

The Developmental State in Iraq: Challenges and Paths Towards Success (A Forward-Looking Perspective)

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Abstract

The development paths in Iraq witnessed a state of imbalance in the intellectual and economic approach due to the internal conflicts over power that occurred after the establishment of the modern state, which made successive governments to draw their economic policies according to short-term programs and visions to confront crises and emergency economic fluctuations, in addition to their reliance upon one economic source (oil) in financing the economic policies, despite having a lot of natural and human potential that can bring a qualitative boom in the gross domestic product if utilized properly.

Thus, according to this study, it can be concluded that the process of strengthening the developmental paths of the state in Iraq lies in the necessity of having a political leadership that carries a clear developmental thought and philosophy that contributes to creating an economic stability for long periods, in addition to expanding human capabilities and social investment through consolidating the relationship between the state and society, which would lead to the promotion of economic growth, and the consolidation of ties between the state and the private sector. That is, to create a more balanced and strong economy to face emergency economic crises in accordance with long-termed developmental programs and vision, as well as the state's need for adopting a new strategy which works on developing the institutional system, diversifying sources of income and eliminating corruption and nepotism in an effort to provide developmental benefits for all segments of society with no discrimination.

Key Words: The developmental state, developmental challenges, developmental motive.

المستخلص

شهدت المسارات التنموية في العراق حالة من الاختلال في المنهج الفكري والاقتصادي, نتيجة الصراعات الداخلية على السلطة التي حدثت بعد تأسيس الدولة الحديثة, بحيث جعلت من الحكومات المتعاقبة أن ترسم سياساتها الاقتصادية وفق برامج ورؤى قصيرة الأمد لمواجهة الازمات والتقلبات الاقتصادية الطارئ, فضلاً عن اعتمادها على مورد اقتصادي واحد (النفط) في تمويل سياساته الاقتصادية, بالرغم من امتلاكها الكثير من الإمكانيات الطبيعية والبشرية التي يمكن ان تحدث طفرات نوعية في الناتج المحلي الاجمالي لو استخدمت بالشكل الصحيح.

لذا نستخلص من خلال دراستنا أن عملية تعزيز مسارات الدولة التنموية في العراق تكمن بضرورة وجود قيادة سياسية تحمل فكر وفلسفة تنموية واضحة, تسهم في خلق استقرار اقتصادي لفترات طويلة, بالإضافة الى توسيع القدرات البشرية والاستثمار الاجتماعي من خلال توطيد العلاقة بين الدولة والمجتمع, الذي من شأنه أن يؤدي الى تعزيز النمو الاقتصادي, وتأسيس الروابط المشتركة بين الدولة والقطاع الخاص, لأجل خلق اقتصاد أكثر اتزاناً وقوي في مواجهة الازمات الاقتصادية الطارئة وفق رؤية وبرامج تنموية بعيدة الأمد, فضلاً عن ضرورة تبني الدولة استراتيجية جديدة تعمل على تطوير النظام المؤسسي وتنويع مصادر الدخل والقضاء على المحسوبية والفساد, سعياً منها لتقديم الفوائد التنموية لكافة فئات المجتمع دون تمييز.

I. Introduction

The term 'developmental state' is associated with the experiences of East Asian countries, specifically in the state of Japan, which made successful economic and developmental booms in the second half of the 20th century. Due to which, the state played a key role in guiding the economy and the developmental programs in all of the economic sectors, consequently was called the 'economic miracle'.

In Iraq, economy is still far from establishing developmental paths that have self-propelled and sustainable economic growth, particularly in light of the vivid shortcomings in the productive apparatus of some economic sectors that do not fit with development of the structure and quality of human needs in all economic, social and cultural fields, in addition to the existence of a state of imbalance within the economic structure and the lack of coherence of its main chain of links. This is due to the blurry vision and the developmental decision, the lack of political stability, and the fragmentation of components. These, in turn, led to the lack of acceptance of the other that overwhelmed the achievement of the national interest and citizenship. economic development transition. Therefore, consolidating the

developmental state model in the Iraqi economy would play a crucial role in the process of directing economic activity towards the developmental transition.

This study is an attempt to examine the possibility of achieving the developmental state model in the Iraqi economy by dividing the research into three sections:

The first section: Identifying the intellectual premises and concepts of the developmental state.

The second section: Addressing the most prominent challenges facing the process of implementing the developmental state model in Iraq.

The third section: Studying the options for achieving the developmental state in Iraq according to a forward-looking perspective.

II. Significance of the Study

The importance of studying the developmental state in the Iraqi economy is due its significant impact in achieving rapid transition within the developmental programs, because the state has the ability and influence through its various institutions to manage society and determine the pattern of production which is compatible with its economic activities, i.e., by diagnosing defects and failure factors which hinder it, as well as working on formulating economic policies to overcome such challenges and setting its developmental programs within the correct method.

III. Problem of the Study

The problem of the study lies the following questions: *What are the developmental challenges that disrupted the economic programs in Iraq? Does the Iraqi state, in its various institutions, have the ability to achieve economic, social and political transition towards development, in light of the various capabilities and resources it has?*

IV. Hypothesis of the Study

The study assumes that Iraq suffers from economic problems and challenges that made it unable to overcome emergency crises during the past four decades as a result of the absence of a long-term strategic developmental perspective, in addition to the international and regional intervention factor which led to internal conflicts over power. This, in turn, greatly disrupted efforts to build successful developmental paths. Thus, it is necessary to work on establishing a developmental state model according to a forward-looking perspective, based on national will and efficient leadership that works to set ideologically unbiased perspectives capable of achieving an economic renaissance.

V. Aim of the Study

This study aims to know the developmental role of the state in the Iraqi economic activity in order to diagnose the most prominent problems and challenges facing it to work on setting developmental paths according to a forward-looking perspective for the advancement of the economic situation.

The First Section: The Intellectual and Conceptual Basis of the Developmental State

1-The Emergence of the Developmental State

The emergence of the term ‘developmental state’ was not by chance. Rather, its historical roots extended to the political and economic literature of the governments of countries such as the Bismarck (Prussia) government (Germany), and the Meiji government in Japan. Those countries followed a developmental path designed by the state, through which the state preferred to participate in a developmental guiding of the economy at the expense of the liberal open market ⁽¹⁾.

Recently, the term ‘developmental state’ has become associated with the successes and developmental gains achieved by the countries of East and South Asia and the rapid booms during the 1960s-1970s. Japan was among the first countries to implement this model in the early 1950s, followed by Singapore, South Korea, Hong Kong and Taiwan in the 1960s. whereas, Indonesia, Thailand and China did at the end of 1970s. The modern term ‘developmental state’, which was developed by the American professor of politics and economics, Chalmers Johnson, in his *MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925-1975* (1982), indicates that the phenomenon of state intervention in the management, regulation and development of the economy in the 1990s. This term referred to as a capitalist model or, sometimes, is called ‘the capitalism of the developmental state’; that is, the state that enjoys high levels of independence and has an institutional capacity to implement a set of state intervention policies to achieve development goals ⁽²⁾.

Johnson distinguished in his developmental work between two forms of the state; **the first:** The organizational state, which reflects the relationship between businessmen and the government, which role is based on regulating economic competition in markets such as the USA; **the second:** The developmental state, in which the state holds the developmental process, planning and implementation, in which the private sector can participate. This model is described in Japan.

The main difference between these two forms of the state is within the different justifications regarding the relations of the state with the market. The development model relied on the strategy of capitalist

planning directed by the state; that is, linking private ownership to the state's orientation to achieve economic development, while the classical capitalist model of the state sees that the free market mechanism is the only way to economic development⁽³⁾.

The developmental state theory also included two directions, **the first direction** pertains to the opinion of the political school, which focuses on the nature of the state in an attempt to understand the existing relations between the state and society, which allows it to intervene in the market and create a successful development model, whereas **the second direction** is concerned with the policies that the state enacts and must be adopted in order to achieve the developmental goals⁽⁴⁾.

2- The Concept of the Developmental State

The concept of the developmental state has been differently defined. Among the first to present this concept is Alexander Gerschenkron in his 1960s study which deals with modern economic history. In his study, Gerschenkron links this concept to developmental experiences in South and East Asia countries and the successes that were presented to those experiences, represented by Japan⁽⁵⁾.

As for Meredith Woo-Cumings, she defines the 'developmental state' as a tool that East and South Asian countries intended to use in achieving industrial development without relying on liberal or socialist strategies and thought; that is, it is a planning state that believes in the existence of a political system with a developmental perspective which works to achieve the developmental goals of the state⁽⁶⁾.

While Loriaux sees that the developmental state is the embodiment of a moral ambition to use the interventionist power of the state to direct investment in a way that promotes a solidarity vision of the national economy⁽⁷⁾. As for Manuel Castells, he considered the developmental state derives its legitimacy through radical changes in the economic and social structures of the state, as well as high growth rates⁽⁸⁾. Moreover, Chalmers Johnson, who played a key role in formulating this concept in the 1980s, defines the developmental state as the state that focuses on achieving economic development, and works to take all necessary measures to achieve this goal by combining the market mechanism State intervention⁽⁹⁾.

Therefore, all the concepts of the developmental state model mentioned above give a more realistic indication that the state must take a pivotal role in drawing up and implementing an economic development strategy by creating the infrastructure for state institutions and organizing the appropriate conditions that guarantee them the achievement of its development policy, in addition to providing the tools necessary and necessary to face crises.

3- Indicators Supporting the Establishment of the Developmental State

Despite the multiplicity of development models and their concepts during the past decades in East Asian countries and the extent of their success, it is necessary to derive from these successes the most important basic indicators that support the establishment of the developmental state model in emerging countries. In this regard, the most prominent of these indicators are to be discussed in this study as follows:

A- The existence of a leadership with a development vision: The presence of a leadership with a specific philosophical vision of development is one of the most important components of a successful developmental state, which has been achieved in many of the experiences of previous Asian countries, for example, Mahathir Mohamad's leadership of the developmental renaissance in Malaysia, and General (Park Chung-hee) in South Korea, and (Lee Kuan Yew) in Singapore. It is noted through these experiences that the leader's development vision was based on the need for the state to take an active role in developmental areas, considering development as one of the necessities of the economic approach and the leader must do so by taking the necessary and purposeful decisions to achieve development, in addition to building strategic alliances with businessmen and investors, which carries with it a successful long-term development policy⁽¹⁰⁾.

Therefore, the political leadership of the state has the primary role in drawing plans and goals to achieve development and make it at the beginning of its priorities, and there are a number of factors that can determine the direction of the political leadership of the state, such as (the leader's personal traits) or (what are the motives that make him adopt positions? regarding a particular issue, such as (the desire to exercise power or achieve personal achievement) and other features that determine the way the leader of the state deals with various issues. Therefore, the importance of studying the leadership of the state is due to the fact that it represents the main element in defining its priorities and formulating its general policy. Hence, we see that the presence of an enlightened leadership with a development vision is one of the most prominent elements of the state's development model.

B - Existence of an efficient and independent bureaucratic elite: The existence of an independent bureaucratic elite with efficiency is one of the most important goals pursued by the developmental model, as it is the most important structural feature in building a developmental state. Political interference or the factional interests of some politicians,

i.e. its main goal and preoccupation is to present the national interest above all other interests in order to achieve development, and on this basis this bureaucratic elite has many tasks, most notably ⁽¹¹⁾.

- The bureaucratic elite invests their administrative expertise and scientific research in economic projects that serve the developmental side of the state away from political influence.
- It works to provide the infrastructure that drives the wheel of the economy by moving towards the optimal investment of the available resources and setting the regulatory contexts for the work of the markets, in addition to establishing industrial projects aimed at achieving profits.

C- Finding a leading body responsible for the development planning process: It is noticeable that the experiences of East Asian countries have succeeded in using leading institutions or bodies responsible for the development and planning process. The Ministry of Trade and Industrial Foreign Affairs is the main contributor to the success of Japan's developmental model, while South Korea has The Economic Planning Board took its great role in the process of organizing and managing development, and with regard to Singapore, the Economic Development Board took an active role in supervising a process that showed its developmental model, and there are other countries that followed suit in this aspect, and it is noted that all those or institutions or bodies concerned with the process Development planning is established by the state without any interference by the private sector ⁽¹²⁾.

In order for the authority or institution to have an active role in implementing developmental policies, it must have a set of characteristics: ⁽¹³⁾

- Giving the authority the freedom to control some financial resources directly without referring to the government or its interference to implement its developmental plans.
- The role of the authority or institution should not be limited to the planning side only, but it is necessary that it participate in the planning and implementation process of its developmental policy.
- It is necessary to provide a democratic atmosphere within the commission in order to promote and develop ideas among the members.

D- The spread of the principles and values of the developmental renaissance: One of the factors affecting or contributing to the success of development models in some Asian countries is the spread of the principles and values of the renaissance appropriate to the development process. Among the most important principles that actively contributed to building a development model in some successful Asian experiences are as follows: ⁽¹⁴⁾

- The Asian society rejected the preference for individualism in achieving benefits, as it looks at the preference for the common national benefit for all members of the society in addition to the benefit of the individual.
- Appreciating the value of education and making it a basic priority in the life of the Asian individual, depending on their vision that education shapes the present and future of nations.
- High rates of saving among the Asian societies since the Asian individual does not carry a high consumption pattern or does not constantly aspire to reach high standards of living. Rather, s/he always tends to save a large part of the income, which is a sufficient factor to finance investments.

G - State independence: An effective developmental state needs relative independence in state institutions. By independence, it means that the state must be able to formulate its development goals independently of regional, class or individual interests, and it has the ability to bypass those who violate national interests through Implementation of a developmental strategy that gives priority to the public interest ⁽¹⁵⁾.

H - The ability of the state to organize civil society: The process of building a model for countries in East and South Asia was accompanied by the presence of weak civil societies under the control of the state, as the state's developmental system is usually strong and able to penetrate the forces of civil society through a set of measures, for example (legal legislation, or through the security services or party organizations to control the media), and the reasons behind the weakness of civil society are the lack of a bourgeois class capable of confronting the domination of the state ⁽¹⁶⁾. But when economic conditions and living standards improve in some countries, as a result of the economic transformation, the developmental state will face great challenges due to the increasing requirements of civil society forces, which makes it an obstacle that is difficult to contain and control, and the state can overcome this obstacle by finding appropriate ways to deal with it before it appears to remain advanced At least a step forward for civil society by anticipating potential social changes. Civil society is referred to as the role played by private organized groups belonging to a social class, such as (professionals union, labour union, teachers union, farmers union, etc.) in order to achieve cohesion to face common challenges and uphold the values of social and economic human rights ⁽¹⁷⁾.

The Second Section: The Challenges of Building a Developmental State in Iraq

The developmental state in Iraq faces many challenges that impede the achievement of its development programs, despite the presence of qualified factors; most notably the economic factor based on the oil sector and the financial resources obtained from it, which were not utilized in the required manner to overcome the challenges, and we can refer to its most important axes. Those challenges are as follows:

1- Weak efficiency of institutional management: The optimum efficiency element in the management of modern state institutions is one of the most important factors that give a moral impetus towards building an economic model with development goals. This factor took a wide area and a key role in achieving a successful developmental model in many of the experiences in some countries of the world. Despite their lack of natural resources, they were able to cross and progress with great strides towards achieving a development economy, by relying on highly qualified cadres in managing state institutions in accordance with their development visions. In Iraq, the element of efficient leadership with a vision and a clear goal are missed in the management of the government sector since 1980s. The international isolation, as well as the internal and political conflicts that the country has experienced during the last three decades, have directly contributed to the weakening of investments, whether local or foreign, in managing the general sector⁽¹⁸⁾. Thus, efficient administrative capabilities began to migrate abroad as a result of the decline in the standard of living of the individual, which was reflected in failure and a decline in the efficiency of the management of public institutions. This period was also accompanied by an inflation in the government administrative apparatus in terms of the number of workers and a decrease in productivity, which witnessed a pattern of continued raise, particularly after 2003 and the political change that accompanied it. The number of state employees working in the government sector for 2020 reached about (3) million employees working in productive work for only⁽¹⁰⁾ minutes per day, and this comes in light of the lack of alternative opportunity in the private sector⁽¹⁹⁾. It led to a significant increase in the number of workers, which is unjustified and contributed to creating disguised unemployment and wasting resources by more than (70%) of the general budget. This situation continued with deepening in the government administration's departure from the logic of economic calculation and efficient use of public resources, which led to the failure and schism between government programs and investment allocations for the budget. This made it serve some personal and factional interests (nepotism), along with to the spread of corruption in state institutions⁽²⁰⁾.

2- The fragility of political actors and their competition for power and resources: The importance of the political elites in the process of building a comprehensive developmental model, through their contribution to planning and drawing general goals, as well as their maturity, coherence and awareness of the role they play in achieving development, by taking the factor of flexibility and openness as a characteristic in dealing with the rest of the political elites within the state. That is, to unifying national visions within society and adopting unified positions for the desired developmental change. Iraq went through, at different times in its modern history, a fierce struggle, mainly between the political elites over power and the management of its resources. That led to the occurrence of major divisions between the groups of society (ethnic and sectarian), which the elites worked on by employing these divisions within the framework of their quest to reach power, in addition to the factor of external interference that reinforced these trends and turned Iraq into an arena for regional and international competition⁽²¹⁾. Figure No. (1) shows the extent of political competition and elites and the impact of resources on that. The disputes of the elites paved the way for a political settlement that resulted in an agreed upon political system after (2003), depending on the sharing of power and the management of economic resources between the elites and political parties. This, in turn, caused the spread of nepotism and loyalty based on ethnic and sectarian identities, which added to erode all the previously established bureaucratic infrastructure, as well as remove all civil services that were previously run⁽²²⁾. In other words, the political process in Iraq has turned into a sharing of power and wealth. The political position in the country has become the main goal of the parties because through power it is possible to expand the networks of loyalty, its legitimacy and wealth, especially in an economy such as Iraq which depends for its revenues on the oil sector. The fact that has strengthened Disagreements at the political level and at all levels, where the increasing intensity of elite competition has undermined the opportunity to build a developmental state before society.

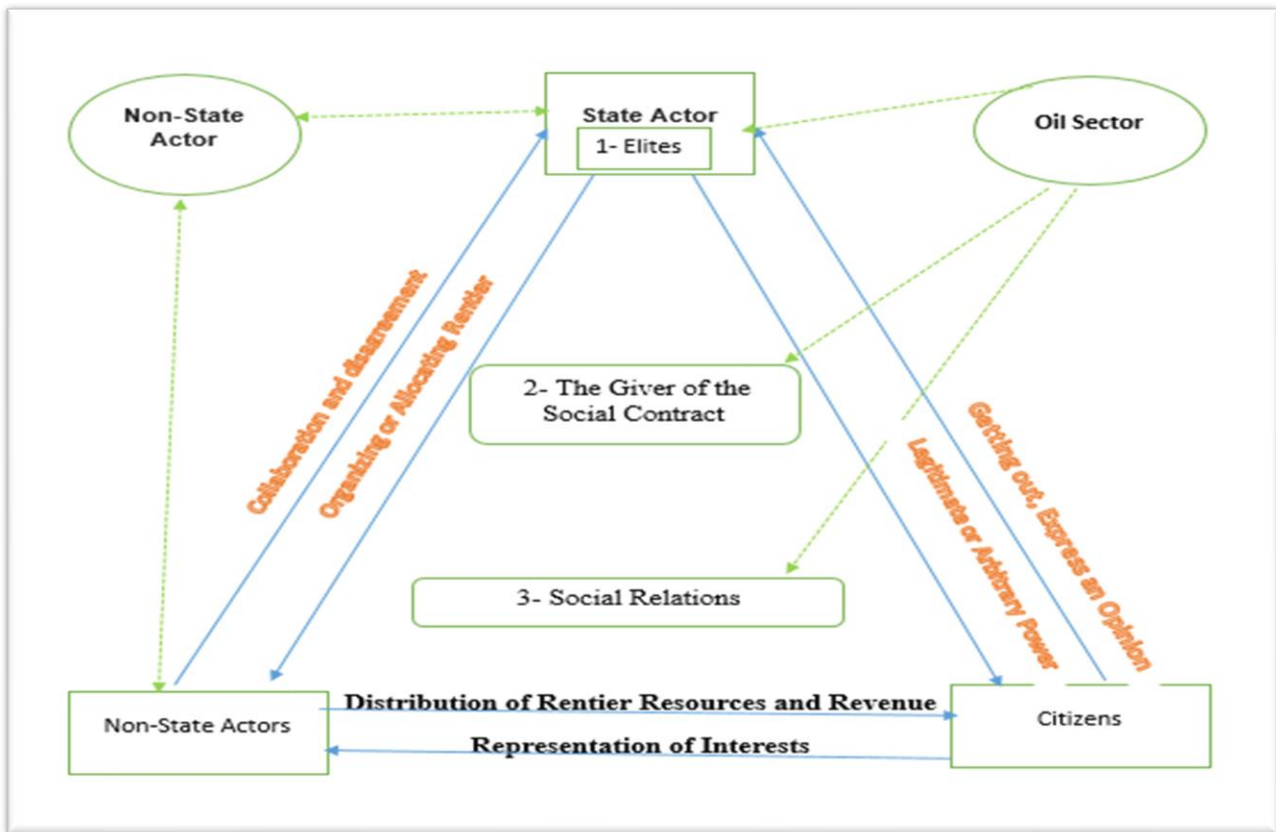


Figure (1)
Elites, state, society and social groups compete in Iraq

Adopted from *International Bank for Reconstruction and Development*, previous source, p. 5.

3- The nature of inherited social values and norms: Social values are the main engine for the behavior of individuals and the relationships that bind them to each other. They govern relationships within the family environment and in society, in addition to the relationship between society and the political system, where they are beliefs that govern feelings, thinking, behavior, attitudes of individuals, their choices, and the organization of their relationships with others, and the institutions of the political system in a specific place and time. These provisions are acquired by the individual through the channels of (Socialization)*. These provisions differ according to different societies. They can be positive or negative through their repercussions on society and the political system.

The prevailing social values in Iraqi society are characterized as being collective values. The tribe constitutes the nucleus and social unit, not the individual, and that belonging and loyalty are among the priorities of social, psychological and cultural normalization of members of the society and similar fixed groups. The individual is seen as a member of a group and not to his existence as an independent individual. It is part of the whole, and the whole is the group that he resorts to and depends on its support when he needs it, and the closest to the individual are the family and tribe. The latter is described as a closed society because of its refusal to accept strangers among its members, in addition to its resistance to incoming ideas ⁽²³⁾. Even though the process of rural development in the economic and technological fields has achieved a certain amount of positive change, it is insignificant in the intellectual and social

fields. The tribal tradition still dominates. The tribal tradition distances itself from the standards of modernity and development that focus on rationality, democracy and human rights ⁽²⁴⁾.

Here lies the source of the assertion that the emergence of the values of the inherited national and sectarian loyalties, and their preference over loyalty to the homeland, led the society to the compulsive isolation of the social components, and these social values in Iraq had wide negative repercussions on the course of the development of economic development activity, and hindered the building of a modern democratic state, based on citizenship, as well as weakening the mechanisms of socialization, which resulted in some phenomena within the local community of the state, as follows: ⁽²⁵⁾

A- The prevalence of sectarian values within government institutions.

B - Weakness of national sentiment and the dominance of a culture of indifference and lack of belonging to it.

C - The collapse of the value system with the dominance of feelings of frustration and despair.

D - Distortion of the structures of state institutions and the weakness of the citizen's role.

H - The bribery and fraud spread in most government departments of the state thus, establishing the phenomenon of financial and administrative corruption.

4- The dominance of one sector over the economic activity of the state: Economic indicators over the past two decades show that the Iraqi economy enjoys a rentier structure, as the oil and gas sector acquired most of its financial revenues. Thus, it constituted a contribution rate estimated at about (95%) as a total average of the volume of revenues general post-year (2003) ⁽²⁶⁾. This increase in the volume of financial revenues of successive governments, through dependence on the oil sector, has resulted in an unsustainable expansion of the unproductive services sector, especially (the military), as well as an increase in operational spending in state institutions, and this came at the expense of the development of productive sectors. Like the agricultural and industrial sector on a continuous basis, these measures led to the collapse of the volume of productive investments in economic activities, and the deepening of the rentier character of the Iraqi economy ⁽²⁷⁾.

The contribution of the economic sectors to the GDP was also showed an impact, as well as the economic and political events that the country went through after 2003, which were clarified in Table No. (1). Accordingly, the percentage of the oil sector's contribution to the GDP for the first year after the political change process was about (68.9%). This percentage indicates the dominance of this sector over the domestic product despite a slight decline in it. The absolute values of the gross domestic product increased until it reached (107.8) billion dinars in 2007. This is due to the significant rise in international oil prices and the rise in oil revenues. Yet, this rise in absolute values was accompanied by a decrease in the relative importance of the contribution of the oil sector in the formation of the gross domestic product, as it decreased from (68.9%) in 2003 to (40.7%) in 2009. The dominance of the oil sector comes at the expense of the decline in the agricultural and industrial sectors, whose contribution did not exceed 4.4% and 4.2%, respectively, in 2009. This is due to the decline in the government's role in supporting farmers and providing water, in addition to the state's adoption of an open-door policy by opening imports for imported goods, which in turn negatively affected the contribution of these two sectors and their inability to compete with imported foreign production and for their cheapness and quality, which is what the table shows. Below, which shows the size of the contributions of economic fiefdoms to the gross domestic product for the years that followed the process of political change after 2003.

Table No. (1)

Shows the contribution of the economic sectors to the gross domestic product in Iraq (2003-2020) using the current price

Year	The size of the gross domestic product	The share of the oil sector %	The share of the agricultural sector %	The share of the industrial sector %	Billion IQD
					The percentage of the contribution of other sectors %
2003	29585.7	68.9%	8.4%	1.3%	21.4%
2004	53235.2	58%	6.9%	1.8%	33.3%
2005	73533.4	57.8%	6.9%	1.3%	34.1%

2006	95588.6	55,8%	5.8%	1.5%	36.9%
2007	111504,8	53.2%	4.9%	1.7%	40.2%
2008	157026.2	55.7%	3.7%	1.5%	39.1%
2009	130643.2	40.7%	4.4%	2.4%	52.5%
2010	16264.6	42%	4.9%	2.3%	50.8%
2011	217327.1	54.7%	4.1%	1.83%	39.37%
2012	254225.5	52.4%	6.5%	1.79%	39.31%
2013	273587.5	41.8%	6.9%	2.4%	48.9%
2014	266420.4	43.7%	3%	0.87%	52.42%
2015	196715.7	60%	3%	1.84%	35.17%
2016	196924.1	62.5%	3.84%	1.87%	31.79%
2017	221665.7	45%	2.83%	2.17%	50%
2018	268918.9	44.17 %	2.65%	2%	51.18%
2019	277884.9	46.3%	4.2%	1.86%	47.64%
2020	198774.3	57%	4.77%	1.67%	36.65%

Source: Prepared by the researcher based on data from:

1- Central Bank of Iraq, Annual Statistical Reports, Directorate of Statistics and Research for (2003-2020), different volumes.

2- Iraqi Ministry of Planning, Central Statistical Organization, Directorate of National Accounts

The above table shows the significant increases in the oil sector's contribution, which increased from (42%) in 2010 to (62%) in 2016. This increase is due to the failure of the economic policy required to diversify the economy, while the agricultural sector's contribution decreased in the GDP fell to the lowest levels from (4.9%) in 2010 to (3%) in 2015, and in the same period the contribution of the manufacturing sector also decreased from (2.3%) in 2010 to (1.8%) in 2016. The oil sector continued to dominate the gross domestic product, as estimates for the year 2020 indicate that the share of the oil sector in the gross domestic product amounted to about (57%) in light of the continued decline of other productivity sectors most notably agricultural and industrial. It can be concluded, depending on the above table, that the development programs in Iraq are not sustainable due to the adoption of state revenues and its economic growth on the oil sector. This gives a distorted economy that is difficult for the state to base on, as it is not based on an agricultural, industrial and commercial base as is the case in countries that succeeded in this aspect such as South Korea and China.

5- Weak effectiveness of civil society institutions: The importance of the effectiveness of civil society institutions in building the state and its developmental orientations in the roles they play by investing human potential through their organizations to develop individual skills and capabilities in a way that reduces the burden on the state. That is, to that institutions become Civil society has a direct role in participating in the implementation of development programs and plans in its various economic, social and cultural aspects, as well as its support for the political process within the state. The effectiveness of civil society institutions in Iraq after 2003 was of great importance within the framework of the formation of the new political process in Iraq. It is an attempt by its supporters to fill the political vacuum that occurred during that period, as the interim coalition government sought to issue a resolution (45) on November 25, 2003, with the establishment of the (NGO Assistant Office) which tasks are to register all NGOs in Iraq. As a result of that decision, many NGOs were established, as some of them were not far from the will and formation of the Iraqi political parties which existed on the political scene at the time ⁽²⁸⁾. Work continued in accordance with this decision until 2010 when Law No. (12) was issued to organize the work of non-governmental organizations, and this law is criticized for that it came devoid of articles granting civil society the authority to organize its work on the basis of a higher council to regulate the work of institutions. Its tasks were limited only on the support and development of its members in the areas of training, management, organization and efficiency, which made the relationship between civil society institutions and the state a relationship of submission and not a relationship based on partnership as stated in democratic systems and principles of rational governance.

The work of civil society institutions in Iraq has faced many challenges and problems that have had an impact on the continuation of their work. The most important of which are: ⁽²⁹⁾

A - The emergence of not a small number of civil society institutions, in fact, it is a front for political parties and forces with a certain sectarian representation, as they work according to what those parties dictate. Therefore, they lack the required independence that constitutes one of the components of a healthy civil society.

B- Weakness or absence of financial resources provided to support the programs of civil society institutions, causing many of them to be canceled or restructured due to their inability to continue and sustain their work.

C - Most institutions lose experience and lack of work for them and their employees, thus becoming immature and not having any future strategy for work.

Then, it can be said that although the state in Iraq legally allows the establishment of civil society organizations, but according to the conditions and restrictions of its legal and administrative regulation imposed by the state on these organizations. It gives itself the right to intervene and a long hand in monitoring the organizations and determining the scope of their freedom and movement, which weakens the effectiveness of institutions and makes their participation marginal. It is worth noting that the map of civil society organizations in Iraq after 2003 was established according to a divisive nature with partisan, sectarian and factional dimensions, which made the process of their impact within society very limited.

6- The limited role of the private sector in economic activity: The private sector is considered as the backbone and one of the main pillars for the success of the development process in any country in the world, whether it is developed or developing; that is, due to the characteristics and capabilities of this sector that made it take a leading role in the adoption of Economic reform aimed at achieving development programs in the economic, social and political aspects. Before 1958, the Iraqi state adopted the principle of economic freedom, by relying on the private sector, which had an influential role in that period on the economic activity of the state internally and externally, especially in the sectors (industrial, agricultural and commercial), as the volume of investments in the industrial sector in 1954 reached about (43) million dinars, constituting a contribution rate of (90%) of the total industrial investments for the same year ⁽³⁰⁾. However, these adoptions did not last long due to the state of change in the scene of the political system in 1958 and the state's adoption of socialist orientations and visions, which led to reducing the role of the private sector in the economic life in Iraq before making it marginal according to the nationalization decision of 1964, on its impact. The public sector dominated the overall economic activities of the state, especially in the oil sector, which achieved a significant increase in revenues, as it achieved the percentage of the public sector's contribution to the gross domestic product for the year 1978 about (77.6%) ⁽³¹⁾.

However, during the 1980s, as a result of the Iran-Iraq war, the increase in armament expenditures, the budget deficit and the foreign debt, made the state resort to applying the privatization experience that prevailed in the world at that period, to public sector projects in 1987. In the agricultural sector, ownership was transferred (50) An agricultural project to the private sector, until the contribution of the private sector to agriculture became (99%) in 1988 ⁽³²⁾. Likewise, in the industrial sector, (70) industrial facilities were sold to the private sector in 1987 in the field of construction materials, mineral extraction and light industries, as (66) large factories were sold to the private sector, as well as some service projects, for example (hotels). tourism and fuel filling stations ⁽³³⁾. After 2003, the private sector in Iraq experienced a major setback during the political and economic transition, as a result of the suspension of most private manufacturing projects, due to the state of destruction that it witnessed, and the high costs of production, in addition to the unstable security conditions, which led to the emigration of businessmen and owners of capital to neighboring countries in search of security and economic stability to invest and insure their money ⁽³⁴⁾. The successive Iraqi governments have worked over the past two decades to make some legal and administrative improvements to find an appropriate infrastructure to advance the reality of the private sector. inherited social, and complex administrative bureaucracy that helps spread corruption, in addition to the policy of commodity dumping in the local markets for goods produced from neighboring countries. The latter led to the limited role of its role in promoting the developmental aspects of the Iraqi economy, as the contribution of the private sector to the gross domestic product did not exceed (37.2%) for the year 2020 (at current prices) ⁽³⁵⁾. It is worth mentioning that most of its contribution to economic activity is currently limited to the sovereign sectors (such as the oil sector).

7- Weakness of the indicators of rational governance: the meaning or concept of rational governance differed according to the different ideas of its promoters, according to the concerned authorities, whether it is a competent individual or an international institution, despite the difference in visions and ideas, but it revolves around one and similar goal, and here comes the importance of rational governance indicators in the goals it seeks to achieve in the economic, political and administrative aspects of any country. Indicators of rational governance in Iraq reveal a quantitative and qualitative deterioration in the Iraqi economy, as a result of what the economic reality is witnessing in terms of confusion in the development process in all aspects (administrative, legal and political), which affected the reality of the state developmental, which made Iraq a fragile or flaccid state in Implementation of development programs ⁽³⁶⁾.

The World Bank, in 1996, defined a set of standards or indicators of rational governance, on which countries depend in determining the country eligible for support and support, the most important of which are (fighting corruption, rule

of law, government effectiveness, organizational quality, public opinion, and political stability) ⁽³⁷⁾. Where the aforementioned indicators are given scores ranging between (-2.5) and (+2.5), negative degrees represent deviant cases, while positive degrees are the optimal situation for the desired regimes, and indicators can contribute to motivating developing countries to fight corruption. And the development of the economy, and through Table No. (2) we can know the reality of Iraq in this aspect compared to international indicators.

Table No. (2): Shows indicators of rational governance in Iraq for the period (2003-2018)

Judgment Indicators	Expressing Opinion And Accountability	Government Efficacy	Rule Of Law	Political Stability	Organizational Quality	Anti-Corruption
Year						
2003	-1.50	-1.70	-1.83	-2.39	-1.41	-1.21
2004	-1.64	-1.59	-1.71	-3.18	-1.66	-1.48
2005	-1.30	-1.63	-1.63	-2.69	-1.35	-1.37
2006	-1.28	-1.72	-1.84	-2.83	-1.39	-1.45
2007	-1.13	-1.57	-1.77	-2.77	-1.32	-1.46
2008	-1.10	-1.24	-1.70	-2.47	-1.15	-1.46
2009	-1.02	-1.18	-1.56	-2.18	-1.01	-1.33
2010	-0.99	-1.20	-1.45	-2.24	-1.05	-1.26
2011	-1.07	-1.13	-1.45	-1.85	-1.09	-1.17
2012	-1.08	-1.11	-1.46	-2.01	-1.25	-1.22
2013	-1.06	-1.10	-1.45	-2.48	-1.24	-1.28
2014	-1.14	-1.11	-1.33	-2.26	-1.25	-1.33
2015	-1.13	-1.25	-1.42	-2.31	-1.24	-1.37
2016	-1.02	-1.27	-1.63	-2.31	-1.13	-1.39
2017	-1.05	-1.26	-1.64	-2.31	-1.20	-1.37
2018	-0.99	-1.32	-1.76	-2.56	-1.22	-1.40

The table was set depending on:

1. The Worldwide Governance Indicators, 2018 Update, Aggregate Governance. Indicators1996-2018 www.govindicators.org .
2. Sonia Arazony Wartan. (2022). "Iraq in the light of the indicators of Rational governance for the period (2014 – 2018)". *Algerian Scientific Journal Platform (ASJP)*, vol. 16(3), p. 64

It can be noted from the above table that all data have negative indicators throughout the study period (2003-2018). This gives an indication of the low level of sub-indicators for rational governance in Iraq due to the state of turmoil that prevailed in the political scene, which contributed to the spread of financial and administrative corruption on these indicators; as it is vivid depending on the indicators for expressing opinion and problem, despite being negative indicators throughout the study period. However, some improvements were obtained in the figures of its indicators, as it decreased for the year 2018 to (-0.99) after (-1.5) in 2003. The data table also indicates, in regard to the government effectiveness index, that Iraq does not It is still within the framework of the negative criterion, as it declines and changes from year to year, as a result of the expansion of corruption features in most joints of state institutions, and this negatively affects the inability of Iraqi governments to implement their developmental policy in the right direction. As for the two indicators of the rule of law and political stability, the first indicator, represented by the rule of law, was noted stability has a negative value, i.e., (-1.76) in (2018). The same for to the indicator of political stability with the same value (-2.56) for the same year. These value, on the two indicators, reflect the size of the

negative impact that Iraq is going through in return for the damages caused to citizens' private properties, the rise in violence, the spread of the phenomenon of political war and the spread of terrorism, which made the state's law weak. This, in turn, undermined the possibility of upgrading the indicators of rational governance. Moreover, the above table shows the anti-corruption indicators and the quality of organization. The values of the anti-corruption index indicate its low levels throughout the study period, as it settled at (-1.40) in (2018) after it was (-1.21) in (2003). This means that all the existing efforts exerted in combating corruption in Iraq were not fruitful since the extent of corruption is still rampant in all joints of state institutions as a result of the weakness of the tools used as well as the lack of an appropriate legal deterrent for them. As for the quality of organization index in the institutions of the state, all the data that came in Table (2) give a decline in the organizational performance in the institutions of the state and their failure to reach the required levels, which raise the efficiency of performance, contribute to achieving the development goals that the state aspires to.

Thus, depending on what is mentioned above, it can be said that the low indicators of rational governance in Iraq reflects its negative impact on the state's achievement of its development programs; that is, depending on what has been diagnosed locally for the economic reality in Iraq on the one hand, and reports issued by international institutions on the other, as Iraq occupied advanced ranks in the list of the most fragile countries, i.e., the countries that have suffered from development failure. Consequently, Iraq has not benefited from its many natural and diverse resources except in one field, which is the oil sector.

The Third Section: The Paths of the Success of the Developmental State in Iraq (A Forward-Looking Perspective)

During the past three decades, the issue of the developmental state has grabbed the attention of some countries of the world, especially the third world countries, in light of the success achieved by the countries that preceded it and had experience in this field, such as Japan, South Korea, and China, as well as some emerging countries such as Vietnam and Indonesia. Consequently, it became necessary, for a country like Iraq, to set strategies and paths that outline its policies and development programs depending on making radical changes in the economic, political and social reality accumulated from decades of war and sanctions in the eighties and nineties of the last century. In addition to the political problems that affected the economic and social reality after 2003. All of these and other issues have become a major challenge for the state in finding its developmental role which requires having a national will with firm foundations based on a set of administrative and economic rules, in addition to concerted efforts society to face these challenges according to a future development vision in which the Iraqi economy thrives. The following are the most prominent elements of the success of building a developmental state in Iraq according to a forward-looking perspective:

1- Achieving the partnership between the public and private sector: The realization of the partnership between (the public and private sectors) in managing the activity of the economy of a country with a rentier orientation is one of the realistic methods that prepare for the transition from a central economy to a free economy. Thus, it makes the financial revenues generated from the oil sector within the wheel of private sector investments, accompanied by the restructuring of the public sector ⁽³⁸⁾.

In Iraq, there is a great potential to establish a partnership between the public and private sectors because achieving a well-structured partnership allows for the possibility of pumping large amounts of private capital, as well as providing technical expertise for the expansion of services provided to the community at a time when the government faces restrictions strict financial and others limit their capabilities ⁽³⁹⁾.

The successive Iraqi governments after 2003 have worked to develop the national economy by developing strategies to formulate their economic policies in accordance with a development vision, depending mainly on the involvement of the private sector in the development process. The most prominent of these strategies is the plan (2013-2030) presented by the Council Ministers which includes a comprehensive vision of the state's development policy based on economic diversity as the strategy relied on establishing an efficient and effective governance system, to be a basis for rapprochement between the public and private sectors, in addition to the formation of a council for the development of the private sector that is linked to the Economic Committee in the Council of Ministers and with the participation of decision-makers in the two sectors public and private ⁽⁴⁰⁾. The process of implementing the strategy (2014-2030) was based on three phases. The first phase (2014-2017), a phase that did not see the light due to the state of war with ISIS gangs after which three Iraqi governorates fell, accompanied by the collapse of oil prices in global markets. This led the government to hope to implement the second phase (2018-2022) in leading the economy in partnership with the private sector. In achieving economic diversification and creating greater job opportunities for the unemployed.

According to what is mentioned above, the success of the partnership between the public and private sectors in Iraq depends on what the government provides for an appropriate environment to attract the private sector internally and externally to contribute to the development of infrastructure and the provision of public services, as well as easing

restrictions on the public budget, based on the experiences of Successful countries that benefit from strengthening the partnership between the public and private sectors, by providing a set of priority measures: ⁽⁴¹⁾:

- A. Providing sound legal and institutional frameworks for controlling transactions to ensure legal positions which provides a reasonable degree of transparency and enhances the stability of agreements and contracts.
- B. Coordination with the government (the public sector) to choose the type of successful projects that Iraq needs, especially those that create great job opportunities.
- C. Enhancing dialogue and exchanging views in making economic policy decisions between the public and private sectors. It is known that the private sector has a major role in economic decision-making in developed countries.
- D. The necessity of having a community culture that supports the partnership.
- E. Setting a comprehensive investment plan for each sector taking into account the complementarities of investment between the private and government sectors.
- F. Benefiting from successful global experiences by involving the private sector in formulating economic policy and making it play a key role in building the development process.
- G. Uprooting the security obstacle that restricts the movement of investors inside the country, especially in foreign investments.

2- Diversity in economic activities: The term ‘economic diversification’ is important in the language and is echoed widely in most countries of the world, especially oil countries with a unilateral economy. This contributes to revitalizing the local economic performance in all its various sectors.

‘Economic diversification’ is defined as (a process of creating new production bases by exploiting oil financial surpluses in developing the main alternative economic activities to oil, such as agriculture, industry and other productive services) ⁽⁴²⁾.

The Iraqi economy suffers from a structural imbalance in most economic sectors that do not contribute to its financial revenues except to a very weak amount that can be dispensed with, while the state relies for most of its financial resources on only one sector, which is the oil sector. This reflects the weakness of the economic base of the state because Iraq has been not able to rely on oil revenues to maintain the standard of living in the future, despite possessing large quantities of proven oil reserves which placed it in the fifth rank in the world as estimates indicate that the reserves may last (80) to (85) years ahead ⁽⁴³⁾.

In this regard, many studies and economic plans were conducted in Iraq after 2003 which called for diversifying economic sources and reducing dependence on unstable oil revenues because of their connection to global demand and its impact on it in the event of an external shock. However, this also was the case during the emergence of the (Corona) pandemic crisis and its sweeping of the world in 2019, or as a result of technological development and the global trend planned for the coming years towards the use of clean energy for climatic considerations. All of these issues lead to a slowdown in global demand and affect the financial returns of the oil countries.

Thus, Iraq urgently needs to shift quickly towards a more diversified economy that is less dependent on the oil sector. It also needs to take advantage of the surpluses achieved from it in strengthening the productive economic sectors for t facing fluctuations and external shocks in its prices, and the importance of a more diversified economy comes from restoring building the state for its capital by directing investments in infrastructure that enhance productivity and vital services, including infrastructure that is linked to water provision and rural development, which will be beneficial to the agricultural sector as well as improving and developing human capital and encouraging foreign investments and the private sector together in the industrial aspect which will contribute to creating job opportunities capable of absorbing the unemployed individuals.

3- Establishment of a sovereign fund to support development and the general budget: Iraq still suffers from confusion in the mechanism of optimizing the use of financial resources derived from exporting crude oil to global markets since when oil prices goes up, the state achieves financial surpluses depending on which the ruling political class of the country. in an effort to strengthen its national political consensus is spent on some segments of society according to their social composition to achieve electoral partisan interests without directing them towards the productive sectors that may contribute to the financial support of the state. Yet, when those prices drop, the government will be in a state of confusion and embarrassment in obtaining on the sources of budget financing. This results in a continuous financial deficit and a decline in the state’s development indicators in light of the growing volume of current expenditures for the public budget, especially after 2003.

This clarifies the necessity of establishing a sovereign oil wealth fund in Iraq, depending on the Council of Reconstruction Fund decision, which was established at the beginning of the fifties of the last century. However, its

main tasks are to create balance in the country's general budget, in addition to achieving the state's economic programs according to the dimensions of development. The purpose of which is to confront future financial risks in a way that ensures stability and preserves the rights of future generations, through the establishment of a sovereign wealth fund complementary to the work of the Development Fund for Iraq (DFI)*. The surplus funds are transferred to him from the difference between the planned price when preparing the budget and the actual price in the global oil markets, in addition to deducting 5% of the total oil revenues and transferring it to the fund's account annually.

It is worth noting that the first core of the implementation of this vision lies in the fact that the government represented by the presidency of the Council of Ministers prepares a draft law and an organizational structure that is submitted to Parliament for legislation, after which the Presidency of the Republic will ratify it, provided that Parliament is the body responsible for the monitoring and supervision process through its specialized committees. The executive authorities need to form a committee consisting of: The Ministry of Finance, The Central Bank of Iraq, The National Investment Commission, and a representative of the private sector. Its purpose is to chart the course of the fund's work according to a set of goals that it seeks to achieve, the most prominent of which are: ⁽⁴⁴⁾

- A. Protecting the general state budget from external oil price shocks and fluctuations in revenues.
- B. Developing the developmental indicators for the local productive sectors (industrial and agricultural).
- C. Building savings from oil financial surpluses to ensure the rights of future generations.

According to what is mentioned above and based on the data available, it can be seen that it is necessary to establish a sovereign oil fund in Iraq due to its importance in achieving economic stability that cannot be predicted in the long term by diversifying its sources of income via transferring the surplus from oil revenues to other sectors which are more financially sustainable. Yet, the lack of real will and consensus among the political parties stands as an obstacle to the realization of such a project.

4- Human capital development: There is no doubt that the human capital development programs bear a major responsibility in the development process of the country because these programs are responsible for preparing the human being. The human being is the living element in this process and is able to give, manage and accomplish business effectively and efficiently. Therefore, human has become the center of development which is its goal and means. Moreover, God has endowed human with distinct capabilities and surrounded him with natural resources, leaving him the command of discovery, creativity, innovation and work, and through which to deal with stage data.

The importance of the process of building advanced and highly efficient human capital of advancement in Iraq is crystallized through improving the learning curriculum and spreading the spirit of ambition for learning which leads to the availability of skilled labor, administrators and employees capable of leading the developmental transition phase. Moreover, working on the development of human resources through the establishment of sophisticated educational institutions and training centers to develop special capabilities. Thus, their outputs can be commensurate with the needs of the local labor market, in addition to the need for the state to support graduates to build their investment projects which gives them the incentive to take an active role in the development process which will be reflected in a successful economic building in Iraq ⁽⁴⁵⁾.

5- Activating the role of civil society: The Iraqi society is described by its national and religious pluralism, as well as the multiplicity of intellectual trends in it and the lack of cultural awareness of civil society and its institutions. This requires prior efforts to diagnose the problems it faces for drawing goals and an appropriate program with the reality of the environment of Iraqi society because the diversity of its environment is religious and national must be employed for the benefit of society and the country. This needs building effective civil society institutions, recognizing pluralism, and adopting democracy as an alternative approach to it. Moreover, democracy gives flexibility and a clear vision of all emerging crises in the country. Moreover, through civil society institutions, which in turn spreads awareness, culture, tolerance and renounce violence. The civil philosophy adopted by these institutions focuses on developing a culture of participation and respect for the other ⁽⁴⁶⁾.

Therefore, the effective participation of civil society institutions in building peace, reconstruction, reconciliation and development is extremely important and essential to the success of development in Iraq in the long term. Therefore, building effective civil society institutions in Iraq and utilizing their capabilities fully to serve all segments of society and the state according to the following vision: ⁽⁴⁷⁾

A- The government agencies in the country must work on creating civil society institutions that have independence and effectiveness. That is, by working on the development of a legal and institutional framework that guarantees the protection of the independence of civil society in accordance with solid controls and mechanisms.

B - The necessity of having legal and democratic rules within the state that work to achieve these goals and programs and push towards popular participation and in formulating many vocabularies through creating a spirit of citizenship and respect for human rights and spreading a culture of contribution to achieve the democratic transformation process.

C - Enhancing the positive participation of civil society in planning, implementing and evaluating development programs, meaning that the civil society has a limited ability to participate effectively in the field of advocacy and support to influence government policy. Thus, playing a specific role in contributing to the process of economic policy-making.

d- Finding a solid ground and clear and good mechanisms of action for civil society institutions which are related to the society's understanding of these institutions and its awareness of the necessity of civilized construction.

C- Civil society organizations need to develop their capacities and neutral funding to be able to continue their activities.

6- The state's adoption of rational governance as an approach to institutional reform: Adopting a reformist approach from good governance in any country is a necessary and important issue towards emphasizing the institutional work of the state. That is due its interrelated dimensions on the political aspect related to the nature of politics and the technical aspect related to the work of the administration public, as well as its efficiency in achieving development. Moreover, the social aspect related to the structure and vitality of society. The integration of these dimensions with each other contributes to the production of rational governance as it is not possible to reach an efficient governance administration without ensuring the administration's neutrality and independence from the political aspect. It is also not possible for political administration alone without the presence of a public administration. It is effective to ensure the implementation of public policies. The state's control over society will lead to the absence of its role in the work of the country's public policies and weaken its ability to hold the political and administrative authority accountable.

In Iraq, the adoptions of reformist governance within state institutions are moving very slowly, and they may need several years to reach their normal level, which made their indicators globally low, and to ensure the effectiveness of their work requires finding mechanisms for constructive and consistent dialogue in the mutual opinions between the ruling political elites and citizens from All segments of society, including religious authorities, tribes' leaders, and academics since good institutions are the ones that achieve social and judicial justice, as well as administrative efficiency for the success of the state's developmental process ⁽⁴⁸⁾.

Therefore, the reformist vision of state institutions in Iraq is necessary to follow according to the following steps:

- A. Working on increasing the efficiency and administrative development of institutions and individuals on scientific and modern foundations looks at developing administrative systems and their institutions and developing their human resources to eliminate administrative bureaucracy. This brings the necessity of providing efficiency and integrity in the management of state institutions to ensure good job performance within the general contexts in order to provide the service to the community.
- B. The process of achieving institutional reform must be in accordance with a clear strategic plan whose action is not limited to the state only, rather the necessity of involving social forces in all their classifications through which their priorities can be determined according to the means available to them.
- C. Institutional reform in Iraq requires the will and desire of the state and society, whether on the political, economic and social levels to create new, more active and effective institutions.
- D. Activating the oversight role within state institutions in order to confront administrative and economic corruption, in addition to reducing administrative routine by moving towards automating institutional services provided to citizens electronically.
- E. The necessity of delegating decentralized authorities with more administrative powers in state institutions for a faster achievement in providing public services to society and increasing its welfare.
- F. According to what is mentioned above, the institutional development in Iraq remains too slow as long as the state does not adopt a new and common political vision that works to change the current reality based on favoritism and nepotism in providing services and managing state institutions into an institutional system that seeks to provide development benefits to all segments of society without discrimination

Conclusions:

1. The weak contribution of the economic sectors to the Iraqi GDP as the oil sector took the lead in the structure of economic contribution, until the Iraqi economy was called the rentier economy.
2. The indicators of rational governance in Iraq are far from the developmental stimulus which made it occupy advanced ranks in the list of the most fragile countries as a result of the expansion of corruption parameters in most state institutions.

3. The state's lack of ability to mobilize resources and its resort to short-term temporary solutions, which leave negative effects in the long run.
4. The absence of a strategic development vision for the economy throughout Iraq's modern history due to the state of political instability represented by sudden and violent changes in successive Iraqi governments which resulted in the deprivation of economic policies from stability, and the lack of sustainability of development programs.
5. The weak government performance in managing state institutions and its inability to provide public services and assume its organizational responsibilities.

Recommendations:

1. Accelerate taking decisive steps towards changing the economic structure based on one financial resource, which is the oil sector, and moving towards setting comprehensive reforms through which other economic resources such as the sector (industrial, agricultural and services) can be activated.
2. The necessity of building a developmental state capable of addressing economic crises according to a vision and radical far-reaching solutions from the Iraqi economic reality, by selecting people (the elite) who are characterized by sincerity, efficiency and integrity, as well as having a clear vision to lead the development paths in the country.
3. Institutions must be restructured and supported in a way which allows them to choose the best decision-makers based on competence, objectivity and independence, away from favoritism and sectarian affiliations.
4. Working to invest the financial surpluses achieved from the oil sector within a (special sovereign fund) to be established to support vital development projects that serve the country's economy, and not directing them towards current spending.
5. One of the necessities of economic reform is to improve the indicators of rational governance in Iraq due to its importance in overcoming the current political and economic crises. That can be done through a strategic vision that adopts attention to the principles of rational governance and its indicators and strive to implement them, and increase the participation of the people and awareness towards those principles.
6. Working on combating corruption in all its forms and combating its production and culture mechanisms which is considered one of the biggest obstacles facing the possibility of advancing the developmental reality in the Iraqi economy.

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