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Measuring the Effect of Some Fiscal Stability Indicators on The Tax Revenues: Iraq as a Case Study For the Period (2004-2023)

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Abstract : This research has goaled primarily to focus on the role and importance of the tax revenues as one of the most important terms in the economy, which is affected by financial sustainability indicators, particularly (investment spending and economic growth). The financial sustainability indicators effect on the tax revenues, whether by increasing or decreasing them. The investment spending varies from one country to another and from one economy to another, depending on the size of spending and the state's ability to direct that spending to create productive capacities that contribute to expanding the tax base. This is in addition to the important role played by economic growth as a catalyst for expanding the tax base. Therefore, the research methodology relies on the use of the inductive approach to analyze general and theoretical aspects, as well as the deductive approach to analyze statistics and data, using the quantitative measurement method to analyze and measure the impact of investment spending and economic growth on tax revenues in Iraq for the period (2004-2023). The study issue lies in determining in presence or for lack of a statistically significant, positive or negative, impact stemming from financial sustainability indicators, represented by (investment spending and economic welfare). Tax Revenues in our country . The research has found a statistically significant positive effect of financial sustainability indicators (investment spending and economic growth) on tax revenues in Iraq for the period (2004-2023) in the short term. The study also found a significant negative effect in the long term. Consequently, the study recommends developing the tourism sector, providing support to manufacturing industries, digitizing the tax system, and improving collection mechanisms to increase tax revenues and prevent tax evasion.

Keywords: Investment spending, economic growth, tax revenues

First: an Introduction:

The investment spending and economic growth are indicators of financial sustainability that contribute to an impact on tax revenues. However, this impact varies cross-border as the size to investment spending and fiscal growth. Consequently, investment spending may contribute to positive or negative changes depending on the fiscal policy employed in that country. The extent of the impact depends on the management of fiscal policy in directing investment spending levels to influence tax revenues by directing such spending to create productive capacities that contribute to providing job opportunities and expanding the tax base. Furthermore, the impact of economic growth is an important indicator of tax revenues, depending on the degree of development of the country's economic activity, given its important and vital role in the economy as a whole.

Second: The Research Methodology :

1- The research problem :

The trend towards increasing the tax revenues is one of the biggest challenges facing the Iraq's national economy, given that a unilateral total economy that relies heavily on oil revenues. so that the study's issue could be drawn up as the next question: "Is there a statistically significant effect of investment spending and economic growth on tax revenues in Iraq for the period (2004-2023)?"

2- The research Importance :

The importance of the research stems from the importance of the financial sustainability indicators used in it, represented by (investment spending and economic growth), to understand the extent and magnitude of their impact on tax revenues. Investment spending and economic growth represent key drivers of economic activity, and therefore each contributes to increasing productivity, creating job opportunities, and subsequently increasing the tax base.

3- The study's Goals :

The study aims to identify as following:

A- Identify the value and nature of financial sustainability indicators, represented by (investment spending and economic welfare) in our country during (2004-2023).

B- Identifying the size and nature of tax revenues in Iraq for the period (2004-2023).

C- Analyzing and measuring the reality of investment spending, economic growth, and tax revenues in Iraq for the period (2004-2023).

4- **The research Hypothesis**:

The study is relied on a basic assumptions :

(yonder a statistically significant moral effect emanating from the independent variables represented by investment spending and economic growth on tax Iraq's fiscal receipts during (2004-2023) .

Section One: Theoretical Framework

First: The Tax Revenue :

The tax revenue represents a type of sovereign revenue that the state obtains based on its sovereign authority. It is a monetary sum that the state or local public bodies compels persons subject to its authority, whether legal or natural, to pay to it permanently and without compensation, with the aim of financing the state's public expenditures, i.e., meeting the requirements of the state's public policy (1). It represents a mandatory financial obligation imposed by the state in accordance with legislation or law, and is collected from taxpayers without direct compensation. Through these taxes, the state is able to achieve its objectives (2). Taxes are a type of financial return imposed by the government on a range of sectors, including services, goods, and businesses. Taxes usually constitute a percentage of the total amount of money, as they are determined in advance and divided into direct taxes, such as capital and income taxes, and indirect taxes, such as production and sales taxes, and value-added tax. It is worth noting that taxes affect the volume of economic activities, increasing or decreasing depending on the state of the national economy (3).

Second: The Investment Spending :

The public (government) spending is an amount of Other related terms include government spending, public outlay, and national expenditure, all referring to the financial resources a government utilizes to fund public services, infrastructure, and various programs for its citizens , in other words, represents the total expenditures made by the state during a specific period of time with the aim of satisfying a public need in society. Needs vary from one state to another, and are undertaken by a legal entity with the aim of achieving a public benefit linked to the social and economic goals of society (5). Keynesian thought defines public spending as a productive expenditure if it is used or employed properly. It is also a non-neutral expenditure with a functional role that is supposed to be consistent with the state's social and economic goals (6). The government finances spending through taxes and other revenues, such as oil and others. Government spending decisions are primarily subject to political, economic, and social considerations over a specific period of time (7). Government spending is divided into two types, as follows:

A- **The Investment Expenditures**:

This is government spending that directly increases current national income through bonuses, salaries, and wages generated by the factors of production contributing to income generation, in addition to increasing the country's productive capacity. That is, it consists of long-term production goods that are used or incorporated into the production of other goods, such as (machines, equipment, industrial facilities, etc.).

B- **The Current Expenditures**:

This refers to expenditures that are recurring on a regular basis for the purpose of facilitating the state's affairs and satisfying public needs. It is represented by (expenditure on goods and services in the form of wages, employee contributions, salaries, and expenditures in the form of subsidy and interest payments, called financing expenses (8).

Third: The Economic Growth :

The economic growth indicator reflects the magnitude of change in the gross domestic product (GDP) over a specific period of time. This contributes to assessing a country's economy to determine the actual need for future changes. Therefore, the gross domestic product (GDP) represents an important measure that reflects the size and amount of productive capacity produced by an economy over a specific period of time, which can reach up to one year. It also represents or reflects the final market value of goods and services produced in a given economy over a specific period of time, usually one year (9). Therefore, economic growth is an important indicator that reflects the extent of employment and use of production factors. It focuses on the best and most important methods that help implement various policies whose primary goal is to improve and raise the standard of living for individuals. Economic growth demonstrates the expansion of the production system in more than one direction, without any change to the economic structure (10). In other words, it represents the continuous increase in the average real per capita income over time (11). Economic growth expresses the increase in the productive capacities of a given country's economy as a result of the improvement or increase in the number of economic materials used or as a result of the development in the use of production technologies (12). On this basis, economic growth is explained by the long-term and continuous increase in the average share of real income per capita. If this increase in income per capita occurs after a recession, then it is considered cyclical and not consecutive, but it does not represent comprehensive economic growth (13). Economic growth reflects the economic prosperity or economic self-sufficiency, which both capture the concept of a fully

functioning and capable national economy, or helps to achieve material well-being and prosperity due to the increase in potential output and the raise in the total local economic expansion or internal revenue (14).

Section Two: Analysis of the Reality of Fiscal performance and Tax Revenues in Iraq during (2004-2023)

Table (1)
The Fiscal performance and Tax Revenues in Iraq for the Period (2004-2023) (Trillion Dinars)

Year	Investment Spending Is	Rate of Change (%)	Gross Domestic Product (GDP)	Growth Rate Eg (%)	Tax Revenue TR	Rate of Change (%)
2004	4.8		53.2		0.16	_
2005	4	-16.7	73.5	38.16	0.495	209.38
2006	9.3	132.5	95.6	30.07	0.594	20
2007	12.7	36.6	101.5	6.172	1.398	135.35
2008	15.7	23.6	157	54.68	0.986	-29.47
2009	13.1	-16.6	130.6	-16.82	3.335	238.24
2010	23.7	80.9	162	24.04	1.532	-54.06
2011	17.8	-24.9	217.3	34.14	1.784	16.45
2012	20.8	16.9	254.2	16.98	2.633	47.59
2013	40.4	94.2	273.6	7.632	2.877	9.27
2014	35.5	-12.1	266.3	-2.668	1.885	-34.48
2015	18.6	-47.6	194.1	-27.11	2.015	6.89
2016	15.9	-14.5	196.9	1.443	3.862	91.66
2017	16.5	3.8	221.7	12.6	6.298	63.08
2018	13.8	-16.4	268.9	21.29	5.686	-9.72
2019	24.4	76.8	276.2	2.715	4.015	-29.39
2020	3.2	-86.9	215.7	-21.9	4.718	17.51
2021	13.3	315.6	301.2	39.64	4.536	-3.86
2022	12	-9.8	415.6	37.98	3.911	-13.78
2023	24.2	101.7	330	-20.6	5.913	51.19

Source: Republic of Iraq, C.B.I yearly Statistical gazette, various years.

First: The actuality of investment spending at the country during (2004-2023)

The Investment expenditures include all expenditures allocated and spent by the government with the aim of achieving future returns and improving infrastructure or productivity. These expenditures include spending on new projects and capital equipment, spending on factories to expand production capacity, as well as spending on investment in the energy sector, such as building power plants and other projects. Table No. (1) shows the volume of investment spending for the period (2004-2023). We note that the volume of investment spending in Iraq is very low, and the reason for this is due to the high volume of current spending, as the volume of investment spending reached (4.8) trillion dinars in the year (2004) and then continued to fluctuate between rising and falling during the period (2004-2012), reaching (20.8) trillion dinars with a change rate of (16.9%). Then the volume of investment spending continued to rise for the year (2013) to reach its highest level during the study period, amounting to (40.4) trillion dinars with a change rate of (94.2%). The reason for this is due to the realization of a surplus in the state's general budget, which was reflected in raising the size of investment expenditures . The volume of investment spending returned to fluctuate between falling and rising, then reached (24.2) trillion dinars in the year (2023) with a change rate of Positive (101.7%); This is due to the increase in the volume of investment expenditures for all sectors except the transportation sector, noting that the increase in the volume of investment expenditure is a positive indicator of the government's direction to develop the industrial sector, which could lead to increasing the ratio of contribution of petroleum-free GDP to the entire product during the coming years, and then non-oil revenues, including tax revenues, will increase in total revenues.

Second - The actuality of economic growth in the state during (2004-2023)

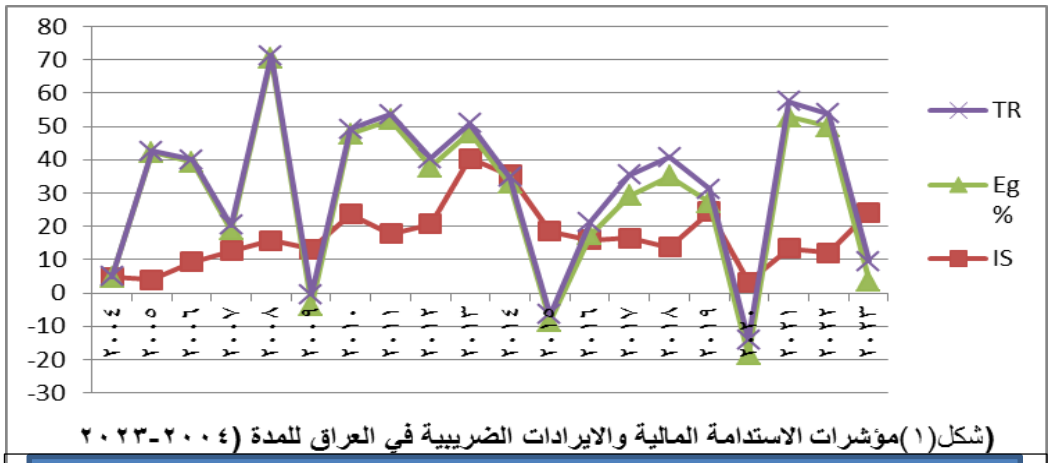
The total local output indicator is one of the fundamental indicators that show the level of the economy. Therefore, the analysis of the economic growth indicator is based on the Gross Domestic Product (GDP). From Table (1), it is clear that during the period (2004-2008), there was a clear increase in the size of the Gross Domestic Product. In the year (2004), it reached (53.2) trillion dinars and continued to rise to reach (157) trillion dinars during (2008), with a positive increase rate of (54.68%). However, it declined in the year (2009), reaching (130.6) trillion dinars, with a decline of (-16.82%). The reason for this is the decline in oil prices as a result of the repercussions of the global financial crisis that affected countries, including Iraq, which negatively impacted the gross national income (GDP) and other activities. However, it rose again in the year (2010) to reach (162) trillion dinars with a decline of (24.04%),

and the rise continued during the year (2011) to reach (217.3) trillion dinars with a growth rate of (34.14%), and this was due to the decline in the impact of the global financial crisis, and the increase in the size of (GDP) continued during the period (2012-2013) to reach (254.2) and (273.6) trillion dinars with a decline of (16.98%) and (7.632%) respectively, but it declined again in the year (2014) to reach (266.3) trillion dinars with a decline of (-2.668%). During the period (2015-2016), we find that the gross domestic product (GDP) fluctuated between decline and rise, as it reached (194.1) and (196.9) trillion dinars, respectively, then rose slightly to reach (221.7) trillion dinars in (2017) with a growth rate of (12.6%); the reason for this is due to the improvement of economic conditions, and the rise in the gross domestic product continued during the period (2018-2022) as it reached (268.9) trillion dinars in the year (2018), then rose to reach (415.6) trillion dinars in the year (2022) with a growth rate of (37.98%) over the year (2021); the reason for this is due to the rise in oil prices due to the recovery of the global economy after the end of the Corona pandemic, in addition to the development in Iraqi petroleum income ; Due to supply shortages resulting from the wars in Ukraine, the Iraqi economy has also witnessed improvements in some non-oil sectors, such as construction, agriculture, and development projects, due to a significant strengthened security.

In the year (2023), GDP fell again to reach (330) trillion dinars, with a decline of (-20.6%). The reason for this is due to the decline in crude oil activity, as oil production was reduced as a result of Iraq's commitment to the production cuts approved by OPEC+, which was reflected in the decline in oil revenues, which constitute the largest part of the gross domestic product, in addition to the decline in global oil prices and the large financial expansion resulting from the approval of the expansionary budget for three years with the aim of supporting development projects. Third: The Reality of Tax Revenues in Iraq for the Period (2004-2023)

Tax revenues are secondary to public revenues in Iraq, as they represent a small percentage compared to oil revenues. Tax revenues fluctuated during the period (2004-2023). This is due to the policies pursued by the state after 2003, including opening up the import of goods and services from abroad and abolishing customs duties. This is due to the multiplicity of the tax system in Iraq, in terms of direct and indirect taxes, which is characterized by stagnation and backwardness. This is in addition to financial and administrative corruption and the difficulty of determining the tax base, which has been reflected in increased tax evasion due to the unfairness of taxation. We note from Table (1) that the volume of tax revenues in the year (2004) amounted to (0.16) trillion dinars, then began to fluctuate between slight increases and decreases during the study period. Despite the increase in tax revenues in some years, they reached their highest rate (6.298 trillion dinars in the year (2017) with a change rate of (63.8%), but it is considered small compared to oil revenues and therefore does not fill the gap in oil revenues, as the tax reforms carried out by the Iraqi government contributed to increasing the size of taxes; in addition to the government's focus on taxes as one of the important sources of funding to fill the shortage in oil revenues after the decline in oil prices during the period (2014-2016). The state's imposition of new taxes or increasing taxes on some sectors such as communications and financial services also helped increase the size of tax revenues in the year (2017). In the year (2023), the size of tax revenues amounted to (5.913) trillion dinars with a positive change rate of (51.19%) compared to the year (2022). The reason for this is due to expanding the tax base to include new sectors such as car rental companies, improving collection mechanisms and combating tax evasion, in addition to increasing taxes on some goods and services.

Figure (1) shows indicators of financial sustainability and tax revenues in Iraq for the period (2004-2023).



(شكل(١)مؤشرات الاستدامة المالية والايرادات الضريبية في العراق للمدة (٢٠٠٤-٢٠٢٣

Figure (1) Financial sustainability indicators and tax revenues in Iraq for the period (2004-2023)

Reference : Prepared by the researcher based on data in Table (1).

Section Three / The Standard Aspect of the Research

First: Description of the research parameter:

This is an essential phase in the research, as it determines the relationship between the independent variables (investment spending (Is)) and (economic growth (Eg)) and the dependent variable (tax revenues (Rt)).

1- The dependent variable is tax revenues (Rt).

2- The independent variables are as follows:

- Investment spending (Is).
- Economic growth (Eg).

Based on the interpretation of economic theory, the relationship between investment spending and tax revenues depends on the size of investment spending provided by the state to the various economic sectors, as the increase in the size of investment spending leads to an increase in job opportunities and a rise in productivity and thus an increase in tax revenues, i.e. there is a direct relationship between the size of investment spending and tax revenues. As for the relationship between economic growth and tax revenues, it is linked to a positive relationship, as the increase in economic growth rates enhances the increase in tax revenues.

the conventional formula, of the model can be explained as follows: -

$$\mathbf{Y_i = \beta_0 - \beta_1 X_1 - \beta_2 X_2 + Ui \ldots\ldots\ldots (1)}$$

$$\mathbf{Rt = \beta_o - \beta_1 Is - \beta_2 Eg + Ui \ldots\ldots\ldots (2)}$$

Where:

Rt: Tax revenues

Is: Investment spending

Eg: Economic growth

Ui: Random variable

Second: Model estimation using the ARDL methodology

1- Testing for stationarity of variables (unit root)

Testing for stationarity of variables is an important step before investigating correlations. The augmented Dickey-Fuller (ADF) test was used to control level of stillness, of the factors represented by (tax revenues), symbolized by (Rt), investment spending, symbolized by (Is), and economic growth, symbolized by (Eg). Table (2) shows that tax revenues and investment spending were not stationary at the level I~(0) with a crossover, but they remained stationary at the level with a crossover and a general trend, and after taking the first difference I~(1). Furthermore, the time series for economic growth remained stationary at the level and first difference, as follows:

Table (2) Testing for stationarity of variables (ADF)

Variable	Level		1st difference		Resolution
	A	B	A	B	
Rt	-0.806	*-4.696	*-5.581	*-5.487	Station at I~(0)
Prob	0.8110	0.0016	0.000	0.000	
Is	*- 2.496	**- 3.584	*-5.573	*-5.508	I~(1)
Prob	0.121	0.038	0.000	*-6.711	
Eg	*-3.609	*-4.534	*-6.772	0.000	Station at
Prob	0.008	0.003	0.000	*-5.487	

Source: Prepared by the researcher based on the outputs of the Eviews10 program

(*)meaningful results, as the 1% level (**)meaningful results as the 5% level Intercept (A) (B) Trend & Intercept

2-cogency test results

Table (3)

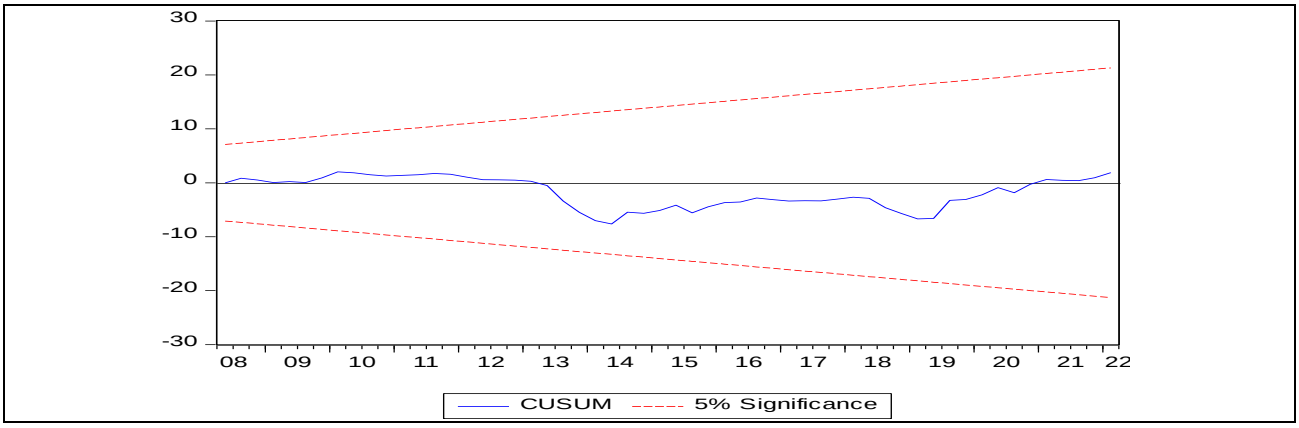
Fig.2 Model accuracy test results

Standard issues	Tests	significance level	adequate level	Final resolution
Normal Distribution	**Jarque – Bera**	0.83	< 0.05	**No problem**
Autocorrelation	**LM Test**	0.14	< 0.05	**No problem**
Heteroscedasticity Problem	**Heteroskedasticity Test: ARCH**	0.14	< 0.05	**No problem**
Diagnostic Problem	**Ramsey Reset Test**	0.46	< 0.05	**No problem**

Reference : done by the researcher performance-driven of the Eviews10 program.

3- Model steadiness, test

Fg.(2) CUSUM of residuals



Reference : done by the researcher as the yield of the Eviews10 program.

4- Estimating the model equation using autoregressive distributed lag (ARDL)

Fig. (4)

an impact of investment spending and economic growth on tax incomes in Iraq for the period (2004-2023)

Variable	Coefficient	Std.Error	t-Statistic	Prob
Rt(-1)	3.456	0.089	37.333	0.0000
Is(-1)	-0.252	0.076	-3.305	0.0017
Eg(-1)	0.137	0.009	14.473	0.0000
C	0.125	0.029	4.295	0.0001

R-squared	0.99	Mean dependent var	3.211
Adjusted R-squared	0.018	S.D.dependent var	1.616
S.E. of regression	0.017	Akaike info criterion	-5.014
Sum squared resid	187.99	Schwarz criterion	-4.528
Log likelihood	187.99	Hannan-Quinn criter	-4.821
F-statistic	39415.32	Durbin-Watson stat	1.830
Prob(F-statistic)	0.000000		

From Table (4), indicates that a large proportion of the variance in the dependent variable is explained by the model, suggesting good model fit. (0.99 = R2), meaning that the explanatory variables within the model explain (99%) of the changes occurring in the regression equation (economic growth), and the remaining (1%) is due to other variables not included in the model.

The merit of the Durbin-Watson (D-W) data are achieved (1.8), showing that the version being autocorrelation-free. . the p-value from Fisher's method, which resulted (39415.32) at an important level (0.0000), indicates that the model is perfectly valid.

5 - Cointegration Test (Bound Test) According to the ARDL Methodology

The Bound Test demonstrates the cointegration relationship between the independent variables (investment spending (Is) and (economic growth (Eg)) and measured variable (tax revenues (Rt)). it uses the F-statistic to determine significance (F) by comparing it to a range of confidence intervals (1%, 2.5%, 5%, 10%). Table (5) showing the Bounds Test .

Table (5) F-Bound Test

		f-Bound Test	Null Hypothesis: No levels relationship
Test Statistic	**Value**		**K**
F-statistic	5.373614		**2**
Critical Value Bounds			
Significance	**I(0) Bound**		**I(I) Bound**
10%	2.63		3.35
5%	3.1		3.87
2.5%	3.55		4.38
1%	4.13		5

Source: Prepared by the researcher based on the outputs of the Eviews10 program.

From Table (5), it is clear that the calculated value of (f), which amounted to (5.373614), is exceeds than least values (I(0)) and maximum (I(I)) at all significance ranges (10%, 5%, 2.5%, 1%). Therefore, we reject the null hypothesis, Engle-Granger test or the Johansen test (Is) and (Eg) determine if a stationary, long-term linear relationship exists between individually non-stationary time series. and the dependent variable (Rt) in Iraq for the period (2004-2023), and we reject the null hypothesis.

6- Error Correction Representation (ECR) of an ARDL model

Table (6) shows the short-term and long-term parameters for the impact of investment spending and economic growth on tax revenues, as follows:

Table (6)
Error amendment Model (Short and Long) based on to the ARDL bounds test

Variable	**Coefficient**	**Std.Error**	**t-Statistic**	**Prob**
D(Is,-2)	0.153513	0.052100	2.946508	0.0047
D(Eg,-1)	0.097034	0.006681	14.52413	0.000
CointEq(-1)*	- 0.016497	0.003463	- 4.763254	0.000
Long Run Coefficients				
Variable	**Coefficient**	**Std.Error**	**t-Statistic**	**Prob**
D(Is,-2)	-0.378581	0.053328	-7.099092	0.000
D(Eg,-1)	-0.092915	0.015453	-6.012785	0.000
C	7.582251	0.507760	14.93275	0.000
EC=TR-(-0.3786*INV-0.0929*EG+7.5823)				

Reference : Researcher's task is based on the incomes of the Eviews10 program.

It is clear from Table (6) and through the ECM model that the temporary criteria of the independent factors (Is) and (Eg) were significant at the 1% level and according to the probability value (Prob), and that the impact of the independent variable (Is), investment spending, was positive on tax revenues (Rt). This means that an increment in investment spending rates leads to an increase in tax revenues of 0.154. This is consistent with the content of economic principle. The impact of the manipulated variable (Eg), economic growth, on tax revenues was positive. This means that there is a direct relationship between economic growth and tax revenues. Every one-unit increase in economic growth results in an increase in tax revenues of 0.097. And vice versa, Economic theories are often expressed as models. As for the error correction coefficient CointEq(-1), it is noted that the error adjustment factor or rate of change stick out , (-0.016497) and likelihood stick out (0.0000), i.e. disastrous, which proved the rectification in the near-term to long-term (1.65%) of inaccuracies in tax revenues that can be corrected automatically in the short term by using the mentioned variables (investment spending) and (economic growth) to reach equilibrium in the long term, but this requires a very long period of time, slow reactivity to changes model .

Regarding the long-term relationship, we note that the investment spending parameter (Is) was (-0.3786), which has a significant long-term effect at a significance level of 1%. It is also inversely related to tax revenues (Tr). This means that every one-unit decrease in investment spending leads to a 0.379 increase in tax revenues. This contradicts the content of economic theory. Furthermore, the significant effect of the economic growth variable (Eg) is also inversely related to tax revenues at a significance level of 1%. A one-unit increase in long-term economic growth leads to a 0.0929 increase in tax revenues. This contradicts the logic of economic theory.

We have concluded from the econometric analysis the following:

1. The existence of a short-term equilibrium relationship between the independent variables (investment spending and economic growth) and the dependent variable (tax revenues).
2- The existence of a long-term equilibrium relationship between the independent variables (investment spending and economic growth) and the dependent variable (tax revenues).

- Testing the research hypothesis:

Given the existence of a short- and long-term equilibrium relationship between the independent variables (investment spending and economic growth) and the dependent variable (tax revenues), as well as a significant relationship in the short and long terms, we therefore reject the null hypothesis and accept the alternative hypothesis, which is consistent with the study hypothesis.

The Conclusions:

1. Tax revenues represent secondary revenues in Iraq, due to its total dependence on oil revenues.
2. Tax revenues fluctuated between 2004 and 2023, due to the policies pursued by the government after 2003, including the liberalization of imports of goods and services from abroad and the abolition of customs duties.
3. The tax system in Iraq is characterized by stagnation and backwardness, as well as fiscal and administrative deception and the difficulty of determining the tax base, which has led to increased tax evasion.
4. Tax revenues witnessed a slight increase between 2017 and 2023, due to the state imposing new taxes on certain sectors such as telecommunications, financial services, and car rental companies, in addition to improving collection mechanisms and combating tax evasion. 5- There is a statistically significant direct effect in the short term of investment spending and economic growth on tax revenues in Iraq for the period (2004-2023), in addition to a statistically significant inverse effect in the long term.
6- The error correction model shows that the adjustment rate (error correction) reached (0.0165), indicating that tax revenues return to equilibrium aftershocks at a rate of (1.65%) per period.

Recommendations:

1. Providing support by directing investment spending to manufacturing, technology, and agriculture, as well as developing the tourism sector to create job opportunities, thereby increasing economic activity.
2. Implementing incentive policies, such as temporary tax exemptions for investors in productive sectors, to contribute to supporting economic activity.
3. Strengthening public-private partnerships, as well as encouraging the private sector to invest in large projects by granting them special privileges, with the aim of reducing the burden on the state budget and thus contributing to increasing the tax base.
4. Providing support to small and medium-sized enterprises and offering them tax incentives in exchange for hiring workers.
5. Digitizing the tax system and improving electronic collection mechanisms to reduce tax evasion.

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