



The Effectiveness of Indicators of Financial Discipline in Strengthening the Exchange Rate, with a Special Reference to Iraq

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Abstract:

Controlling public expenditures is one of the main objectives of the public budget. The public budget often suffers from a deficit, whether in developed or developing countries, because expenditures are usually greater than the revenues generated. This requires the existence of financial rules that are adhered to by the government, which in turn leads to discipline. Fiscal policy leads to a reduction in the obligations incumbent on the government. Adhering to the financial rules would correct the course of fiscal policy in Iraq, with the need to direct oil revenues in the years of financial abundance when global oil prices rise to sovereign funds similar to other rentier countries, which contributes to maintaining the stability of the exchange rate and reducing dependence on The Central Bank. It performs monetary sterilization operations to sterilize the negative effects resulting from the lack of fiscal policy discipline, which negatively affects the foreign currency reserves and depletes them. The main conclusion reached by the research is that there is a state of financial indiscipline that has negatively affected the Iraqi dinar exchange rate, and that the attempts of the Central Bank of Iraq have partially worked to reduce the negative effects of the expansionary financial policy, and the main recommendation of the research was to work to achieve more discipline in fiscal policy in order to reduce the state of economic instability and mitigate the monetary sterilization policy by The Central Bank and the accompanying depletion of hard currency.

Keywords: (The Iraqi economy, indicators of financial discipline, the Iraqi dinar exchange rate).

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1-Introduction:

The Iraqi economy suffers from wide imbalances, the most prominent of which is the disruption of the infrastructure of the various economic sectors such as agriculture, industry, health, education and others, which has a negative impact on overall production and low growth rates in the non-oil sectors, as the Iraqi economy is a unilateral rentier economy that depends almost entirely on oil for financing. The state's general budget lacks a policy of financial discipline and rational spending for the money of the depleted oil wealth, government expenditures in Iraq are characterized by being undisciplined, especially in the years when oil prices were high (years of financial abundance) and that most of those expenditures did not rise to levels of efficiency and disciplined guidance, which led to an imbalance in the state's public finances and balance of payments, which was negatively reflected when oil prices fell on the Iraqi dinar exchange rate and generated pressures on it as a result of declining oil revenues, i.e. foreign currency revenues, which led to a decrease in the volume of foreign reserves, which caused price instability.

In order to achieve economic stability on the one hand and stability in the exchange rate on the other hand and to avoid the economy from shocks and shocks, this requires the existence of financial rules to be adhered to by the government, which in turn leads to financial discipline in the financial policy to maintain the government's financial position in a way that supports merit. Sovereign credit and achieving financial sustainability, as following a disciplined financial policy that works to achieve economic stability by controlling public spending and not wasting available economic resources and avoiding the negative effects of the expansionary financial policy, which may be represented in high inflation rates and currency depreciation, which will lead to an increase in the obligations placed on the shoulders. The government controls expenditure growth rates, so that these expenditures are studied and appropriate to the rate of growth of public revenues leads to the fact that the ratio of the deficit to the gross domestic product is known and studied in advance and cannot be exceeded, not only for the short term, but for the medium and long term.

The research aims to identify the financial rules through which financial discipline is achieved, and to clarify the most important negative repercussions of weak financial discipline and non-compliance with the rules of financial policy on the stability of the exchange rate.

The Iraqi economy suffers from the lack of financial discipline due to the adoption of a financial policy that lacks rational and rational spending of the funds of the depleted oil wealth and its blindness to oil revenues in financing the general budget, which was negatively reflected when oil prices fell on the exchange rate of the Iraqi dinar and generated pressures on it as a result of declining oil revenues.

Following a disciplined fiscal policy by adhering to the rules of fiscal policy will enhance the stability of the exchange rate, which will contribute to achieving fiscal sustainability.

The importance of the research is highlighted by clarifying the relationship between financial rules and their effectiveness in achieving exchange rate stability.

2-The conceptual framework of financial discipline and the exchange rate

2-1- Define financial discipline

Fiscal discipline is defined as the ability to manage the public administration of the United States accurately and in a way that responds to financial figures, and fiscal discipline is defined as not exceeding spending, total solutions to the general quantities in the general budget, or not exceeding the financial percentage of GDP, so that there is an estimate of spending the year according to the calendar incoming in the incoming mail, as well as various administrative items (Badawi, 2011, 12), various different administrative services (Badawi, 2011, 12) adopt them in a timely manner to guide government financial operations.

2-2- General Indicators for Measuring Financial Discipline

The government's budget is a good tool for determining the financial performance and the extent to which financial discipline is achieved by determining the percentage of the deficit, and this is shown through the final accounts of public budgets. It can also be measured by government's debt in proportion to the gross domestic product, and thus these indicators can be presented as follows:- (Faraj, 2018, 30)

1- Measuring fiscal discipline by government's debt

Government's debt is the sum of the sums obtained by the government through internal borrowing (borrowing from banks, issuing treasury bills and bonds) and external (international institutions) with its obligation to return those amounts with interest within a certain period of time for the purpose of covering public spending requirements (Al-Ani, 2012,4). The lack of fiscal discipline leads to an increase in public expenditures, which in turn increases the deficit in the government budget, which requires an increase in the ratio of public debt to the gross product to finance those expenditures.

2- Measuring fiscal discipline by the budget deficit

The public budget deficit is defined as the increase in public expenditures over the state's public revenues as a result of the tax failure to respond to the rise in public expenditures, which prompts the government to cover this deficit by resorting to various sources of funding such as internal and external loans or taxes in order to achieve the required economic goals (Saleh, 2020 16), the deficit in the public budget can be considered an indicator of the extent to which fiscal discipline has been achieved in accordance with the Maastricht Agreement, Article (1) that the deficit to GDP ratio does not exceed 3 (%) (Faraj, 2018, 38).

Public expenditures must be planned in advance in accordance with the available economic resources to ensure a balance between public revenues and expenditures and reduce the difference between them to the maximum extent possible. (For more information, review the study of Faraj, 2018, 30)

2-3- Define exchange rate

The exchange rate is defined as the price of a particular currency against another, and the exchange rate is defined as the price of foreign currencies that is determined according to the laws of supply and demand in the foreign exchange market (Hussain, 2015, 41), or it is the number of monetary units of the local currency against another foreign currency. Thus, the foreign exchange rate is the link between the national economy and the rest of the foreign economies, and

thus links the prices of local goods in the national economy and their prices in foreign markets, so that the domestic prices and foreign prices of goods are linked through the foreign exchange rate (Rode, 2012, 122,) and it can be that we know the exchange rate on is the process of exchanging a local currency for a foreign one, and that the exchange process takes place according to a specific rate, which is the exchange rate, and there are several types of exchange rate used according to the prevailing system in each country. There is the nominal exchange rate that includes (official and parallel), and there is the actual exchange rate , real, equilibrium and others.

2-4- The relationship between the exchange rate and foreign reserves

Foreign reserves can change according to the applicable central bank policy - specific monetary policies. When the central bank applies the fixed exchange rate system, it may face a certain situation, as the increase or decrease in demand for currency can lead to an increase or decrease in its value in local markets, or, these changes may occur automatically in the event of the application of the flexible exchange rate system, or they may require the use of sterilized foreign exchange operations by compensating the exchange of currencies or non-sterile to maintain the target exchange rate within the established limits, and the extent of the independence of The Central Bank affects the exchange rate whenever The Central Bank enjoys a high degree of independence whenever it is more effective and influential in determining the appropriate and appropriate exchange rate, as the government's intervention with the Central Bank in determining the exchange rate may lead to a disturbance or a contradiction between the objectives of the exchange rate and the other objectives of the monetary (financial) policy that both The Central Bank and the government strive to achieve it, especially in times of crisis, and then the intervention of The Central Bank for treatment will be ineffective (Al-Khafaji, 126, 2016). The researcher believes that the use of The Central Bank for foreign reserves to influence the exchange rate and maintain the value of the local currency by selling more foreign currency must be temporary and not for a long period, because this will negatively affect foreign reserves and deplete them in the future, which is a cover and strength for the local currency, and that continuing to use the reserves. The foreigner available to defend the local currency may end with a crisis in the conversion to foreign exchange or a depreciation of the currency and the occurrence of inflation and a decrease in external demand for the local currency.

3-The reality of financial discipline in Iraq

3-1- General indicators to measure financial discipline in Iraq

In order to achieve financial discipline in the state's finances, a set of financial rules that suit Iraq's economy are required to limit the expansionary fiscal policy that takes place in most rentier countries, especially in periods of abundant financial revenues. Therefore, setting these rules works to reduce chaotic spending (non the scheme) and setting a safety valve in the event of a decline in crude oil prices, which works to reduce the deficit in the public budget, and financial discipline in Iraq can be measured through the following indicators:

1- Public Expenditure and Revenue Index

A - The aspect of public expenditures: the public expenditures have developed and increased in size due to the rise in oil revenues as a result of the rise in oil prices in global markets. Through loans (domestic or foreign) and at the end of the fiscal year ends with a surplus and the reason for this is because many projects and infrastructure have not been implemented or because of the large number of fake projects, or because of the lack of planning and providing economic feasibility in the preparation and implementation of government projects or because of the rise in oil prices more than it was predetermined in the estimates of the general budget, or all of these reasons, as public expenditures in both parts (current and investment) have developed, as current expenditures accounted for the largest proportion of total public expenditures, as the average contribution of current expenditures for the duration (2004-2020) is approximately (77.8%) of the total public expenditures (note Table 1) as a result of the government's adoption of an expansionary spending policy, especially in the areas of health and education, as well as an increase in military spending, salaries and wages. It did not depend on the state of financial control of public expenditures by relying on other budget methods such as programs, performance or others. Table (1) shows the volume of expenditures in the public budget in Iraq for the duration (2004-2020) as follows:

Table (1) Public expenditures (current and investment) in Iraq for the duration (2004-2020)

year	current expenses	Compound growth rate of current expenditures	Contribution to the expenditure ratio	investment expenses	Compound growth rate of investment expenditures	Expense Contribution Ratio	Total overhead	Compound growth rate of total expenditures %
2004	18,993	18.2%	87.5%	2,701	35.9%	12.5%	21,694	21.0%
2005	18,424		87.7%	2,563		12.3%	20,987	
2006	23,802		93.1%	1,756		6.9%	25,558	
2007	26,071		83.2%	5,250		16.8%	31,321	
2008	43,840		77.7%	12,553		22.3%	56,393	
2009	39,265	-11.6%	82.6%	8,247	-52.2	17.4%	47,512	18.6
2010	46,650	9.6%	77.8%	13,293	21.1%	22.2%	59,943	14.2%
2011	52,073		77.3%	15,241		22.7%	67,314	
2012	64,998		72.0%	25,173		28.0%	90,171	
2013	67,535		66.1%	34,632		33.9%	102,167	
2014	64,597	-6.3%	68.4%	29,840	-17.4%	31.6%	94,437	9.4% -
2015	43,557		62.5%	26,034		37.5%	69,591	
2016	46,355		74.9%	15,469		25.1%	61,824	
2017	49,601		78.1%	13,836		21.9%	63,437	
2018	67,950		76.7%	20,550		23.3%	88,500	
2019	84,597		75.2%	27,800		24.8%	112,397	
2020	76,049		81.3%	17,431		18.7%	93,480	
average contribution			77.8%			22.2%		

the source : 1- The Iraqi Ministry of Finance, General Budget Department, different years for the duration (2004-2020). 2. The descent from the extraction of the researcher.

Table 1 data indicates that the period (2004-2008) witnessed a rise in total public expenditures with a compound growth rate of about (21.0%) due to the increase in citizens' incomes and the inflation of government spending (increased salaries and wages of civil and military employees) in addition to its link to a single rentier source (crude oil) more than other sovereign sources such as (taxes, fees and loans), and the compound growth rate of current expenditures during the same period reached about (18.2%) due to the high consumer demand due to the openness of foreign trade when the local production of the two sectors (private and government) did not meet the increasing domestic demand on various goods and services, and despite the fact that the compound growth rate of investment expenditures rose to (35.9%) for the same mentioned period. Its percentage to the total public expenditures in 2008 did not exceed (22.3%), and this percentage is considered very low compared to the ratio of current expenditures to total public expenditures, which amounted to (77.7%) for the same year, this indicates the inherent consumerism on the one hand, and the weakness of the investment environment on both its private and public sides and its impact on the negative conditions (from terrorism and financial and administrative corruption) that have passed the country on the other hand, as well as the lack of commitment to the rules of financial control in the process of government spending, especially after the abundance achieved in public revenues.

In 2009, the total public expenditures decreased to about (47.512) billion dollars compared to 2008, i.e. a decrease rate of (-18.6%) due to the financial and economic crisis that hit the world's economies, which led to a decrease in current expenditures to about (39.265) billion dollars. That is, by (-11.6%) of the total public expenditures for the year 2008, as well as the case for investment expenditures, which, due to their high flexibility in response, decreased by a greater percentage than the operational expenditures, to reach about (-52.2%) of the total expenditures. The total public expenditures increased in value from (59.943) billion dollars in 2010 to about (102.167) billion dollars in 2013, i.e. (14.2%) due to the high rate of compound growth of current expenditures to about (9.6%) during the same period, as a result of increase in salary. In 2009, the total public expenditures decreased to about (47.512) billion dollars compared to 2008, i.e. a decrease rate of (-18.6%) due to the financial and economic crisis that hit the world's economies, which led to a decrease in current expenditures to about (39.265) billion dollars. That is, by (-11.6%) of the total public expenditures for the year 2008, as well as the case for investment expenditures, which, due to their high flexibility in response, decreased by a greater percentage than the operational expenditures to reach about (-52.2%) of the total expenditures. As for the duration (2010-2013), the total public expenditures increased in value from (59.943) billion dollars in 2010 to about (102.167) billion dollars in 2013, i.e. (14.2%) due to the high rate of compound growth of current expenditures to about (9.6%) during the same period, as a result of an increase in the salaries of the three presidencies, in addition to the obvious waste of public money and its misplaced spending and without any studies of economic feasibility and evaluation of investment projects, which caused the loss of a great opportunity for development if this money was used to support the private sector and create the appropriate conditions to diversify the economy through the advancement of

the other non-oil sectors (industrial, agricultural and service sectors), as the compound growth rate of investment spending was about (21.1%), meaning that it rose from (13.293) billion dollars in 2010 to (34.632) billion dollars in 2013 of the total expenditures, but these expenditures are directed towards infrastructure more than other types of investment, and therefore these expenditures have become more supportive than they are producing or generating added values for all productive sectors.

While the period (2014-2017) witnessed a decrease in public expenditures on both sides (current and investment), the percentage of decrease was (9.4%) as a result of the decrease in both current and investment spending, as the percentage of the compound decrease was about (-6.3%) for current, and (-17.4%) for investment, due to the drop in world oil prices to about (36) d/b in 2016, in addition to rationalizing public spending and declaring a state of austerity in the country as a result of limiting public spending to a greater extent on militarizing and equipping the army and police with weapons and equipment to fight ISIS, in line with salaries and wages matters for government employees. In the last three years of the study period, the total expenditures amounted to about (88,500 - 112.397, 93.480) billion dollars, respectively, as a result of mechanically linking government spending to oil revenues, which caused permanent confusion in spending operations, especially since the country lacks proper management of the economy.

B - The side of public revenues: Oil revenues are dominant and dominant over the reality of public revenues in Iraq, due to the weakness of the tax system and the rampant corruption in most government's departments and institutions, especially in customs outlets, which caused an imbalance in the budget and deepened the rents of the Iraqi economy, as the fifth section from Law No. (95) of 2004 that guarantees the management of oil revenues, and that under this section, all extracted oil revenues and their derivatives are considered revenues to finance the general budget, with the exception of (5%) of oil export revenues go to the (Compensation Fund) in accordance with UN Security Council Resolution No. (1483) for the year 2003, and after the weakness that affected the non-oil sectors, the Iraqi economy turned from a relatively diversified economy to a one-sided economy that depends on oil rents at a rate of more than (93%) to finance the revenues of the general budget (Dadoosh, 2020: 190), and Table (2) shows the volume of oil and non-oil revenues in the general budget, as follows: -

Table (2) Public revenues in Iraq for the duration (2004-2020) billion dollars

year	Oil revenues	Compound Growth Rate of Oil Revenues %	Revenue Contribution Ratio	non-oil revenue	Compound Growth Rate of Non-Oil Revenues %	Revenue Contribution Ratio	total public revenue	compound growth rate %
2004	22.228	23.2%	97.9%	0,475	56.5%	2.1%	22,703	24.3 %
2005	26.516		96.3%	1,010		3.7%	27,526	
2006	31.548		94.3%	1,891		5.7%	33,439	
2007	40.415		92.2%	3,381		7.8%	43,796	
2008	63.127		93.3%	4,468		6.7%	67,595	
2009	40.047	-36.5%	88.1%	7,169		11.9%	45,407	57.6%
2010	53.044	15.0%	88.4%	6,937	-9.8%	11.6%	59,981	13.0%
2011	86.562		93.0%	6,435		7.0%	92,997	
2012	93.218		90.9%	9,240		10.1%	102,458	
2013	92.902		95.3%	4,576		4.7%	97,478	
2014 *	81.624	-9.5%	90.1%	8,902	3.7%	9.9%	90,526	8.0% -
2015	58.051		95.2%	2,912		4.8%	60,963	
2016	37.199		81.3%	8,523		18.7%	45,722	
2017	54.682		84.1%	10,306		15.9%	64,988	
2018	68.850	26.3%	88.8%	8.650		11.2%	77.500	
2019	78.551		89.0%	9.654		11.0%	88.205	
2020 *	42.000		78.5%	11.500		21.5%	53.500	

The source: 1- The Iraqi Ministry of Finance, General Budget Department, different years for the duration (2004-2020).

2- Percentages from the researcher's extraction.

From Table (2), we find that the total public revenues for the years (2004-2008) increased by a compound growth rate of about (24.3%) due to the increase in the proportion of oil revenues with a compound growth rate of about (23.2%), as a result of the increase in the price of Iraqi oil barrel to (87.9) d / b in 2008 after it was about (31.3) d / b in 2005, in addition to the increase in the percentage of non-oil revenues by about (56.5%), especially the revenues of customs taxes and fees out of the total public revenues.

In 2009, total public revenues decreased to about (45.407) billion dollars, i.e. (-57.6%) compared to 2008, affected by oil revenues - the largest percentage in public revenues - which decreased to about (40.047) billion dollars after it was about (63.127) billion dollars in 2008, i.e. (-36.5%) due to the global financial crisis, which caused a deficit in the public budget that amounted to about (2.105) billion dollars, and this is evidence of the link between local financial indicators and external crises. As for the duration (2010-2013), the improvement of global economic conditions after the financial crisis and the gradual rise in oil prices in international markets, as they reached more than (105) d/b and led to a rise in Iraqi oil revenues with a compound growth rate of about (15.0%), which was positively reflected on the total public revenues that rose its ratio for the same period mentioned to (13.0%), but the non-oil revenues decreased to (4.576) billion dollars in 2013 after it was (6.937) billion dollars in 2010, i.e. (-9.8%) of the total

public revenues, and that due to the low contribution of non-oil sectors and activities in revenue generation, especially the volume of taxes, which witnessed large exemptions during the mentioned period, which reflects the rentier Iraqi economy and the dependence of public revenues on the revenues of the oil sector, as the ratio of the oil sector to the total public revenues reached about (95.3%) during 2013, which were not exploited the least estimate in establishing a sovereign fund for the financial abundance achieved, paving the way for the process of financial discipline in the country.

The period (2014-2017) witnessed the instability of global oil prices due to the recession that hit the world's economies at the beginning of 2014, which was reflected in the decline in global economic growth, as the price of a barrel of global oil decreased from (96.2) to (49.3) d/b between 2014 and 2017, the percentage of the compound decrease in oil revenues amounted to about (-9.5%) for the duration (2014-2017), which reflected negatively on public revenues, so its percentage decreased to about (-8.0%) for the same mentioned period, for several reasons, including the war with the organizations. The terrorist organization (ISIS) and its occupation of the third area of Iraq, especially some of the lands that contain crude oil wells, and despite the achievement of non-oil revenues, there was a rise in their percentage, as it reached a compound growth of about (3.7%), but it did not reach the level that makes it a substitute for oil revenues, which indicates that the state's economy is still one-sided, in addition to the fact that the private sector did not take its role in financing the general budget of the government due to the challenges and exceptional circumstances that the country is going through, and that oil revenues, despite their low prices globally, still constitute the percentage bigger than the total public revenues. As for the years 2018 and 2019, the public revenues recorded a significant increase, amounting to about (77.500 and 88.205) billion dollars, respectively, with a compound growth rate of (26.3%) over 2017, as a result of the improvement in international oil prices and the increase in the export capacity of Iraqi crude oil to more than (4000) m / b, including the share of the Kurdistan region of about 250 thousand barrels, which achieved a relative recovery in the economic activity in the country after the (oil - military) crisis in 2014, which imposed on Iraq a state of austerity at that time, but in 2020 Total revenues decreased to about (53.500) billion dollars, as a result of the decline in oil revenues to about (42,000) billion dollars as a result of the outbreak of the Corona virus and the closure of global markets from conducting its business and commercial activities, as well as the closure of travel operations between the countries of the whole world.

2- The deficit/surplus indicator in the general budget

Financing the activities of government administration and public services and maintaining and developing the economic and social infrastructure are among the important functions that are included in the general budget, which can be inferred by tracing the path of the general budget and the deficits or surpluses it witnesses, and table (3) shows this as follows:

**Table (3) The deficit/surplus in the general budget for the duration (2004-2020)
billion dollars**

year	total expenses	total revenue	surplus/deficit
2004	21,694	22,703	1,009
2005	20,987	27,526	6,539
2006	25,558	33,439	7,881
2007	31,321	43,796	12,475
2008	56,393	67,595	20,083
2009	47,512	45,407	(2,105)
2010	59,943	59,981	0,38
2011	67,314	92,997	25,683
2012	90,171	102,458	12,287
2013	102,167	97,478	(4,689)
2014*	94,437	90,526	(6,792)
2015	69,591	60,963	(8,628)
2016	61,824	45,722	(10,637)
2017	63,437	64,988	1,551
2018	88,500	77,500	(11,000)
2019	112,397	88,205	(23,770)
2020 *	93,480	53,500	(39,980)

The source :Iraqi Ministry of Finance, General Budget Department, different years for the duration (2004-2020).

We note from Table (3) that the general budget achieved a financial surplus for the duration (2004-2008) amounting to about (35.512) billion dollars, due to the rise in international oil prices, which helped to raise the proceeds of oil revenues generating public revenues in the country, which strengthened the accumulated reserves. In 2009, the general budget achieved a deficit of (2.105) billion dollars due to the global financial crisis and global economic recession, which led to the decline in crude oil prices that finance public revenues, and the misunderstanding and lack of reliance on macroeconomic analysis, especially in the application of the rules of financial discipline, in addition to the confusion in the Iraqi government due to the deficit, which led to the renewal of the agreement with the International Monetary Fund in order to obtain loans that have no significant need, which led to the deepening of economic dependence on the Fund and interference in the internal affairs of the country. As for the duration (2010-2012), it witnessed achieving a financial surplus of about (38) billion dollars as a result of the rise in international oil prices and its breach of the (100) d/b barrier, but these surpluses were wasted as a result of unthoughtful spending plans of an operational nature. Why (increasing salaries and wages and favoritism to stay in the sovereign positions of the government at the time), and not establishing a sovereign fund similar to other rentier countries. As for the duration (2013-2016), the double shock of economic stagnation, low global oil prices and high government spending on the war with ISIS led to the imbalance of the general budget and the occurrence of a state of deficit in it, and after the improvement of oil prices in 2017, the budget achieved a financial surplus of about 1.551 billion dollars, so that the budget returned and recorded a financial deficit in the last two years of the study period, and that - in addition to the aforementioned reasons - due to the lack of the existence of an administrative body at a level of knowledge, development and guidance to deal with the economic situation, the

spread of financial and administrative corruption in most parts of the state and other political factors that negatively affected the Iraqi economy.

From the foregoing, we conclude that the Iraqi economy is unilateral, that is, it depends on one commodity (crude oil) in financing the general budget, which reaches an average of (93%) of the total public revenues, which means the dependence of the national economy abroad, affected by the changes that obtain oil prices in global markets, which caused the deficit in the general budget and thus the lack of financial discipline.

3- Public Debt Index (internal and external)

The rise in the internal public debt in relation to the national income and its continuous increase reflects the extent of the increasing difficulties facing the state in obtaining funds in order to finance public spending, especially if the state is unable to exploit the economic surplus and mobilize domestic savings, and the internal public debt consists of a group of Treasury transfers, which are a form of inflationary financing, and that most of the Iraqi internal public debt belongs to the banking system, as the Iraqi government relies importantly on internal debt to finance the growing deficit in the public budget, and the Iraqi government has issued many bonds and transfers that are increasing After 2004, and Table (4) shows the size of the public debt in Iraq for the duration (2004-2020), as follows:

Table (4) The volume of public debt and foreign reserves in Iraq for the duration (2004-2020)

Year	internal public debt (billion dinars)	Compound growth rate of internal debt %	external public debt (Billion dollar)	External debt compound growth rate %	The price of a barrel of oil in dollars	The size of the foreign reserve (Billion dollar)
2004	6.398	-4%	128.02	-19%		7.823.980
2005	6.594		71.280		45.56	13.501.58
2006	5.645		58.532		55.61	19.100.33
2007	5.194		58.902		66.73	31.403.21
2008	4.456		44.452		87.93	50.100.92
2009	8.504	12.9%	44.685	-0.6%	59.44	44.335.74
2010	10.714		60.900		75.61	50.622.97
2011	12.294		61.000		104.98	61.034.98
2012	11.536		60.300		106.02	70.327.02
2013	13.078		59.300		102.27	77.743.19
2014	19.958	27.0%	58.100		91.63	65.365.52
2015	31.977		66.100		44.74	53.139.06
2016	47.055		63.900		36.98	44.516.00
2017	48.749		39.018	15.8%	59.30	48.499.08
2018	43.954		40.862		72.09	56.987.11
2019	38.910		68.000		74.50	63.654.765
2020	66.255	70.230	39.42		57.000.55	

The source :1- Central Bank of Iraq, Annual Statistical Bulletin for the duration (2004-2020). 2- The compound growth was extracted by the researcher.

We note from Table (4) that the internal debt decreased during the period from (2004-2006) with a compound growth rate of about (-4%), and then returned to decline in the years (2007 and 2008) bringing the volume of the internal debt to about (5.194 and 4.456) billion dinars. Respectively, this decrease is due to the improvement in Iraq's oil revenues and the decrease in the size of the deficit in the public budget. During the years (2009-2011), the volume of the internal public debt increased to about (12.294) billion dinars in 2011, i.e. a compound growth rate of about (12.9) %), to return again to the decline in 2012 to about (11.536) billion dinars, and the reason for this is due to a significant increase in oil prices and the financial abundance witnessed by public revenues, which reflected positively on the state of public finances in Iraq, as prices rose oil is about (107) dollars per barrel, but during the period (2012-2017), the internal public debt started to rise, as the compound growth amounted to about (27.0%). From mid-2014, which was represented by a decline in oil prices, which reached its lowest level in 2014 b about (36) dollars per barrel, as well as the control of terrorist organizations over large areas of Iraq and the subsequent military operations with increased military spending, which has burdened the Iraqi public budget, as the Iraqi Ministry of Finance has continued since 2014 its financial policies in financing the large deficit through internal borrowing in the public budget until the year 2020 as well as through the issuance of bonds and treasury transfers (Al-Hathal, 2020 6), if the balance of the internal public debt during the year 2020 reached about (66.255) billion dinars, due to the increasing government spending - non-development - and in favor of financing electrical projects and the expenses of military operations, as well as the entry of government banks to purchase treasury transfers, which led to the further expansion of the issuance of these transfers from the deficit in the government's general budget.

As for the external public debt, the reasons for its aggravation are due to the conditions that Iraq was exposed to before 2003 as a result of the succession of wars and then the economic blockade and Iraq's economic inability to control the volume of debt and the benefits arising from its origin, most of which were directed to finance military spending and after that Iraq entered a series of long negotiations with the countries of the Paris Club and the International Monetary Fund in an attempt to extinguish the external debt as it is accumulated debts for military purposes and not for development, and therefore the Iraqi success in settling approximately (80%) of them if it is estimated at 129 billion dollars. The external debts in Iraq are classified into the following :- (Kadhim and Alwan, 2020, 349)

- The debts of the Paris Club, which include (18) creditor countries, whose debts are estimated at about (51.6) billion dollars.
- The debts of countries that are not members of the Paris Club, whose debts were estimated at about \$18.3 billion.
- Commercial creditors (debts of the foreign private sector) whose debt amounted to 19.2 billion dollars.
- Excluding the Gulf States (Saudi Arabia, Qatar, Kuwait and the UAE); the total debts of the first three countries are estimated at 39 billion dollars, while the UAE was estimated at 7 billion dollars, but it dropped it on its own initiative.

We find through Table (4) that the volume of the external debt amounted to about (128.02) billion dollars in 2004, then it decreased in 2008 to (44,452) billion dollars, i.e. a decrease of about (-19.0%) and the fluctuation of the external debt continued between the rise and the decline during the subsequent years, and despite the improvement in the financial capacity of the Iraqi government for the years (2010-2013) as a result of the increase in oil revenues resulting from the increase in the price of oil, it did not change, as the compound external debt growth rate reached about (0.6%) compared to previous years. , because it did not seize the opportunity to develop solutions to the problem of the external debt or reduce its size, which constitutes a burden on the Iraqi economy, especially the increase in its service, which is an obstacle to the advancement of the infrastructure and the reduction of poverty levels in it, and it is also clear - through Table (4) that the external debt has increased in 2011 compared to what it was in 2009 due to the difference in the exchange rates of the dinar against the dollar, and then began to decline after 2013 as a result of settling the debts of the countries of the Paris Club and outside the Paris Club, as the amount of external debt amounted to (58.100) billion dollars in 2014, then to rise during the term (2017 -2020) with a growth rate of about (15.8%) as a result of the government facing additional pressures represented in (financing military spending due to the deterioration of security, funding the salaries of employees, the large expenses resulting from housing the displaced population from their homes that were the battleground of military operations, as well as the employment policy government and the increasing number of employees in the public sector. Thus, it can be said that we are facing a state of financial indiscipline for the aforementioned reasons.

3- 2 Apply the financial rules used to measure financial discipline

Maximizing economic resources in Iraq is something that is difficult to achieve in the short term, and the most appropriate alternative is to achieve financial discipline, which is less or violent than financial austerity. It is dangerous to resort to imposing fees or taxes with collective prejudice, maximizing in the long term is based on diversifying facilities. The economy is inevitably income-generating, so there is not enough flexibility in the economy in the short term other than achieving financial discipline and avoiding indulging in borrowing or debt, meaning that the degree of sufficiency of the return on the expenditure itself is raised compared to the cost of collecting the corresponding revenue; it is not reasonable for Iraq to borrow ,for example, to allow itself to spend on current expenses at high capacities, such as covering the costs of officials' cars or the expenses of dispatching them or many others, without setting precise controls for exchange and disposal operations and reducing the stages of many unnecessary public spending chains, which means setting priorities for each expenditure and studying the cost of collecting alimony. It studies its returns, as if accessing performance budgets and programs for operating budgets indirectly. The importance of financial discipline lies to a large extent in promoting growth in the long run. This is because curbing the deficit and achieving a surplus in the budget is a form of saving, and its rise increases the assets owned and the national income rises in the future, and in order to achieve financial control and correct imbalances in the Iraqi economy, the matter requires working in accordance with the rules of financial control, which is shown in Table (5)) as follows:-

Table (5)
Financial discipline in Iraq for the duration (2005-2020)

Year	GDP (billion dollars)	Expenditures / GDP (30 -35%)	Budget deficit / surplus / GDP 3%	Public debt / GDP 60%
2004	70.217	29.9	9.3	108.9
2005	74.244	34.4	10.6	83.5
2006	88.408	35.4	14.1	69.4
2007	101.180	55.7	19.8	45.9
2008	107.228	44.3	1.9 -	45.6
2009	114.018	52.6	0.33	60.6
2010	122.698	54.9	20.9	58.1
2011	140.221	64.3	8.7	50.3
2012	150.659	67.8	3.1 -	45.8
2013	147.564	63.9	4.6 -	50.0
2014	155.014	44.9	5.5 -	58.7
2015	176.436	35.0	6.0 -	55.9
2016	177.219	35.8	0.8	44.6
2017	215.604	41.0	5.1	32.8
2018	234.371	47.9	10.1	41.0
2019	212.594	43.9	18.8	54.1
2020	70.217	29.9	9.3	108.9

The source : From the researcher's extraction based on the laws of financial discipline rules and the data of the tables above.

Table (5) shows the permissible ratios for each of the financial rules, and the extent to which they can be applied in the Iraqi economy during the period (2005-2020), and we find that Iraq's indicators have exceeded the permissible limit, with the exception of the rule of public debt to GDP, which is explained at a rate of (60%) as stated in the Maastricht Treaty, as there are some international financial institutions or agencies that calculate the dues of foreign companies operating inside Iraq, as well as the import of electricity and gas within the public debt, and this is not true, because these are settled annually in the general budget and funds are allocated to them. There are two types of debt:

The first type went to fill the deficit in the financial budget, specifically during the two years (2015-2016) due to the increase in military spending to liberate lands from terrorist organizations (ISIS), which was accompanied by a financial crisis as a result of low oil prices, which made the state go to borrow to fill the deficit in the operational budget to secure employee pensions, war costs, and more.

The second type went to investment projects for development, which are the loans of the International Monetary Fund, the World Bank, the Japan International Cooperation Agency "JICA" and others, and that Iraq began paying the dues and interests of the loans in 2018, and it is expected that it will finish its foreign loans during the next decade, because the loan period ranges between five and seven years, while the internal loans have a very short period, and they are settled annually.

As for the expenditures-to-GDP indicator, it exceeded the permissible limit, which is (30-35%), as determined by the economist (Karras) in 1996 (Al-Ani, 2018, 9), and it rose to significant levels, especially during the period (2010-2014).) as a result of the increase in the volume of current (unplanned) government spending as a result of the increase in the number of government employees and the increase in salaries and wages, especially the salaries of special grades and the three presidencies,

The indicator of surplus/deficit to GDP, which shows the activities of government administration and public services and the development and maintenance of infrastructure in various sectors and activities, is one of the direct functions of the public budget, which can be inferred by tracing the path of the general budget that achieved a surplus during the period (2005-2008) at an average rate of about (13.4%), which is greater than the percentage specified by about (3%), and therefore this indicates the existence of an imbalance in the general budget, and that the size of the surpluses was not directed to investment projects and was not planned to be placed within the sovereign funds; as for the years in which the percentage was negative, it has been directly affected by crises. In 2009, the general budget was affected by the financial crisis that swept all countries of the world and the budget achieved a deficit due to the decrease in the volume of oil revenues. As for the duration (2014-2016), the general budget was affected by the compound shock of the drop in oil prices and the occupation of terrorist organizations for a number of Iraq's governorates, which led to an increase in government (military) spending at the expense of public revenues, as for the duration (2017-2020), the ratios were within the indicator, due to financial abundance and achieving ratios, that t is permissible within the investment projects, so the percentage increased on average during the period (2018-2020) to about (11.3%), as a result of the country's impact on the financial and health crisis.

We conclude from the above that Iraq suffers from a policy of financial indiscipline, as a result of the absence of special financial rules governing the volume of spending and public revenue, which has exacerbated the state of financial deficit in the public budget, which is directly financed through public debt (internal and external), and the stability. The relative exchange rates and inflation rates in Iraq are largely due to the size of the foreign reserves with The Central Bank of Iraq, which helped to achieve stability in exchange rates and the general level of prices. Otherwise, the exchange rates and inflation rates would have risen dramatically, which is difficult to control, and this is evidence even after the decision to raise the exchange rate to 1450 dinars against one dollar; the exchange rates rose and reached more than 1500 and had it not been for the intervention of The Central Bank by pumping more foreign currency to cross the exchange rate barrier of 1600 dinars against the dollar.

4- Analysis of the Iraqi dinar exchange rate path after 2003

4-1- The reality of the exchange rate in Iraq for the duration (2005-2020)

The exchange rate in the Iraqi economy is determined according to the mechanism of supply and demand, with control and supervision by The Central Bank, due to its importance, as it was adopted by the monetary policy as a nominal anchor, which is determined by (the foreign currency sale window) for the purpose of achieving the stability of the general level of prices and reducing inflationary pressures. The effect of the exchange rate through the window of selling foreign currency as one of the monetary policy methods is to achieve the stability of aggregate demand, which leads to the stability of the general level of prices and the reduction of inflation rates by controlling liquidity levels and direct impact on the monetary mass. Thus, the start of the adoption of the currency auction at the end of 2004 has significantly mitigated the large fluctuations in the exchange rate of the dinar that characterized the Iraqi economy before 2003 following the adoption of the fixed exchange rate system, and that the improvement in the exchange rate was directly caused by the increase in foreign reserves with The Central Bank as a result of the operations of monetizing oil revenues for the government, which is the only source of foreign currency (Dagher and Mahos, 2015, 279) as shown in Table (6):

Table (6) The exchange rates of the Iraqi dinar per dollar; the official and parallel for the duration (2005-2020)

Year	Official exchange rate (central bank)	Parallel exchange rate (market price)	Parallel exchange rate growth rate
2004	1469	1472	-----
2005	1467	1475	0.20
2006	1255	1267	14.10-
2007	1193	1203	5.05-
2008	1170	1182	1.75-
2009	1170	1186	0.34
2010	1170	1196	0.84
2011	1166	1233	3.09
2012	1166	1232	0.08-
2013	1188	1214	1.46-
2014	1190	1247	2.72
2015	1190	1275	2.25
2016	1190	1258	1.35-
2017	1190	1253	0.39-
2018	1190	1255	0.15
2019	1190	1257	0.15
2020	1469	1472	-----

The source : Central Bank of Iraq, Directorate of Statistics and Research, Annual Statistical Bulletin for the duration 2005-2020. * Column (3) was prepared by the researcher based on the data in the table.

We note from Table (6) that the value of the exchange rate improved with The Central Bank obtaining its independence under Law (56) of 2004 and the monetary authority's adoption of the foreign currency auction policy for the purpose of preserving the value of the Iraqi dinar (Darwish and Abdul Razzaq, 2018, 42), as the price of the official exchange rate in 2005 was about (1469) dinars, while the parallel exchange rate amounted to about (1472) due to the increase in demand for the dollar, which is due to the bad security conditions and the failure of the Ministry of Commerce to supply agents with the ration card materials forcing traders to import necessary goods from abroad. In 2006 with a growth rate of (0.20%) compared to 2005 due to the high pace of bad security conditions, then its relative stability returned in (2007-2008) when the exchange rate in the parallel market reached (1267, 1203) respectively due to the rise in oil prices and the increase in foreign reserves with The Central and Official Bank; it amounted to (1255, 1193), and for the duration (2009-2011), the exchange rate in the market reached (1182, 1186, 1196) dinars, respectively, that is, it did not exceed (1200) dinars, and the reason for its decline in 2008 is due to the repercussions of the global financial crisis and the low economic growth rate the global exchange rate, which affected the exchange rate, then returned to rise at a slight rate of about (0.34%) in 2010 than it was in 2009, but in 2012 and beyond, it witnessed a rise that exceeded (1200) dinars, as it reached in 2012 about (1233) dinar in the parallel market with a growth rate of (3.09%) as a result of the increase in demand for the dollar in the local market as a result of the exit of the US forces, while the official price recorded about (1166) dinars, while the years 2014 and 2015 witnessed relative stability and a growth rate of (1.46%). For the year 2014, following the Central Bank's limitation of buying and selling operations of the dollar to curb speculative operations in the market and combating money laundering, until the end of 2019 reached (1258) dinars-dollars in the parallel market and the official price is (1,190) dinars-dollars. The gap between the official and parallel exchange rate to political interference in the policy of the Central Bank through the legislation of Article (50) in the Federal Budget Law for 2015 and the drop in oil revenues.

4-2- The relationship between the exchange rate, the currency window, foreign reserves, and fiscal discipline

The currency auction is the main foreign exchange market in Iraq, which occurs in the exchange rate of the Iraqi dinar against the US dollar and then the rest of the other currencies. As it is known that the currency auction began to work at the end of 2004 until the present time, and The Central Bank aims to control the money supply or offer the Iraqi dinar and local liquidity in order to reduce inflation, as the general level of prices in Iraq is directly related to the exchange rate of the dinar, and the currency auction achieves a set of goals, including: - (Abbas, 2017, 24)

- Achieving the stability of the Iraqi dinar exchange rate directly and the stability of inflation rates, i.e. targeting inflation through targeting the exchange rate.
- It is a means of applying indirect tools in managing liquidity in the Iraqi economy and controlling its levels.

- Unifying the Iraqi dinar exchange rates after they were unequal between the official and parallel exchange rates before 2003.
- Providing foreign exchange to local banks so that they can open credits, letters of guarantee and external transfer.

Also, The Central Bank performs two types of dollar sales in the auction. The currency (the first) is remittances abroad to finance the import of private sector entities. The (second) cash sale is to meet the demand of the Iraqis (the local demand) for the dollar for the purposes of tourism, travel, treatment, study and others, and the window is considered the central market in Iraq, through which The Central Bank satisfies the local need for the dollar, thus achieving homogeneity in the exchange market mechanism throughout Iraq, and therefore the official exchange rate is the price announced in the window and represents the selling price of the dollar to banks and authorized transfer companies, while the parallel price represents the market price, which is the price at which banks and companies sell the dollar transfer to traders and other dealers, meaning that it is a price based on the laws of supply and demand, and through the window price signal, the central bank tries to influence the market price and achieve the goals of the window.

It follows from the foregoing that the relative stability in the exchange rate was at the expense of the depletion of foreign reserves, which means the need to follow a policy of financial discipline to gradually reduce dependence on the currency window, and the exchange gap is the difference between the window price and the market price, if the foreign currency displayed in the window is less on the demand for it, its price in the market increases, leading to an increase in the gap between the official price and the market price, which negatively affects the value of the dinar and weakens confidence in it. Time enhances the exchange rate of the Iraqi dinar, and there is no doubt that The Central Bank has applied the managed float policy since 2004 until now in order to adjust the economic rhythm and enhance the stability of the exchange rate of the dinar, as for the dollar in particular and the rest of foreign currencies in general, and Table (7) shows the mutual relationship as follows:-

**Table (7) The Central Bank of Iraq's
foreign currency sales during the period (2004-2020) million dollars**

year	remittances	Cash	Total sales	The size of the foreign reserve	Compound growth rate of foreign reserves %
2004	--	--	--	7.823.980	44.9%
2005	--	10.462	10.462	13.501.58	
2006	--	20.605	20.605	19.100.33	
2007	--	15.980	15.980	31.403.21	
2008	--	25.869	25.869	50.100.92	
2009	29.421.081	4.569.310	33.992.394	44.335.74	-11.5%
2010	36.067.234	2.192.798	38.260.032	50.622.97	11.3%
2011	39.800.539	1.457.575	41.258.114	61.034.98	
2012	44.809.995	3.655.091	48.465.086	70.327.02	
2013	41.449.782	12.338.385	53.838.167	77.743.19	
2014	37.165.470	14.562.990	51.728.460	65.365.52	
2015	38.315.055	5.989.011	44.404.321	53.139.06	1.8%
2016	28.832.527	4.689.646	33.522.173	44.516.00	
2017	31.375.025	9.352.300	40.727.325	48.499.08	
2018	31.273.369	7.765.310	39.038.679	56.987.11	
2019	32.543.900	11.686.270	44.230.170	63.654.765	
2020	30.200.750	8.370.199	38.570.949	57.000.55	

Source: Central Bank of Iraq, annual statistical bulletins, different years (2004-2020).

Continuing to operate the currency window derived from crude oil revenues for Iraq, and for fear of not depleting the foreign reserve balance with The Central Bank, the legislative authority decided, through the Finance Committee, to determine the ceiling of dollar sales, and the law approved this, as Article (50) of the Federal Budget Law stipulates for the year 2015 provided that The Central Bank is obligated to limit its sales of foreign currency in its daily auction with a ceiling not exceeding (75) million dollars with fairness in the sale process, and the bank participating in the auction is required to submit documents of goods entry, tax accounting data and customs entry within a period of (30) days from the date of its purchase of the amount, and ,otherwise, the bank shall be subject to penalties stipulated previously in the Law of The Central Bank of Iraq (Al-Mamouri, 2018, 60). We also note that foreign reserves represent assets of various foreign currencies, including foreign bonds with a credit rating, and foreign exchange deposits with fixed returns and cash gold kept with The Central Bank, and in the economy of Iraq, the volume of foreign reserves, whether the rise or fall, is linked to oil revenues, as well as the ranking I, as decided by the state, which is represented by the Ministry of Finance, using those returns, so we find that the growth of the foreign reserve with The Central Bank of Iraq is a result of the increase in oil prices and the revenues generated from its export (Hodan, 2015, 175).

We note from Table (8) the development of the size of the foreign reserve during the study period (2004-2020), so it starts to rise from 2004, as the volume of foreign reserves reached a compound growth rate of about (44.9%), as the price of a barrel of oil in global markets was about (87.93) dollars, up from 2007, when the price of a barrel of oil reached about (\$66.73), then the volume of foreign reserves decreased in 2009 as a result of the drop in the price of a barrel of oil to (59.44) dollars, bringing the volume of foreign reserves to (44,335.74) million dollars, with a negative growth rate of -11.5 percent (Kadhim and Alwan, 2020, 67).

The volume of foreign reserves rose again during the period (2010-2013), as it rose by about (11.3%) due to the increase in oil prices, which amounted in 2013 to about (102.2) dollars, and the foreign reserve recorded its highest level during the research period to reach (77,743.19) million dollars in 2013, but in 2014, it decreased significantly as a result of the drop in the price of a barrel of oil to (91.63) dollars, and the volume of foreign reserves, according to this decrease, reached (65,365.52) million dollars, and this is attributed to the deterioration of the security situation and the requirements for financing operations of the military's control over terrorist organizations after its control over most of the oil fields, and the volume of foreign reserves continued to decline for the duration (2015-2020), as it decreased to (63,654.765) billion dollars in 2019 to about (57) billion dollars in 2020, i.e. a decrease in about (1.8%) during the mentioned period, due to the deficit in the public budget as a result of the increase in the phenomenon of unplanned operational spending (absurd or for political purposes), especially in the last two years of the study period (Ashour, 2021, 23).

5- Conclusion and Further Work

Prove the hypothesis

The hypothesis was accepted that a disciplined fiscal policy by adhering to the rules of fiscal policy would enhance the stability of the exchange rate. The objectives of the research that were set have been achieved as the financial rules that achieve financial discipline have been identified and the negative repercussions of weak financial discipline on the exchange rate have been identified.

- Conclusion:

- 1- The issue of financial discipline is one of the most important topics that have received wide attention in many developed countries, in order to manage the government sector in a better way through which we can achieve the required economic and development goals at the local and external levels.
- 2- Financial discipline also expresses the state of optimal balance between expenditures of the government and its revenues, since there is no financial discipline, government spending exceeds revenues, which leads the government to borrow money or resort to financing the deficit from the central bank, which leads to a decrease in the value of the national currency and creates inflation in the economy.

Through the financial rules, we can add an important aspect, which is to correct the economic imbalances and reduce the unplanned spending process, especially in times of economic prosperity, thus reaching a state of not resorting to borrowing that causes the financial deficit in the general budget.

3-The expenditure index to GDP exceeded the permissible limit, which is (30-35%)

4- Non-compliance with the specified percentage of the deficit and surplus by about (3%), and thus this indicates an imbalance in the general budget.

5- Iraq's dependence on oil, as well as external and internal borrowing to finance the general budget, has generated important deficits that negatively affected the rise of the Iraqi economy, and consequently led to a great danger to foreign reserves due to fluctuations in oil prices, as well as resorting to foreign reserves to bridge the deficits, which may threaten to deteriorate exchange rates and the impact on the monetary basis, and thus the Iraqi economy was exposed to major economic problems. The relative stability in the exchange rate was at the expense of the depletion of foreign reserves, which means that it is necessary to follow a policy of financial discipline to gradually reduce dependence on the currency window.

6- Reliance on oil revenues in the formation of foreign reserves is not good, and this reflects negatively on the imbalance in the stability of the Iraqi economy.

7- Therefore, the income constituting foreign reserves must be expanded and varied because of its importance because it is a cover for the exported currency and also as a tool for stabilizing exchange rates and also as an investment method you get a return on your investment.

-Further Work

1- Acceptance of the study hypothesis that following a disciplined financial policy by adhering to the rules of fiscal policy will enhance the stability of the exchange rate in Iraq, and maintain acceptable rates of inflation, which contributes to promoting economic growth.

2 - Working with indicators of financial discipline in a way that secures the ratios approved by those indicators, as maintaining the ratios allocated to each indicator will contribute to the advancement of the Iraqi economy.

3- The necessity of switching to electronic government (e-governance), which aims to achieve financial discipline within the country and enhance the Iraqi dinar exchange rate in the service of non-oil sectors such as industry and agriculture, as well as enhancing competitiveness in the volume of Iraqi exports.

4- The necessity of adhering to the rules of financial discipline to maintain the exchange rate and reduce dependence on the currency window that drains foreign reserves.

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فاعلية مؤشرات الانضباط المالي في تعزيز سعر الصرف مع إشارة خاصة للعراق

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مستخلص البحث:

تعد السيطرة على النفقات العامة من الأهداف الاساسية للموازنة العامة وغالبا ما تعاني الموازنة العامة من العجز سواء في الدول المتقدمة او النامية لان النفقات عادة ما تكون أكبر من الإيرادات المتحققة، ذلك يتطلب وجود قواعد مالية يتم الالتزام بها من قبل الحكومة والتي تؤدي بدورها الى حدوث انضباط مالي في السياسة المالية مما يؤدي الى تقليل الالتزامات الملقاة على عاتق الحكومة. ان الالتزام بالقواعد المالية من شأنه ان يصحح مسار السياسة المالية في العراق مع ضرورة توجيه الإيرادات النفطية في سنوات الوفرة المالية عند ارتفاع أسعار النفط العالمية الى صناديق سيادية على غرار الدول الريعية الأخرى وهو ما يساهم في المحافظة على استقرار سعر الصرف وتقليل الاعتماد على البنك المركزي والذي يقوم بعمليات التعقيم النقدي لتعقيم الآثار السلبية الناتجة عن عدم انضباط السياسة المالية مما يؤثر سلبا على الاحتياطي من العملة الأجنبية واستنزافها , ان الاستنتاج الرئيس الذي توصل إليه البحث يتمثل بوجود حالة من عدم الانضباط المالي انعكس سلبا على سعر صرف الدينار العراقي وان محاولات البنك المركزي العراقي قد عملت بشكل جزئيا على الحد من الآثار السلبية للسياسة المالية التوسعية، وان التوصية الرئيسة للبحث تمثلت بالعمل على تحقيق المزيد من الانضباط المالي في السياسة المالية من أجل المحافظة على استقرار سعر الصرف وتقليل الاعتماد على سياسة التعقيم النقدي من قبل البنك المركزي وما يرافقها من استنزاف للعملة الصعبة.

المصطلحات الرئيسة للبحث :- (الاقتصاد العراقي ، مؤشرات الانضباط المالي ، سعر صرف الدينار العراقي) .