various governorates and reduce corruption.

5. Financial/Banking Sector

It is imperative to put in place a modern and functioning banking system in Iraq. This requires immediate and concerted efforts to establish an institutional framework that stimulates and boosts domestic and foreign private investment as the main engine for economic growth and diversification. Increased confidence in the banking system would help motivate everyday Iraqis currently hoarding cash at home to mobilize their savings and would expand the deposit base for much needed investment in the economy. It would also help foster institutional capacity to expand lending and productive investments in small and medium enterprises (SMEs). As private sector investment and access to finance increase, so would overall economic growth.

Furthermore, a modern banking system with international practical standards capable of handling conventional banking operations, including foreign transfers, will help relieve some of the burden on the Central Bank of Iraq (CBI), when it comes to paying for imports and providing letters of credit, and will foster decreasing reliance on the (CBI) foreign exchange auction.

6. Rationalizing Public Expenditures and Preparing Medium-Term Budget Framework

The above reforms should be implemented together with steps to rationalize the public expenditure framework. This should be done in a way that ensures public resources are allocated and used to create long-term, balanced economic development in Iraq aimed at building the competitiveness of the economy and protecting public funds from trickling away to serve political and geographic interests. Rationalization of expenditures and fiscal sustainability will not only enhance private sector development, economic competitiveness, and job creation, but also more efficient delivery of needed social services to citizens.

It is imperative for Iraq to adopt an integrated medium-term budget framework (MTBF). This integrated MTBF should be based on a well-articulated medium-term fiscal framework (MTFF) for the economy. Such a MTFF should be, objectively, driven from a comprehensive medium-term macroeconomic framework (MTMF) for the Iraqi economy [2]. This medium-term macroeconomic framework should be prepared and based on a well-structured realistic macroeconomic modeling approach, with an integrated, coherent forecasting system, fully calibrated and empirically articulated, utilizing accurate and representative national, sectoral, and spatial statistical data. This integrated budget approach would help formulate a more realistic development (investment) budget based on; **i**) feasibility studies (cost/benefit analysis); **ii**) returns and productivity measurement; **iii**) projects' standard costing systems; and **iv**) prioritization within and between various sectors of the economy. It would also help build up needed analytical capacity within the MOF, MOP, and other relevant ministries and agencies. These frameworks have to be the backbone of the planning and budgeting functions and processes of all government institutions, particularly, the MOF, MOP, major line ministries, and other related government departments and agencies.

7. Bloated Public Sector

Iraq's federal budgeted recurrent expenditures increased by 34 percent between 2016 and 2023. Much of this is the result of inflated budgets and increased unnecessary hiring of partisan allies by politicians to help strengthen their positions of power within government. While the situation has artificially inflated wages and salaries as a percentage of the total budget, it is politically quite difficult at present to take the necessary actions to retrench the excess number of government employees in the absence of real employment opportunities in the private sector. Notwithstanding, Iraq should consider the following actions in the short- and medium-term to address the inflated government employment budget:

Areas of Improvement for Public Sector

- Professionalism and accountability
- Functional focus and skillsets to meet technical needs of ministries/agencies.
- Better recruitment and staff selection processes to remove opportunities for corruption and cronyism.
- Organized systems to record and document discussed ideas, policies, meeting minutes, etc.

- Retrain and redirect redundant employees to needed sectors such as education, public works, environmental conservation/remediation, etc.
- Advancing the work and activities of the established civil service bureau to work objectively, and to plan and match government staffing needs. The bureau should conduct needs assessments, identify functional specifications, oversee recruitment processes, and devise procedures for evaluations, promotions, etc.
- Institute reform efforts to support private sector development, particularly in growing productive activities/sectors as well as those activities/sectors with high comparative advantages. This would contribute to generating job opportunities, which would help absorb retrenched public employees.
- Address the stagnant situation of State-Owned Enterprises (SOEs) and determine their plausible destiny.

8. Proposed Economic and Fiscal Reform measures

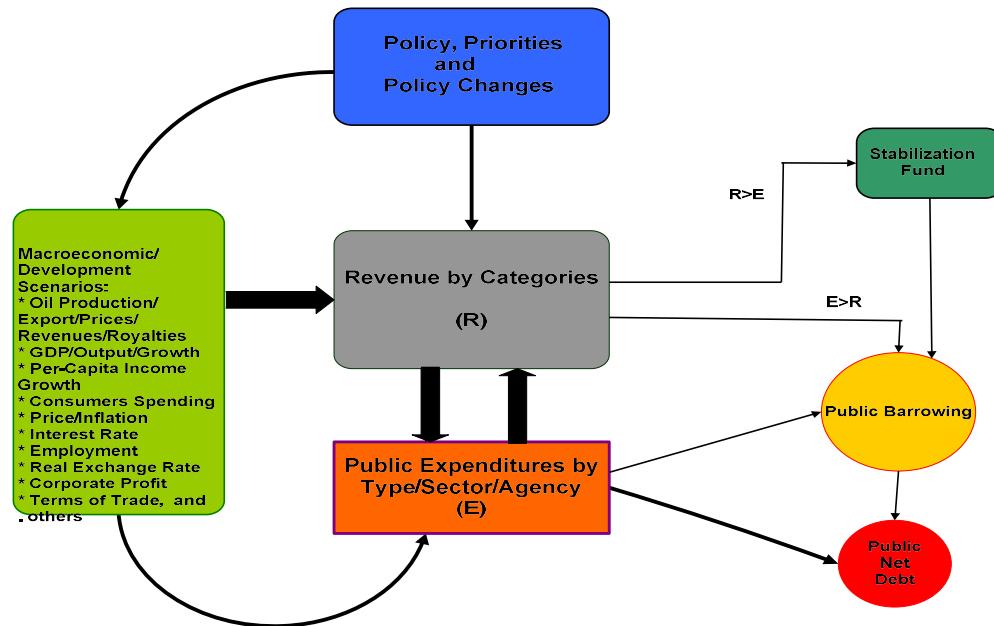
Despite Iraq's comparative advantages, availability of resources, and national capabilities, Iraq is facing a dire economic situation. Poor governance, weak management of public funds, and heavy reliance on crude oil revenues were hidden for many years by ample revenues due to high oil prices. The deep decline in oil prices, coupled with worsening security due to the escalation of the ISIS terrorist activities in Iraq has shone a light in recent years on the weaknesses in the Iraqi economy. To address some of these weaknesses, Iraq should pursue the following priority economic reforms in two stages: **1) Immediate or Short-term, and 2) Medium and Long-Term.**

8.1 Actions to be taken in the Immediate or Short-Term

8.1.1 Economic and Fiscal Management

- Public Financial Management (PFM) Reform
- Adopt Program-Based Budget (PBB) approach, to replace the adopted conventional Line-Based Budget approach.
- Establish a treasury single account (TSA) for government institutions and payment systems.
- Enhance non-oil revenues by increasing the tax-base, improving tax policy and implementing modern tax law, improving tax administration and tax collection, and reducing tax evasion and leakages.
- Strengthening the Customs tariff laws and, improve and enhancing the uses of the automate Customs processes at border points, and implement effectively the installed UNCTAD "ASYCUDA" System.
- Review and improve methods used to calculate and estimate project costs within the investment or development budget. Select productive and services investment projects based on cost-benefit analysis (CBA), net present value (NPV) analysis, and feasibility studies. Develop national technical capacity within line ministries in economic evaluation, engineering feasibility, and viability analysis of projects, across sectors.
- Estimate project costs within the investment or development budget. Select productive and services investment projects based on cost-benefit analysis, Net Present Value (NPV) analysis, and adopting appropriate projects' feasibility studies.
- Activate collection of other types of revenues, including fees, by the various ministries and government agencies and curtail waste in economic resources.
- Review and fully coordinate fiscal and monetary policies, particularly exchange rate policy, for the sake of reducing the depletion of foreign reserves, and curtailing corruption.
- Rationalize limited foreign exchange use through imports rationalization and establishment of "Letters of Credit" to finance imports and move away from extensive use of the Central Bank's currency auction.
- Resolving outstanding resource distribution issues with Kurdistan Regional Government (KRG).

Figure 2. Public Finance Schematic Structure



8.1.2 Civil Service Reform

- Rationalize public expenditures, particularly recurrent expenditures, by gradually reducing the number of ghost and duplicate civilian and military government employees on the payroll.
- Cease the provision of bonuses and privileges to high rank staff including governorate councils.
- Retrain and redirect redundant government employees to other jobs.
- Devise and enforce more efficient capabilities of state-owned enterprises (SOEs) to improve productivity and viability.
- Devising and adopting modern employment, job descriptions, and recruitment policies.

8.1.3 Banking Systems Reform

Reform, restructure, and modernize the banking sector to build public trust in Iraqi banking systems. Incentivize transfer of cash accumulated within households and businesses to the banking system via a national saving awareness programme to generate the right national saving proportion to GDP to finance national investment. Provide incentives for individuals and institutions to invest funds in productive activities and services in Iraq.

8.1.4 Business Enabling Reform

- Enhance the public distribution system by placing priority on domestically produced commodities for the contents of the “food basket” when economically viable.
- Enhance (or rehabilitate) the functional capabilities of state-owned enterprises (SOEs) to improve productivity and viability. Evaluate the future of SOEs through systematic analysis.
- Develop and enhance public utilities, i.e. electricity and water, and adopt efficient delivery systems to the public, as well as developing its appropriate mechanism. Accordingly, generate and introduce more efficient systems for service delivery charges and fees.
- Reform the legal and regulatory framework for investment and businesses to enhance non-oil and total revenue in the economy. Hence, creating the sought after attractive national investment, foreign direct investment (FDI), and business environment in the economy.

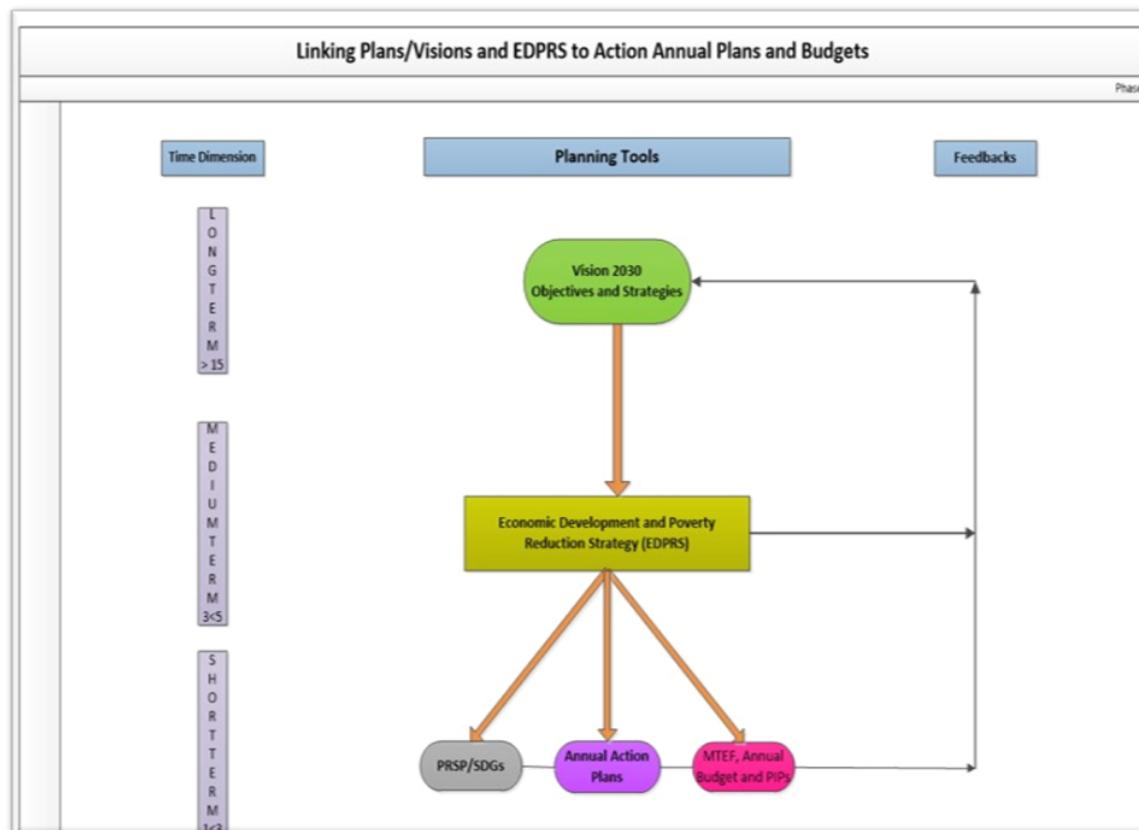
8.2 Actions to be taken in the Medium to Long-Term

Iraq must carry out quite a few significant measures crucial to economic and fiscal reform of the Iraqi economy, to diversify the economy and lessening dependency on crude oil exports and revenues, in the medium to long-term dimension:

8.2.1 Economic Reform

- Establish a realistic and feasible long-term development vision, with special emphasis on a strategy for diversification of the Iraqi economy and job creation, that is participatory in nature, well calculated, and data driven.
- Develop sectoral strategies and masterplans.
- Prioritize investments in infrastructure that supports economic growth and community development, according to a sound formula of socio-economic criteria.
- Create efficient and effective international technical assistance (TAs) coordination/ management and ensure full TAs effectiveness and utilization mechanism.
- Create a secure fund for financial and fiscal stability, hence, reducing the fast depletion of the foreign reserve at the CBI. Therefore, enhancing the diversification and stabilization of government revenue and budget.

Figure 3: Vision, MTNDP, EDPRS, and Budget Link



8.2.2 Public Financial Management (PFM) Reform

- Prepare and adopt a well-structured and accurately forecasted medium term macroeconomic framework (MTMF) [3], [4]. Such a medium-term macroeconomic framework should be driven based on an integrated, realistic, comprehensive, and empirically articulated macroeconomic modelling approach. Hence, this derived MTMF to be used for development and reconstruction purposes, enhancing and optimizing growth of non-oil sector revenues. The MTMF which also based on and covered an accurate revenue forecasting segment modeling approach, should be used as the fundamental base to derive, construct and set the overall medium term fiscal framework (MTFF). From these should flow a comprehensive medium-term expenditure framework (MTEF) and medium-term budget framework (MTBF). Hence, a dynamic rolling-over medium-term budget would be adopted in the economy.
- Establish an efficient and balanced system for local and municipality revenue collection and utilization. Devise an economically sound Fiscal Federalism System, with a well-organized decentralization scheme.
- Strengthen and build the professional and technical capacity of the staff of the Central Bank; MOF, MOP, and other line ministries; Council of Ministers (COMs); Governorates; and sub-Parliament Committees on Finance and on the Economy.

Figure 4. Process of Preparing the MTFF/ MTBF for the Iraqi Economy

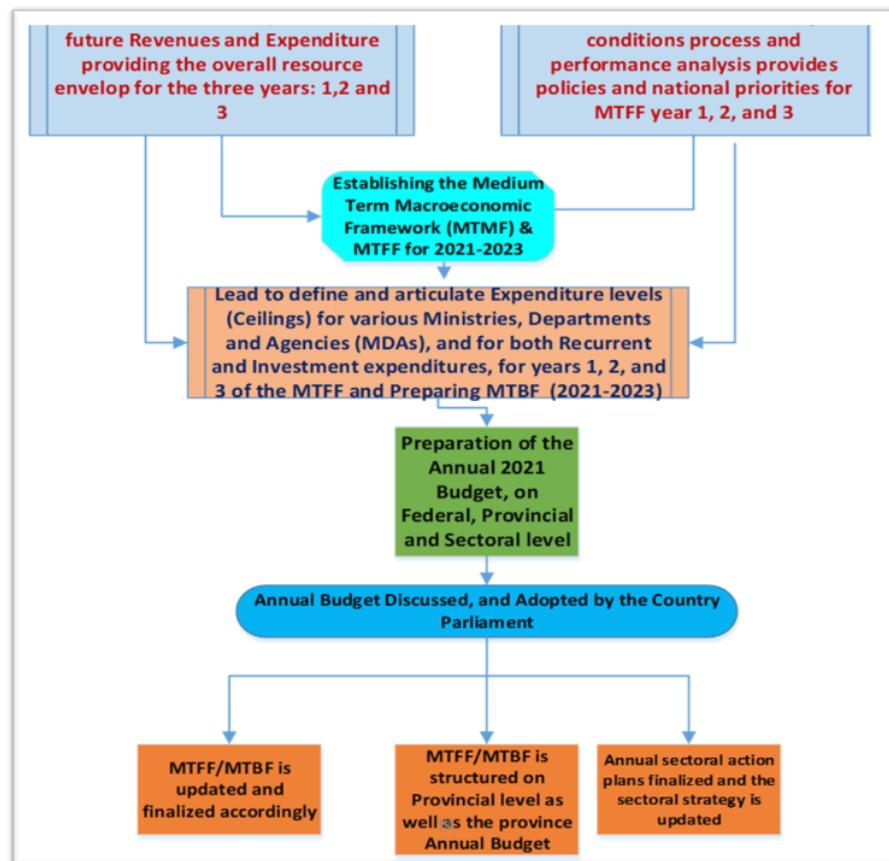
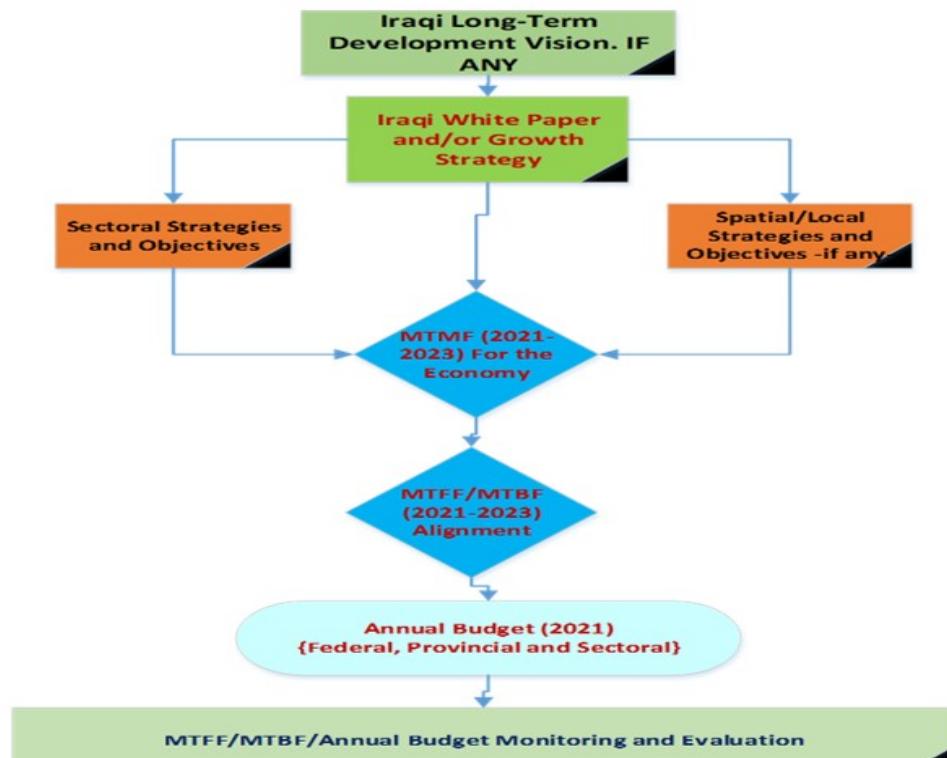


Figure 5. The MTMF/ MTFF/ MTBF Strategic Approach for the Iraqi Economy



8.2.3 Socio-Economic Business Reform

- Invest in housing development and reconstruction of war and terrorism-affected areas. Create effective programs to rehabilitate, educate, and employ victims of terrorism.
- Encourage and allocate investment to productive activities in relatively secure areas with economic potential and the ability to serve market demand to develop viable spatial growth centers within the national economy.
- Adopt policies to support industries/activities with high comparative and competitive advantages.

Below are preliminary thoughts on areas for technical reform and improvements of selective working areas and functions of the main economic institutions, ministries/departments/agencies (MDAs) within the national Iraqi economy. Some of these issues and functional areas are already being addressed in Iraq. These areas should be vetted with Iraqi officials and other institutions prior to initiating any new reform programmes, see table (1) below.

Table 1: Areas for proposed substantial reform in Iraqi ministries by related institutions

	Ministry of Finance	Central Bank	Ministry of Planning
PFM Reform	MTBF, MTFF, & MTEF Preparation, based on MTMF	Debt management and arrears	Long-term development vision and MTMF
	Revenue enhancement policy development	Import stabilization and finance	Investment planning, cost-benefit analysis, and prioritization
	Training in revenue and expenditure forecasting modeling	“Bottom of the Pyramid” and other Monetary Statistics	Project appraisal and feasibility Studies
	Tax policy, administration, and collection		Investment payments and arrears
	Implementation of and training in Automated Customs Data systems		
	Creation and automation of TSA		
	Integrated Financial Management Information System		
Civil Reform	Payroll and pension system enhancements		
Banking Reform	Banking sector restructuring, consolidation and modernization	Banking supervision and financial sector regulations	
Business Reform			SOEs restructuring and Sectoral strategies and master plans
			Value-chain analysis and development
			Job creation activities

9. The Impact of the Above Proposed Economic and Fiscal Reform on the Poverty Level in Iraq

Efficient management of the economy at large, particularly adopting sensible management of the status and functions in the economy, in the short, medium and long-term, would, subsequently, improve most of the critical economic factors.

At This conjecture it is imperative to state that; and when the above proposed economic, fiscal, monetary, and other reforms are adopted and executed, will, undoubtedly, improve the living standard of the Iraqi society. Such improvements in the standard of living would be brought about resulting from the positive impact of the causal change in the relationships amongst different economic and social variables of the national economy. Accordingly, such a created positive impact of the implementation of the above highlighted reforms, and lead variables/sectors of the macroeconomy and introducing effective fiscal tools, where more economically feasible and rational mobilization and allocation of resources among different segments of the economy, especially, the adaptation of the right resources' allocation mechanism between investment and recurrent expenditure, as well as among sectors and spatially entities. Such a mechanism that allocates more funding to investment, and hence, creates the right accumulation of capital in the infrastructure, in the non-oil productive sectors, and expanding the productive capacity in the national economy, will, undoubtedly, through strengthening the intersectoral economic linkages, creating higher economic multipliers, i.e. output multipliers, income multipliers, and

employment multipliers, amongst other things, generate the right development path, increasing the total factor productivity (TFP), and bring about sustainable positive and higher real growth rate into the Iraqi economy. These, by and large, would generate higher income through expanding productivity and productive capacity, and hence, total output capacity, which in turn creates more jobs, more work opportunities and reducing unemployment in the economy. Adherence to the proposed reforms, together with their efficient and effective implementation, will result in increasing the per-capita income, make society better-off, and accordingly reduce the poverty level in the nation. Notwithstanding the high output, high employment level, and hence, high income level and growth will increase the purchasing power in the economy, and improving the total effective demand, that leads to more investment, more productive capacity generation, more outputs, and hence, more income, higher standard of living, prosperity, and alleviation of poverty in the economy. Besides, and most importantly, reforming the economy, and generating higher income growth, will deduce increasing national wealth, domestic saving and enhancing the required funding for developing various segments of the economy, in particular, the education and health sector. These two sectors, however, are of paramount importance to develop national human resources and generate higher skilled, educated and healthy society. Hence, providing the appropriate environment to match the national labour market demand with the right and highly skilled/educated and well-trained national labour force, which in turn has higher productivity, creates more domestic production, growth, investment, and generating more employment and job opportunities, more income, and, fundamentally, lead to eradication of poverty in the country. Eventually, all the stated economic and fiscal reforms, together with the briefly outlined expected positive economic and social outcomes, will strongly be contributed to achieve the aimed at real growth, alleviation of poverty, and ensuring sustainable socio-economic development in Iraq.

10. Socio-Economic Reform and Realisation of Sustainable Development Goals in Iraq

Economic development is a comprehensive concept that encompasses a set of economic and social variables and criteria, including infrastructure, employment, poverty, and others. When combined in a consistent, integrated manner, these variables reflect the concept of comprehensive economic development of the national economy [5]. Development is "an attempt to increase the well-being of people suffering from poverty in ways that sustain life and make it worth living" [8]. Economic growth, on the other hand, reflects the change in real GDP from year to year in the national economy. Therefore, the latter depends on the performance of the various sectors that comprise the national economy and, consequently, their contribution to the economy's added value over a given period [5]. [12] explained that development is the conflict between the interests of present and future generations, between human well-being and the protection of nature, between the poor and the rich, and between the local and the global.

In 2000, the United Nations adopted a set of development goals, which were the result of international conferences throughout the 1990s. Each goal has a number of targets and indicators. The eight goals are: eradicating extreme poverty and hunger, achieving universal primary education, promoting gender equality and empowering women, reducing child mortality, improving maternal health, and combating HIV/AIDS, malaria, and other diseases. Others, ensuring environmental sustainability and developing a global partnership for development [16].

Sustainable development is defined as development that "meets the needs of the present without compromising the ability of future generations to meet their own needs. For development to be sustainable, it is said that the three dimensions-economic development, social justice, and environmental protection, need to be balanced and addressed in perfect harmony [11].

The United Nations (UNs) member states have adopted the 2030 Agenda for Sustainable Development and its associated indivisible and integrated plan of (17) Sustainable Development Goals (SDGs) at a global summit in September 2015 to guide development efforts until 2030 [14]. These goals, according to their sequence and names, are:

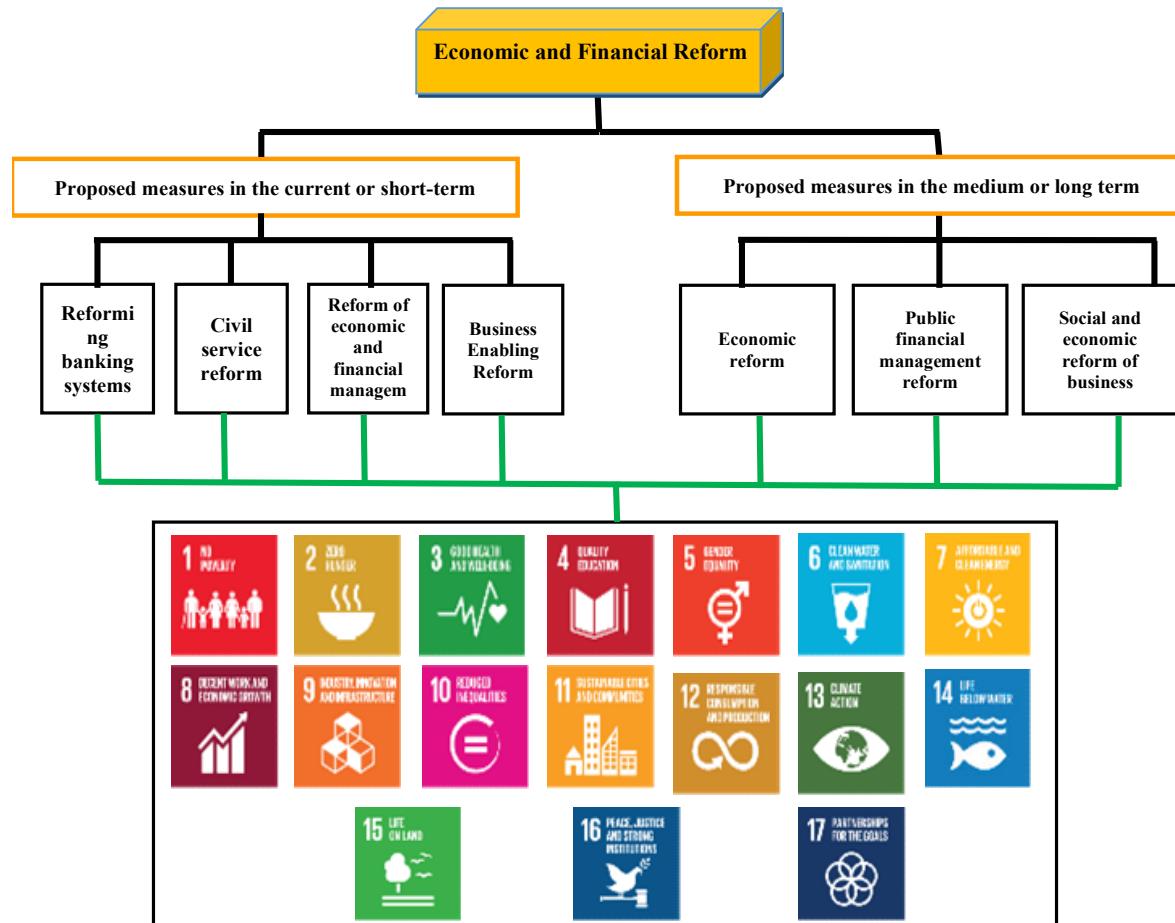
Quality Education	Good Health and Well-being	Zero Hunger	No Poverty
Decent Work and Economic Growth	Affordable and Clean Energy	Clean Water and Sanitation	Gender Equality
Responsible Consumption and Production	Sustainable Cities and Communities	Reduced Inequality	Industry, Innovation and Infrastructure
Peace and Justice Strong Institutions	Life on Land	Life Below Water	Climate Action
Partnerships to achieve the Goal			

The United Nations' global sustainable development goals represent multidimensional goals of economic, social and environmental indicators that operate through complex links, and are classified into economic sustainable development, social sustainable development and environmentally sustainable development [13], [15]), as shown in Figure (6)

Figure 6: Classification of the Sustainable Development Goals according to the main development dimensions



Figure 7: The Proposed economic and financial reform and its impact on sustainable development goals



From this, we see that the proposed reforms have a direct, positive relationship with achieving the Sustainable Development Goals. Together, they work to develop the national economy and mobilize the necessary resources to support investments in expanding the productive capacities of various sectors and strengthening infrastructure. They also support and enrich the general, vocational, and technical education sectors, while improving and developing the public health sector and the social services essential to society as a whole. From this perspective, achieving comprehensive and consistent economic, social, and environmental development, resulting from the above proposed reforms, would, undoubtedly and effectively leads to achieving the sought after Sustainable Development Goals (SDGs) in Iraq.

11. Conclusions

Resulting from this short paper ideas and content, it can be concluded that:

Iraqi economy, at present, is characterized as single sector's dependent economy, with quite apparent macroeconomic instability and imbalances.

Adopting and realistically implementing the recommended economic-fiscal-monetary and others, as identified in this piece of research, would, undoubtedly, contribute to positive investment expansion, right capital accumulation, and productive capacity generation, that would lead to diversification of the national economy, stabilizing the macroeconomic setting, and creating reasonable fiscal space and fiscal balances.

Generating and enhancing investment, and hence, establishing the much-needed productive capacity, at various productive sectors of the economy, other than crude oil sector, would generate more output, more real growth,

and more work opportunities, reducing the unemployment rate, and hence, more national income, and per-capita-income.

Such a dynamic development process, and through various associated economic multipliers, would generate further wealth, prosperity, and alleviated existing poverty in Iraq.

Need not to emphasize that, through these reforms, and accordingly through the proposed, and likely imperative improvement and expansion of various productive and social related activities, all these would surely, and positively contribute, and lead to the realization of the different SDGs, within and by the Iraq economy, by 2030. Finally, it is imperative to state that further research needs to be generated with more comprehensive applied modelling techniques, when better and timely available accurate statistical data is in place for the whole economy and its various segments. Such a research activity should be carried out by highly qualified and knowledgeable professional, and has to be used as a catalyst for further applied and problems solving research as well as developing the national analytical capacity of the Iraqi national professionals.

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