

The role of government spending in sustainable human development indicators in Iraq

Asst. Prof. Dr. Diao Hussein Saud
University of Diyala / College of
Administration and Economics
diaaeco@uodiyala.edu.iq

Received: 05/03/2026

Accepted: 05/06/2026

Available online: 30/06/2026

Corresponding Author: Diao Hussein Saud

Abstract: The importance of this research stems from the crucial role of government spending components in influencing economic growth. Public spending is not limited to its total size alone, but extends to its distribution between consumption and investment spending. The Iraqi economy suffers from clear structural imbalances and fluctuations in economic growth rates as a result of its heavy reliance on oil revenues, in addition to the dominance of operational and consumption expenditures at the expense of investment expenditures within the structure of government spending. This has negatively impacted the achievement of economic growth. Therefore, the structure of government spending in Iraq is characterized by imbalance, with current expenditures dominating at the expense of investment expenditures, reflecting a consumerist nature of public spending. Therefore, it is recommended to rationalize government spending in its two aspects: current expenditures by halting the increase in employment in the public sector, and investment spending in productive sectors in order to diversify sources of income and support economic growth rates.

Keywords: : government spending, current spending, investment spending, human development, sustainable development .

1.Introduction:

During times of economic and financial crises, the issue of government spending becomes a major focus. Increased restrictions on government funding, a lack of liquidity in financing channels, and financial market instability can all lead to increased production and, consequently, expanded spending. This expansion will be achieved by minimizing the waste of public funds and ensuring their allocation to achieve the greatest possible public benefit at the lowest possible cost.

Among the discussions in this regard is the crucial role of government spending in supporting and sustaining human development (such as health, education, and basic services). The question then arises: what is the most objective and credible interpretation of the Iraqi economic philosophy and its evolving priorities since 2003, as reflected in the trends of the federal budget. Given the financial crisis that is sweeping the global economy as a result of the Corona pandemic and the Great Lockdown measures, and the repercussions of this crisis on the Iraqi economy as a result of the deterioration of global oil trade, discussions are escalating in the field of rationalizing spending and its efficiency and raising it. Because the general budget depends on oil and its revenues at a rate estimated at (90%) after 2003 and the years that followed, then in the external shock or

deterioration in oil and its sales, it will affect the petroleum revenue of the state budget, and therefore the lack of clarity for the designers and implementers of the general budget in collecting the revenues required to cover the public expenditures and its items, and to support the poor classes and compensate the affected and others.

2. Research Problem:

During the past decade and a half, crises and shocks have taken hold of the Iraqi economy, starting with the global economic crisis of 2008-2009, passing through the double shock of 2014-2017, and reaching the incident of 2020-2021 as a result of the Corona pandemic, and its repercussions that are still ongoing and from which the Iraqi economy is suffering, which constituted a double shock. It becomes urgent to answer the question in this field about the important role of government spending in supporting development or helping the segment with limited income, or supporting the entities that defend its internal and external security.

3. Research hypothesis :

Giving a role to government spending in sustainable human development indicators (education, health, public services) will increase efficiency and productivity .

4. Research Objective:

It is about focusing on the arrangement of the economic sectors and state ministries that receive the highest allocation of government spending compared to their counterparts, and determining the priority of government spending in its two aspects (current and investment), as well as working on focusing on allocating compensation to employees between ministries, and determining which official institutions are the most attractive for employment through salary coefficients, so what is the reflection and change of government spending priorities on human development and its sustainable programs in Iraq.

5. Importance of the research:

The importance of the research stems from the crucial role of the components of government spending in influencing the achievement of economic growth. The role of public spending is not limited to its total size, but extends to include its distribution between consumption and investment spending, and the resulting different repercussions on aggregate demand and productive capacity in the short and long term. Likewise, the importance of this topic increases in Iraq in light of the great dependence on oil revenues and the accompanying economic and structural fluctuations that affect the stability and sustainability of growth.

6. Research Structure:

The research consists of three axes. The first axis includes a theoretical framework for government spending. The second axis addresses a theoretical framework for sustainable human development. The third axis focuses on the role of government spending in achieving sustainable human development, employee compensation, and how it is distributed among various ministries, as well as the impact this has on the achieved and desired levels of human development.

7. Research Methodology:

The researcher relied on the descriptive approach in both the theoretical and practical aspects of the research. He also adopted the analytical approach of statistics and data for the financial phenomenon under investigation.

First Axis: A Theoretical Framework for Government Spending

First: The Concept of Government Spending

Many countries around the world seek to achieve their desired economic progress and development in all aspects of life. Therefore, the government's policy largely reflects the objectives set by the government, which seeks to advance the local economy, drive development, and achieve economic stability. There are several concepts related to government spending, including that public expenditure is a sum of money used by the state or a public institution it establishes from its own funds with the intent of satisfying a public need (Al-Ali, 2002: 32) , Government spending is also a cash sum implemented by a public entity with the aim of achieving a public benefit (Bashir, 2016 : 3) , Government spending is a cash sum spent by a government (public) entity within the framework of its activities to satisfy a public need (Khafaja 2013, p. 23), From the above concepts, it is inferred that government spending includes several components (Zegheer, 2017: 10-12) .

1- Government Spending: The sum of money spent by the state, represented by its ministries and agencies, is the payment for the services and goods necessary to facilitate its public services, the capital required for its investment projects, and the provision of various forms of cultural, social, and economic aid and subsidies.

2- Origination by the State or One of Its Agencies: Government spending must originate from the state or one of its agencies. This definition encompasses the expenditures of its local and national authorities, public institutions, and public projects. Therefore, expenditures carried out by the state in its sovereign capacity are considered public. Conversely, expenditures undertaken by individuals or private projects are not considered public spending, even if intended to achieve a public benefit. For example, if someone donates money to build a hospital or school, this is not considered public spending but rather falls under the category of private spending.

3- Achieving public benefit: Government spending is primarily aimed at satisfying public needs and achieving public benefit. In this sense, those expenditures that do not satisfy a public need and do not achieve a "public" benefit for individuals are not considered public expenditures .

Second: Types of Government Spending

1-Government Consumer Spending

This refers to expenditures necessary to ensure the smooth running of government administration, i.e., the state's public utilities (Al-Ali 1988: 120), From another perspective, it refers to public expenditures incurred by the state without any compensation from the service administration or an increase in domestic production, such as health and unemployment benefits, pensions, and economic subsidies. It appears that this expenditure includes government purchases of consumer goods and services necessary to operate public utilities and carry out the traditional

functions of the state in general, and its administrative functions in particular. Furthermore, when the state and its agencies purchase consumer services such as defense, security, and education, as well as purchase consumer goods such as clothing, supplies, and medicine, this contributes to an increase in national consumption(Bashir 2016: 7) , Or it has no economic return. The first type is represented by expenditures for establishing parks and building roads(Al-Ali 44, 2002-34), or it is repeated regularly to run state affairs and satisfy public needs, such as spending on goods and services in the form of wages, salaries, and employee contributions, as well as spending in the form of interest payments and subsidies. Alternatively, it is the government's use of consumer goods and services to run government agencies, in addition to paying the wages and salaries of employees, who in turn spend them on purchasing goods and services(Zegheir 2017: 13).

From this, it can be concluded that increased incomes result in increased demand for consumer goods, which prompts producers to increase demand for investment goods, such as equipment, tools, and machinery, to increase production and, consequently, profits. With increased investment, the level of domestic income rises. Here, we observe a mutual interaction between the multiplier and the accelerator, which creates cumulative effects on income, production, consumption, and investment, provided there is a flexible production system that responds to increased spending by increasing spending.

2- Government investment spending

Is that allocated to the formation of tangible capital, in other words, that which aims to develop national wealth, such as spending on infrastructure projects. It is also an expenditure that generates income, meaning it has an economic return. It also appears to represent the demand for productive goods in the form of an increase in fixed means of production, whether in the form of building a foundation for providing services or in the form of laying the foundation for production projects, such as railways and road construction(Khafaja, 2013: 25), It also represents the formation and collection of fixed capital, as well as intangible assets, the purpose of which is to expand production capacity to achieve economic growth(Zegheir, 2017: 13), From another perspective, it represents the amounts allocated by the state to acquire the capital equipment necessary to increase domestic production, both goods and services(Al-Ali and Kadawi, 1988: 120), Alternatively, it allows for the functional division of capital expenditures, providing a clear picture of the state's investment activity, distinguishing between investment expenditures in general and capital operations. It is clear from the above that this type of spending means the formation and collection of fixed capital from stock, land, and intangible assets. This includes spending on infrastructure and public projects, as well as everything that the government pays in the form of subsidies for private investment.

Third: The Role of Government Spending in Human Development

Government spending in human development is an investment in people, and it plays a significant role and has a positive impact on the human production process. Given the qualitative shift in social life and the accompanying technological development, and in line with the scientific revolution that has taken place, it has become necessary to focus on human beings through education and training to raise their efficiency in line with this development. Through this development, humans are now in a different position than they were previously, where they relied on physical strength. Instead, they now rely on mental strength and intellectual abilities. This is achieved through theoretical and practical training and the development of the health sector to enable it to simulate the new reality (Breyer & Zweiefel, 1997: 55).

Government spending has become an important tool in the hands of the government, through its fiscal policy, in achieving economic balance. It is not limited to satisfying basic needs, but also impacts economic activity and its growth (Al-Batriq: 1995: 89). To maintain the desired level of human development and all its indicators, the government must continuously increase spending to be able to move toward economic growth and social well-being. The lack of government support for the health and education sectors leads to slow growth, a decline in per capita productivity, and a decline in income (Yassin, 2002: 109). Therefore, government spending in human development is defined as "spending on the capabilities related to building the human being mentally and physically with the aim of achieving two goals: the first is to address the human being and develop his or her capabilities, making him or her a culturally, economically, and socially advanced state. The second goal is intertwined with the first, as it is the result of both, creating a developed society" (Ibrahim: 1985, 131). Government spending on human development is the part of spending that invests in human capital through spending on education and health and through fiscal policy in redistributing income. The reason for this investment is that it is by the state due to the small profit process in it and because these goods cannot be transferred and cannot be divided, and the results of investment in them bear fruit for society in general in the long term, which makes them dependent on the state (Ibrahim: 1985, 131). Axis Two: A Theoretical Framework for Sustainable Human Development.

First: The Concept of Human Development

In the last decade of the 20th century, interest in the concept of human development began to grow, particularly through the United Nations Development Programme (UNDP), which played a leading role in adopting and promoting this concept in its Human Development Reports since 1990. This concept garnered attention from those interested in and involved with the social sciences. Some believe that the history of human development dates back to classical and neoclassical economic schools since the mid-18th century. However, the concept in those schools differs from the modern understanding. The former considered labor a productive factor that reflects growth and progress, while the new concept considers human beings to be the essence of development, and that development must respond not only to economic needs but also to social and political ones.

Therefore, achieving these developmental levels means increasing the various political, social, cultural, and economic needs of the individual. Since the individual is the focus and foundation of development, discussions continue regarding how to best measure this indicator and whether relying on education, health, and average income indicators is sufficient to establish this concept. Human development is defined as the process of increasing and making available opportunities for people. These opportunities may be absolute or may vary over time. These opportunities, at all levels of societal development, are as follows (Al-Quraishi, 2007: 128).

- 1- Living a normal, healthy life
- 2- Acquired knowledge
- 3- The standard of living being dependent on available resources

Based on these opportunities, we find that the preferred methods for achieving these developmental levels are when the equitable distribution of income is linked to economic growth, in addition to directing government spending towards social service needs and their human development, as follows (Majbal, 2018: 20)

- a) People: This stems from the principle of building human capabilities through investment in human resources, primarily education, health, and skills.
- b) Achieving development for individuals: This includes equitable distribution of resources to all members of society.
- c) Through people, we ensure development: This is development that empowers every individual in society to contribute their efforts to support development, as well as to participate in the decision-making process. When these aspects are achieved, there is hope for realizing the desired goals.

For example, Iraq ranked 123rd out of 189 countries in the 2020 Human Development Report, after ranking 120th in the same report in 2019. The per capita development index declined from 0.689 in 2019 to 0.674 in 2020 due to the COVID-19 pandemic. It is worth noting that Iraq's projected population is increasing from approximately 40 million in 2020 to about 50 million in 2030 and to over 70 million in 2050. (Abdul-Sami, 2020: 4)

Third Section: The Role of Government Spending in Sustainable Human Development Indicators

First: Analysis of the Structure of Government Spending in Iraq for the Period 2004-2024

Based on the data in Table (1) and Figure (1), current expenditures followed a continuous upward trend during the study period, rising from (27.6) million dinars in (2004) to (125.2) million dinars in (2024), with a notable increase during the period (2008-2013) as a result of rising oil revenues. They then declined during the period (2015-2016) due to the financial crisis, before rising again after (2017) to reach record levels after (2021). This reflects the dominance of

consumption-based spending in government expenditures. In contrast, investment expenditures fluctuated and became unstable, gradually increasing until they peaked at (40.3) million dinars in (2013). They then witnessed a sharp decline after (2014) as a result of the economic and security crises, and also declined significantly in (2014). (2020) to about (3.2) million dinars due to the Corona pandemic, which indicates the weakness of stability in the investment direction and its dependence on oil revenues. As for the total public expenditures, they have tended towards an increase in the long term, from (31.5) million dinars in (2004) to (150.5) million dinars in (2024), with its being affected by the same economic fluctuations. It is noted that this increase is mainly related to current expenditures more than investment expenditures, which confirms the imbalance in the structure of government spending in Iraq, which may limit its ability to achieve sustainable economic growth.

**Table (1) Government spending structure for the Iraqi economy for the period (2004-2024)
(million dinars)**

Year	Current Expenditures	Investment Expenditures	Total Public Expenditures
2004	27597167.9	3924260	31521427.9
2005	27066123.7	3765018	30831141.7
2006	31870290	5624169	37494459
2007	32719836.2	6588512.3	39308348.5
2008	52301181.1	14976015.5	67277196.6
2009	52567000	13091000	65658000
2010	60981000	23678000	84659000
2011	60926000	17832000	78758000
2012	75789000	29351000	105140000
2013	78747000	40381000	119128000
2014	77986200	35487400	113473600
2015	51832840	18564670	70397510
2016	51173400	15894000	67067400
2017	59025700	16464400	75490100
2018	67052900	13820200	80873100
2019	87301000	24422600	111723600
2020	72873500	3208900	76082400
2021	89526700	13322700	102849400
2022	104941100	12018500	116959600
2023	118242800	24192900	142435600
2024	125214000	25313300	150527300

Source: Central Bank of Iraq, Iraqi Ministry of Finance, Official Statistical Bulletins for the period ((2004–2024))

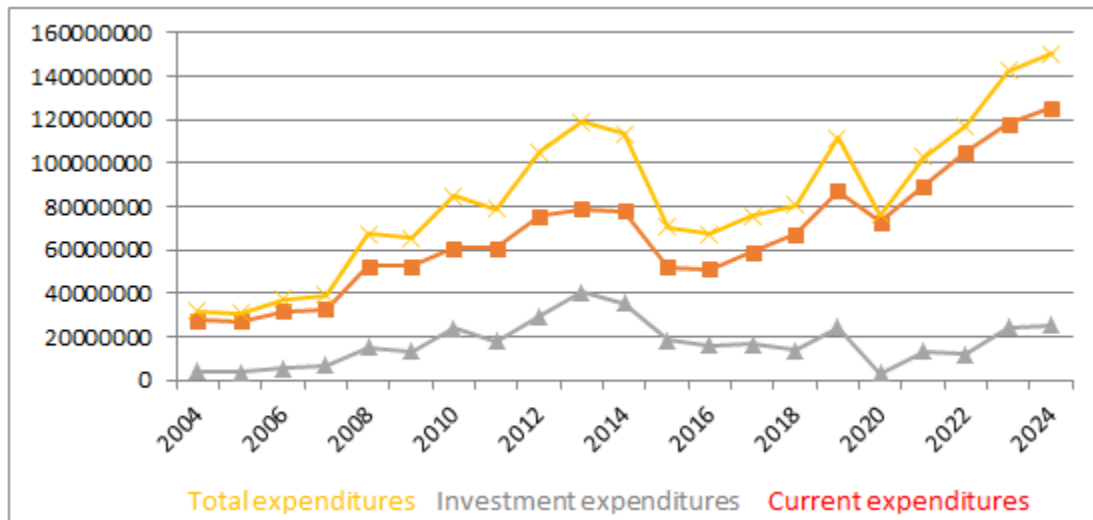


Figure (1) Evolution of the Government Spending Structure in the Iraqi Economy for the Period ((2004-2024)

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

Second: Analysis of the Structure of Iraq's Gross Domestic Product (GDP) for the Period 2004-2024

It is observed from the data in Table (2) that goods-producing activities constituted the largest component of Iraq's GDP structure during the study period. These activities followed an upward trend despite some clear fluctuations, rising from 36.6 million dinars in 2004 to 199.8 trillion dinars in 2024. A significant peak was recorded in 2022, reaching approximately 251.3 million dinars due to increased oil revenues. However, notable declines occurred in 2009, 2015-2016, and 2020 as a result of economic crises and oil shocks. Distribution activities, on the other hand, were characterized by gradual and relatively stable growth, increasing from 11.3 million dinars in 2004 to 68.1 million dinars in 2024. This reflects the expansion of trade, transportation, and related services. Service activities have clearly grown, as they rose from (5.5) million dinars in (2004) to (98.3) million dinars in (2024), with their relative importance increasing, especially after (2015), which indicates the expansion of the services sector in the Iraqi economy. In general, the gross domestic product trended towards rising from (53.5) million dinars in (2004) to (366.1) million dinars in (2024), while being affected by the same economic fluctuations, as it reached its highest level in (2022) at about (384.6) million dinars, then declined relatively in (2023) before rising again in (2024). It is noted that this growth depends to a large extent on commodity activities, especially the oil sector, which reflects the continued weakness of economic diversification in Iraq.

**Table (2) Analysis of the structure of the gross domestic product in Iraq for the period
(2004-2024) (million dinars)**

Year	Service activities	Distribution activities	commodity activities	Gross Domestic Product by Activity
2004	5520751.8	11366602.4	36611884	53499238.6
2005	6511223.5	15562135.9	51837728.9	73911088.3
2006	10726238.4	21038690.1	64302232.1	96067160.6
2007	22527100	15338500	70537400	108403000
2008	30341600	24132100	102196400	156670100
2009	37204300	28046500	74908300	140159100
2010	38743300	23600000	96910300	159253600
2011	43179200	27044500	142031200	212254900
2012	54409400	30834400	161175100	246418900
2013	59382100	39462800	173787600	272346400
2014	57831100	42937200	159062500	259830800
2015	65942700	44577000	98878500	209398200
2016	62663400	44198300	98817800	205679500
2017	61213600	46459700	121019600	228693000
2018	61023200	49352900	147659100	258035200
2019	70339200	53327700	157817700	281484600
2020	71467100	47847400	103804500	223119000
2021	77793300	53109200	171789400	302691900
2022	74346300	58917000	251291900	384555200
2023	87147600	67340900	201890100	356378600
2024	98253800	68121700	199821200	366196600

Source: Ministry of Planning, Central Statistical Organization, Official Statistical Bulletins for the period
(2004–2024)

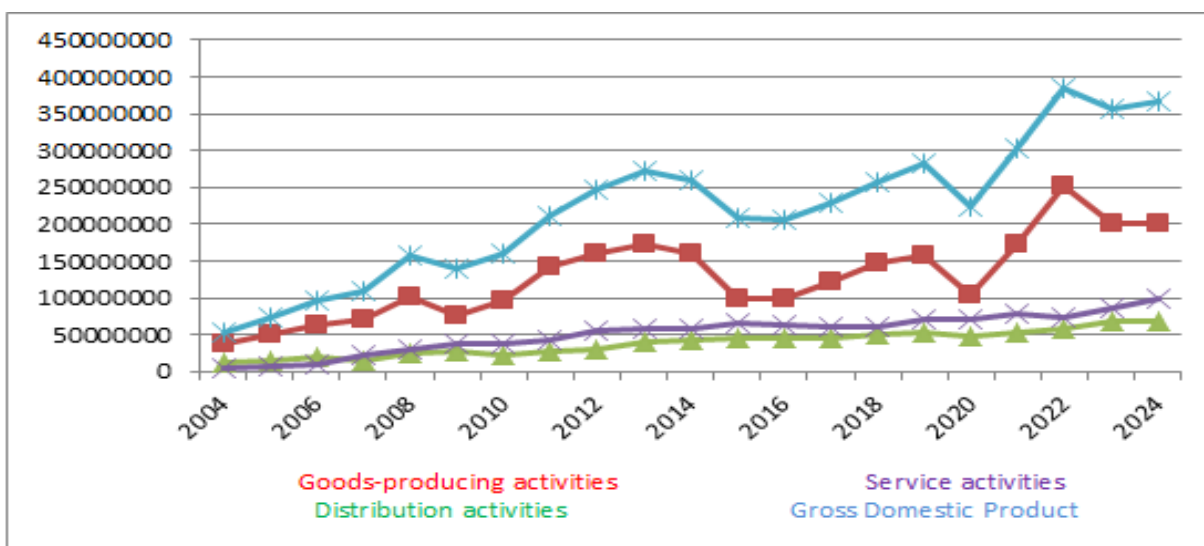


Figure (2) The development of the structure of the gross domestic product in Iraq for the period (2004-2024)

Source: Prepared by the researcher based on the data in Table (2)

Third: Analysis of the structure of government spending on sustainable human development indicators in Iraq for the year

Table (3) Government spending on development indicators in Iraq for the year 2024 (million dinars)

ت	Ministry	investment spending	current spending	Total spending
1	Health	1,285,243	8,655,226	11,005,433
2	Education	429,548	3,439,096	3,881,503
3	Education	359,519	12,827,007	13,242,964
4	Electricity	7,811,925	10,965,360	18,777,285
5	Environment	36,341,768	68,809,968	125,130,136
6	Oil	17,653,732	3,663,501	21,317,233
7	Labor and Social Affairs	38,467,021	7,508,904	7,557,891
8	Water Resources	5,401,770	304,873,698	968,383,142
9	Reconstruction, Housing and Municipalities	3,713,552	566,976,462	4,775,528
10	Health	88,791,570	18,800,680	107,590,256

Source: Iraqi Ministry of Finance, Results of the Implementation of the State General Budget for 2024

Table (3) shows an imbalance in the structure of government spending distribution among ministries that represent an indicator of sustainable human development, as the ministries with the most current spending are represented by the Ministry of (Environment, Water Resources, and Construction and Housing), while the Ministry of (Education and Health), which represent the most important indicators of development, did not have spending at the required level. In contrast, the Ministry of (Environment, Water Resources and Communications) occupied the highest rank in terms of investment spending .

Second: Government spending as a percentage of GDP in Iraq's Human Development Indicators for the period (2004-2020).

Table (4) Developments in the ratio of government spending to GDP in Iraq's Human Development Indicators for the period (2004-2020).

Years	Health spending (% of GDP)	Spending on education (% of GDP)	Total government spending (% of GDP)
2004	3.84	4.61	25.56
2005	2.90	4.18	19.97
2006	2.42	4.35	15.68
2007	3.11	4.44	18.73
2008	3.04	4.72	16.65
2009	3.77	4.74	21.06
2010	3.23	4.65	18.92
2011	2.79	4.58	19.67
2012	2.69	4.62	16.58
2013	2.82	4.59	17.46
2014	2.80	4.69	18.00
2015	3.14	4.85	18.67
2016	3.23	4.78	18.39
2017	4.13	4.68	16.31
2018	4.11	4.81	15.88
2019	4.07	4.82	19.20
2020	4.42	4.53	18.63
2021	5.41	5.31	20.97
2022	4.37	4.86	21.41
2023	4.92	4.53	22.96
2024	5.66	4.92	23.10

Source: Percentages extracted based on World Bank data.

Table (4) shows the percentage of government spending on human development indicators (education and health) as a percentage of GDP for the period (2004-2024). This percentage varied throughout the study period. The highest percentage was for the education sector at (5.31%) in 2021, while the lowest percentage was in 2005 at (4.18%). The average percentage for the period was (4.63%). As for the percentage of government spending on the health sector, its highest percentage of GDP was in 2024 at (5.66%), while its lowest percentage was in 2006 at (2.42%), with an average of (3.32%) during the study period. This means that the combined average percentage of government spending on the education and health sectors is (7.95%) of GDP, which constitutes (43%) of total government spending.

Third: Government Spending Allocation for Employee Compensation

Government spending is a major component of aggregate demand, as in rentier states. This spending is divided into current (operational) expenditures and capital (investment) expenditures. Current (operational) expenditures constitute an average of 70-80%, and this percentage increases during crises, as was the case in 2016 and 2020. Employee compensation (salaries) represents the largest and most significant item within this category of expenditures. Through this, employee compensation can constitute a large space to support human development and its sustainability in Iraq, as it constitutes a large amount in the state budget, estimated at about 33% of its public expenditures. Also, these compensations constituted an increase during the period 2019-2024, estimated at about 23%, i.e., a growth rate of more than 10%. These numerical indicators of employee compensation can be observed through the following tables, as it is noted that those appointed in the military sectors in its various formations and categories, these compensations have occupied approximately half of the allocations for salaries and wages, about (47.5%), and Table (6) shows that workers in the (education, education and health) sectors receive compensations estimated at about (12%).

Table (5) Employee compensation in military ministries for the year 2024 (million dinars)

	Intelligence Service	Popular Mobilization Forces	Counter-Terrorism Service	Ministry of Defense	Ministry of Interior	the total
Employee compensation	290,644,082	3,868,194,188	774,949,448	8,225,121,637	13,222,435,950	2,407,149,470
Relative importance	%0.76	%5.43	%1.58	% 18.45	% 23.85	%50.07
Salary coefficient	1.9	0.99	1.8	1.7	1.6	7.9
Average annual pay	29,14	-----	28,22	22,15	18,21	97.72
Average monthly pay	2,4	-----	2,1	1,9	1,7	8.1

Source: Researcher's own work based on figures included in the 2024 Federal General Budget Draft.

Estimates*.

Table (6) Employee compensation in ministries that represent an indicator of human development for 2024

	Health and Environment	Education	Higher education	the total
Employee compensation	645.495.839	11.748.673.593	3.308.943.386	1.093876912
Relative importance	% 4.66	% 4.47	% 6.33	%18.68
Salary coefficient	1.2	1.1	1.8	5
Average annual wage	16.11	15.02	25.33	56.46
Average monthly wage	2.8	2.7	2.9	2.8

Source: Researcher's own work based on figures included in the 2024 Federal General Budget Draft

Table (7) shows the most attractive institutions and ministries for appointment due to the high wages and salaries given to their employees. The surprising thing is that the Ministries of Electricity and Oil, which are among the ministries with the highest average wages after Parliament and Foreign Affairs, do not show allocations for employee compensation, as they are received under the pretext that there is a service ministry that distributes profit allocations to its employees. Other indicators include the average monthly salary of employees in government institutions and agencies, or a composite indicator such as the relative importance of salaries/number of employees, calculated using the following formula :

Salary Factor = (Allocations for Ministry Employees as a Relative Importance / Total Allocations for Employee Compensation) / (Number of Ministry Employees as a Relative Importance / Total Number of Employees).

The value should be equal to one. If the factor exceeds one, it indicates the attractiveness of the ministry, and if it falls below one, the opposite is true. According to this metric, the Iraqi Parliament ranked first, recording the highest factor at (6.3), followed by the Ministry of Foreign Affairs in second place with a factor of (2.7), then the Intelligence Service and the Counter-Terrorism Service (1.9), and then the Ministries of Higher Education, Defense, and Interior with similar values ranging between (1.8 and 1.1). However, the paradox is that both the Ministry of Oil and the Ministry of Electricity barely reach one, for the reason mentioned previously, which contradicts the principles of transparency in the general budget..

Table (7) Employee compensation in the ministries with the most appointments for the year 2024

	House of Representatives	House of Representatives	Oil	Electricity	the total
Employee compensation	361.861.698	325.251.516	31.161.438	87.078.957	443.492.273
Relative importance	%1.23	%1.43	%1.52	%1.67	%5.85
Salary coefficient	6.3	2.7	1.3	1.9	12.2
Average annual wage	11.24	65.12	15.11	16.22	107.69
Average monthly wage	8.2	5.8	1.8	1.9	17.7

Source: Researcher's own work based on figures included in the 2024 Federal General Budget Draft

Conclusions :

In conclusion, the researcher reached several conclusions, the most important of which are :

1- Government spending in Iraq is characterized by structural imbalance, as current spending dominates at the expense of investment spending, reflecting a consumerist nature of public spending. Government spending has witnessed clear fluctuations linked to fluctuations in oil prices, indicating weak stability and the achievement of economic growth rates.

2- Security and military spending represents the largest part of total public spending, and it far exceeds spending allocated to the health and education sectors, which reduces human development trends. Likewise, the electricity sector suffers from a lack of capital allocation.

3- Government spending amounts to 40% of GDP, one of the highest levels of public spending. Investment spending has been curbed since 2014, with only a relatively limited impact on current expenditures, specifically salaries and wages in the public sector. However, social welfare benefits are directed to those who are not entitled to them, placing significant pressure on public finances due to generous compensation for some affected groups, such as multiple salaries or retirement benefits without any pension contributions from some of these groups .

4-The results of the salary analysis and its coefficient showed that the Ministry of Foreign Affairs and the Council of Representatives have the highest rankings for this coefficient. However, the Ministries of Electricity and Oil, which are the most attractive employers, do not accurately reflect their employees' compensation in the state budget, which contradicts the principle of budget transparency .

5- In the Human Development Report, Iraq appeared among the middle countries, but the health crisis due to the Coronavirus revealed the fragile health situation and the possibility of the collapse of the health system with weak protection for the poor and vulnerable classes, and led to its decline by three places in one year during the years 2019 and 2020, and this is shown by the decline in the Human Development Index. Also, there is an accelerated population growth that is not planned and uncontrolled, which leads to pressures on human development efforts in general.

Recommendations :

1- Rationalizing government spending in its investment and current aspects, such as limiting the expansion of employment in the public sector without clear controls. As for public capital spending, the focus can be on the efficiency of allocation and the extent of progress in the completion rate .

2-Strengthening public financial management and creating buffers through budget surpluses, while avoiding quasi-public financial transactions in the medium term .

3-There remains a strong and urgent need to reconsider wage and employment policies and link them to the development of the country's economic capabilities and the enhancement of its human capital, rather than prioritizing institutions and ministries such as the Parliament and the Ministry of Foreign Affairs at the expense of education and health.

4-Re-prioritizing current expenditures, including their basic components, such as wages and salaries of public sector employees and social transfers, and controlling their rapid growth rates, so that international reserves are not exposed to pressures that could lead to a further decline in the value of the Iraqi dinar .

5-The issue of paying attention to the pillars of human development, such as education and health, is one of the components of the success of any country in achieving and strengthening sustainable human development in any society. Therefore, government spending in these two areas is important, and the focus should be on the productivity and efficiency of government spending,

and not just the size of this spending and its percentage of the general budget..

Sources:

1. Al-Ali, Adel Falih, (2002), Public Finance and Financial Legislation, First Edition, University House for Printing and Publishing, Mosul Branch, Iraq.
2. Bashir, Khamira, (2016), An Econometric Study Showing the Relationship between Government Spending and Gross Domestic Product in Algeria, Faculty of Economics, Business, and Management Sciences, M'Sila, Algeria
3. Khafaja, Amal Hamdan, (2013), The Impact of Government Spending on Economic Growth, Faculty of Commerce, Gaza, Palestine
4. Zagheer, Iktifaa Adhab, (2017), The Relationship between General Agreement and Aggregate and Sectoral Growth Rates in Iraq, Iraq, Ministry of Planning, Department of Economic Sectors .
5. Al-Ali, Kadawi, Adel Falih, and Talal Mahmoud, (1989), Public Finance Economics, Second Edition, Dar Al-Kutub for Printing and Publishing, University of Mosul, Iraq
6. Kadawi, Talal Mahmoud, and others (1992), The State General Budget and Labor Income Redistribution: Rafidain Development Journal, University of Mosul, Issue 38.
7. Breyer, F & Zweigold, P (1997), Health Economics , Oxford University press .
8. Al-Batrik, Younis Ahmed, (1977), Introduction to Public Finance, Al-Ahram Commercial Press, Egypt.
9. Yassin,K.(2002) , Impact of Structural Adjustment Policies on Health in Developing Countries Ph.D. thesis , school & public Health , University of Bielefeld , Germany.
10. Al-Damah, Ibrahim, (2002), Human Development and Economic Growth, Dar Al-Fikr for Printing, Publishing, and Distribution, Amman
11. Al-Quraishi, Madhat, (2007), Economic Development - Theories, Policies, and Topics, Wael Publishing House, First Edition, Amman, Jordan.
12. Mujbil, Ismail Hammadi, (2018), The Importance of Government Spending in Achieving Human Development to Reduce Extremism: The Malaysian Experience as a Model, Anbar University Journal of Humanities, Issue 4, Vol. 1, October, Proceedings of the First Anbar University International Conference.
13. Abdul Sami, Qasimi, (2020), Iraq Status Report in International Reports, IFPMC-LONDON, www.ifpmc.org
14. Muhammad, Amar Hisham, (2019), Public Finance and Fiscal Policy and Their Recent Developments, Iraq Office for Publishing and Distribution .
15. Law No. 23 of (2021), "The Federal General Budget of the Republic of Iraq for the Fiscal Year 2021," Iraqi Gazette, Issue 4625, April 2021, Sixty-Second Year.
16. M.L. Jhingan ,(1999) The Economics of Development and Planning Vrinda Publications Ltd , 32nd Revised and Enlarged Edition.
17. Iraqi Ministry of Finance, (2020), Results of the Implementation of the State General Budget, Both (Recurrent and Investment) .
18. Percentages extracted based on World Bank, data For the period 2004-2024.
19. Researcher's own work based on figures included in the 2024 Federal General Budget Draft.

.