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Research Article

The Impact Of Fiscal Policy On Economic Growth In Iraq

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ABSTRACT

The purpose of the ideas of this research, is to provide a brief picture of the style of economic thinking pursued by schools of thought in economics throughout the ages.
Of course, there are always areas of difference in the prevailing trend of economic intellectual theories, and how markets work, and on the other hand there is criticism directed at most of the theories, according to many of those economic models and the impact of fiscal policy in stimulating aggregate production and employment, through government spending and then Its impact on economic growth.
The level of taxes in government expenditures, inflation and long-term interest rates, as well as the budget deficit, debt, savings, GDP and others. Among the most topics of these theories, as well as investments, accumulation and fixed capital, which were dealt with by dynamic programming and measuring its optimization, to make decisions for each case, and to determine the sector that has the most accumulated fixed capital for limited years.

Keywords: Fiscal policy, economic thought, economic growth, fixed capital formation, dynamic programming

1-Introduction:

Fiscal policy is one of the state's tools for achieving economic growth, which represents "the increase in the gross domestic product or the per capita share of the gross domestic product from year to year. The ultimate goal of economic policy is growth, and estimating the rate and direction of economic growth" (1). Economic growth represents... Quantitative and qualitative changes help increase the cumulative value of income through the economic impact of the market mechanism, while development represents structural changes that affect all aspects of economic and social life, especially in developing countries as they are the main and optimal alternative to eliminating economic backwardness, and developing economic sectors is One of the means to enhance growth.
The precise meaning of fiscal policy is matters related to taxes, and the fiscal year is the tax year. In practice, fiscal policies refer to the state's decisions regarding taxes and expenditures, which are recorded annually in the budget. The role of fiscal policies usually changes over the years. Previously, they were used to control the amount of demand in the economic system. Currently, fiscal policies are surrounded by a medium-term context, noting that changes in taxes affect economic performance and public expenditures.

2-Research methodology

• Research problem: Fiscal policies have a pivotal role in stimulating economic growth in all countries through their sources, especially taxes, as the fiscal year is the tax year. If this policy continues effectively, it is possible to reduce inflation and reduce the amount of unemployment... and others.
• Research objective: To study and clarify the impact of fiscal policy on economic growth and achieving social justice, as well as being a tool used to confront inflationary pressures or economic fluctuations.
• Research hypothesis: Given the role of fiscal policy in the economic stability equation, which means achieving high rates of economic growth in light of price stability, addressing unemployment, optimal use of

resources and expenditures, and stabilizing any variables that have an impact on controlling the budget and achieving growth.

• The importance of research:

Most countries use both fiscal and monetary policies together to achieve economic stability and achieve growth and development goals. The impact of fiscal policy is often in the long term, while monetary policy seems effective in short-term economic control. During the interest rate mechanism, if the economy suffers from a state of recession, expansionary financial policies are followed by increasing spending and reducing taxes, which is reflected in an increase in total spending and the corresponding policy is followed in the opposite direction.

3- Fiscal policy in economic thought:

There is an importance in studying the history of economic thought in some cases for policy makers today. Economics existed in the past. "Ancient civilizations produced thinkers in economics, as happened in the Renaissance" (2).

Fiscal policy is the government's performance mechanism in organizing its expenditures and revenues to achieve specified goals, and why are they specified? Because there are financial policies related to public revenues and others related to public expenditures. The role of fiscal policy varies according to the model of economic thought, as there are a series of economic ideas rooted in the concept of economics in determining the economic structure of countries, including:

1-3: Fiscal policy in classical economic thought:

Classical thought provided an "explanation and explanation for the minimum level of government intervention in the free market within countries" (3), in addition to helping governments know how to deal with increased taxes.

Classical economics was known as political economy, as it was essentially based on the tendency of markets to move to equilibrium, according to the market mechanism and the laws of supply and demand. As long as the market is open, hence the hidden hand is the market, and by operating it we obtain the final product with the greatest possible efficiency and maximum degree" (4).

While "neoclassical economics differs from the classical economics that prevailed previously, first: it is utilitarian according to objective theories of value, as well as using marginal theory as the basis for its equation models" (5) that models of economic systems usually represent interconnected sets of mathematical equations that are analysed. It is calculated using electronic computers.

Also, many of the policies followed by governments added a lot to the classic prescriptions, such as removing restrictions, privatization…etc., which gave the hidden hand an opportunity to work again. The more we preserved economic freedom, the more prosperity would follow.

2-3: Financial policy in Keynesian thought:

The role of fiscal policy was not preconceived ideas, but rather came in response to the economic developments at that time after the presence of a high rate of unemployment in the years following the war, and the mistaken desire of countries to return to the gold standard, and the collapse of the Wall Street Stock Exchange in 1929, and countries finding solutions. "enough to protect itself from global economic collapses and crises by setting trade borders and, for example, raising customs tariffs on American imports to more than 50%, which has caused basic industries such as coal, iron, steel, and shipbuilding to suffer from the continuous increase in production capacity" (6).

The Keynesian theory supported the necessity of state intervention and setting a program for government expenditures as an alternative to returning to the gold standard, by deliberately incurring the budget deficit until economic growth was restored and the unemployment rate reduced. It focused on the macroeconomics in the short term.

Keynes had the idea "that additional government expenditures, in time, may increase economic growth, which will be reflected in the overall economic system. The mechanism by which this happened is probably one of Keynes's most important contributions. He ensures" Multiplier", which represents that increased expenditures have intensive effects, in addition to their initial effect. It is necessary in Keynesian economic systems" (7).

At least part of the initial injection of public funds into the public projects program will return to the treasury again, in the form of high tax revenues. The size and strength of the multiplier is also determined by the desire to consume. The Keynesian theory was based on the necessity of state intervention in economic activity through public spending, with the aim of stimulating economic activity and then achieving growth.

There are many matters specific to Keynes and his book The General Theory, such as finding a system of equilibrium of investment and saving, and the equilibrium of liquidity and money stock (IS/LM Frame work), which was developed by the followers of Keynes, Mr. John Hicks and Art Hans, and the habit of people to deal with aggregate demand and aggregate supply" (8) So Keynesian policy: "It is the use of fiscal policy in an active manner to control demand in the economic system. It is possible to control depression by increasing public expenditures and reducing taxes, and the corresponding policy can be followed at times." Prosperity" (9) The peak of these policies was in the fifties and sixties of the twentieth century.

3-3: Moneterim school:

This school emphasizes the role of the state in controlling the money in circulation, from the point of view within the monetary economy. The variation in the money supply has significant effects on the national product in the short run and the price level in the long run.

In order to achieve stability in the economic system and control the rate of inflation, it is necessary to control the monetary cover. But the basis of this policy was direct: you will not be able to get inflation without The presence of money" (10).

"The roots of the monetary principle go back to the emergence of modern economics, and its basic doctrine was simplicity. The faster the growth in the quantity of money in circulation, the faster the rate of price rise - inflation - with other things being equal.

When the economic system begins to improve, the first thing that will happen is that individuals and companies begin to borrow in larger quantities, and here the measures of the money stock begin to increase, as a prelude to any increase in the inflation rate. The driving force for inflation is the rapid growth of the economy, not the rapid growth in the money stock.

The important point is that most central banks, when setting the interest rate these days, observe what happens in the money stock, but do not submit to it. But this does not mean that the work of monetary policies is automatic in the money stock, specifically its goals. Money is important, but there is a lot Among other things that are also important" (11).

The ideas of the monetary school stem from the desire to return to the traditional foundations of fiscal policy, which sees the government not interfering in economic activity, leaving work free, and the role of the government being limited to providing the necessary requirements for the private sector to operate efficiently, and the government must increase the money supply by a fixed percentage. Annually between 3-5% as a fixed rule for monetary policy that is consistent with the economic growth rate.

4-3 Fiscal policy in rational expectations:

This school appeared in the seventies of the last century. "Fried Mann's introduction to the natural rate of unemployment emphasized the role of expectations in influencing the behavior and effectiveness of policy." (12) A group of American economists addressed this stage extensively. Robert Lucas gave us And Thomas Sargent, and John Muth, and especially Lucas, had rational expectations. These rational expectations, like all forms of progress, were very simple.

This school's opinion can be clarified that reducing taxes will lead to a deficit in the general budget, and hence the government must cover this deficit in one way or another, through borrowing, or by increasing taxes in the future. The rational behavior of these expectations is to maintain the current level of consumption, and any increase in disposable income as a result of reducing taxes will go towards saving, instead of increasing consumer demand with the aim of enabling individuals to face increased taxes in the future.

"Keynesian thought" about demand management has succeeded, because individuals respond to the initial economic benefits of reduced taxes or increased public expenditures by increasing their expenditures - and fortunately they do not realize that there will be an increase in late inflation rates. Rational expectations have made it clear that this will not happen as individuals... They can immediately tell about the high rate of inflation and will not respond to the temptations of political decision-makers" (13).

But "is this the rationality of the people?" It is difficult to determine, however, mixed with Lucas's critical view, there is no point in the government's attempts to create cyclical changes in the economy - booms and busts - because people and enterprises will always be able, by acting rationally, to To think again about political decisions" (14).

5-3: Fiscal policy in supply-side economics: "Economists appear at the forefront of every era who seem to be in tune with the political nature in particular. In the eighties of the twentieth century, when there were Confirmations

on tax cuts as a means of restoring incentives and promoting long-term growth under a government." Ronald Reagan in America, and Margaret Pointer in Britain. Those known as supporters of the "supply" policy have emerged (15), and the content of this school's call is to shift from the role of fiscal policy in reviving effective demand, employment, and public spending, according to the Keynesian school of thought, to policies of revitalizing the capitalist production system (supply). By keeping the market mechanism free, and limiting government interference in setting wages and prices.

"Supply economics goes beyond tax reductions, as supply-side policy supporters accept anything that increases the growth rate of the economic system over the long term or continuously. This may be in the form of reduced taxes, or it may be in the form of increased competition, and Improving the climate for starting projects, facilitating employment, or laying off workers, as supply economics means taking measures to enable the economy to achieve and increase its potential" (16). The theory has provided intellectual support for tax cuts.

6-3 Public Choice Theory:

There is another fascinating branch of economic theory developed by American economists, especially James Buchanan and Gordon Tullock, which is public choice theory. Public choice theory applies economic principles to the behavior of voters, political leaders, and employees. For example, the behavior of employees is governed by personal benefit and not by the desire for selfless service to society, Public choice theory suggests that if the government is not controlled, it will tend to grow more and more, with its supporters defending these powers." (17) This theory was based on the principles of economics through an analytical study of people's behavior when they enter the markets with the aim of purchasing. Despite the assumption of economists that most people base their behavior in the markets on the basis of concern for the interests of others, the study made clear that people's behavior in the market is to serve their personal interests. Just .

This applies whether they are business owners or the elderly as well. The theory also assumes that people's behavior in various markets, whether the political market or the general labor market, all follow the same curve in achieving their personal interests.

4. Some economic determinants and indicators

4-1: Gross Domestic Product (GDP): Gross Domestic Product or Gross Domestic Income (GDI) (P)) is a measure of economic activities in most economic outputs, because it indicates financial and economic growth, as it measures the market value of all goods and services that Produced in the economic system, during the year.
It also measures the extent of improvement in the general economic situation, and may be considered a measure of the standard of living, although it is not a measure of individual income, as it is possible for the gross domestic product to increase while the real income of individuals decreases.
But often, there is a positive correlation between GDP and the standard of living, and the prices of consumer expenditures represent the most common measure in measuring the size of inflation, which gives a picture of the changes in the prices of a group of different commodities. The less the consumer's expenditures due to high unemployment and weak investment, here the GDP is. Weak, especially after the state reduced its expenditures due to weak tax revenues.

There is no doubt that the equations for calculating gross domestic product are the most useful in the economy for restoring economic growth, which is generally determined in three ways: total expenditures, total production, and total incomes obtained. From all three we must obtain approximately the same result. GDP may also be viewed as a measure of the level of exchange in many countries. It is the added value of all inputs to the final product, and it is also the total income that we obtained, as well as the total expenses.

4-2 Cash offer:

"The money supply or money balances represent the total amount of money that benefits the economy at a given point in time, and it is represented by the importance that determines financial growth" (18). There are many definitions of money, but the standard standard includes the concept of currency circulation and effective demand for it, and governments or central banks usually issue official monetary bulletins.
The money supply is what determines the general level of prices. Prices rise with an increase in supply, and decrease with a decrease. The money supply may decrease slightly while price levels in the economic system decrease.
Because of the mechanism of the money supply's impact on the level of prices, inflation, commercial activity, and the quantitative cycle, through controlling interest rates, the money supply circulating in the economy increases or becomes scarce.
There is no doubt that interest rate rates have an impact on the economic system. Any increase in these rates will have a direct impact on borrowing or loans, which increases borrowing costs and thus reduces the profits of existing companies and the entry of new investment projects.
While lower interest rates will increase financing for investment projects and new companies with growth in the workforce and employment. From the demand functions for money, it is determined (M1), which results from the intersection of the saving and investment curves within the geometric location that represents the store of value and the provision of liquidity. As for M2), whose location is determined geometrically from pairs of interest rates on income, the limits of classification in money represent more than (M1) as M2) refers to the economic key that is used to predict inflation. It represents the importance that determines financial growth.

Most central banks, when setting interest rates currently, monitor changes in the money stock but are not subject to it." (19) However, since most of the aggregate demand shocks that affect the economy come from the spending side, the policy of targeting supply Money will stabilize, compared to if shocks to aggregate demand come from changes in the demand for money from the money supply curve, or the preference for liquidity, then policies targeting money supply will destabilize.

4-3Saving:

Saving is one of the important determinants in the overall economy, as governments encourage this saving by reducing taxes in private accounts, individual savings...etc., as well as providing some incentives, in order to encourage saving "not only for their own benefit, but to provide sufficient resources." For fruitful investment" (20)

Saving is a description of reducing risk in protecting money. Saving includes placing money in banks and the retirement fund. Saving represents the limits of the beneficial use of money, especially when the economy is strong and individuals' balances increase, as the increase in its results is transferred to saving. The financial growth of the country is that individuals invest in financial savings such as stocks and bonds, as well as individuals' investments in real estate, knowing that the latter is considered a form of consumption. When stock prices rise, this is an indicator of the health of the economy, and its opposite when real estate prices rise, this is evidence of the presence of consumption. Saving is necessary by transferring the largest percentage of the added value to capital.

For all savings in sectors of the economy, the economy's stocks represent one of the determinants of income in the future, and growth models depend directly on the mechanics of the determinants of saving and investment.

And saving of both local types, most of which occurs within the borders of the state, or national saving generated from local saving plus net foreign transactions, as we know how important this matter is to confirm the presence of sufficient capital to carry out the investment.

4-4 Foreign trade

In economics, exports mean the quantity of goods and commodities that move from one country to another, through the concept of trade, and "the volume of foreign trade is the sum of the values of exports and imports during a year" (21). Exports of goods and services provide the external consumer with local producers under imports and within specific deals and contracts to bring goods and services to the country's port.

As for the trade balance, it includes both visible exports and imports of goods and invisible ones. The difference between them is that the trade balance is in favor of the country if the values of exports exceed the values of imports, since the balance is positive and is called the "surplus" and then the country is a creditor, and vice versa when The country is in debt, as the balance is negative and is called a "deficit." But the trade balance does not necessarily have to be in the country's favor, because there are other items that may address the deficit, if it exists. What is important is that the balance of payments is in the country's favor (22).

One of the most important economic goals for all countries is determined by the institutional structure and policies, which can give the rate of economic growth that is affected by levels of inflation, low unemployment rate, price stability, and the external balance, that is, balance in the balance of payments by correcting the deficit in its balance of payments with policies. Different financial or cash expenditures, and finally a fair distribution of income.

5- Dynamic programming in gross fixed capital formation:

Dynamic programming is an approach to optimal decisions. The multi-stage process, after dividing it into a number of stages for the purpose of improving the solution, is completed in more than one way and is called "alternatives" "decisions" while the conditions at any stage are called "situation". It has been applied to the distribution of total fixed capital formation at current prices across activities. Economic report for the three years (2007-2006-2002).

Through Appendix 1, Table 1 was obtained as shown below:

Table -1-Gross fixed capital formation At current prices for the years (2002-2006-2007) Years 2002- 2006-2007

Sectors	2002	2006	2007
Commodity sectors	983091	10725588	168301983
Distribution sectors	462373	1339902	1839062
Service sectors	753612	4217456	15162918
Total	2199076	16282946	33832163

Source: Iraqi Ministry of Planning, Investment Budget Management Data, 2008

Table -2- Percentages of gross fixed capital formation For each sector of economic activity for the years 2002-2006-2007

	X1	**X2**	**X3**
0	0	0	0
4.20	44.7	65.87	49.74
31.13	21.00	8.23	5.44
64.67	34.30	25.00	44.82

%100	%100	%100

1-5: Mathematical model: If we distribute a percentage of 4.20 of the total fixed capital to each of the three sectors shown in Table -2-, we have:

g1 (4.20)+g2 (4.20)+g3(4.20)
=44.7+65.87+49.74
=160.31
∴ F1(C)
It represents the greatest increase or effectiveness until you search for the greatest increase (effectiveness) of the accumulations associated with the first sector:

Fn(c)=maxg1(x)=g1(c)
0<x<c
F1(4.20)=maxg1(4.20)=44.7
F1(31.13)=maxg1(31.13)=21.00
F1(64.97)=maxg1(64.67)=34.3
∴ c=(4.20 ; 31.13 ; 64.67)
the second stage

$F_2(c)=\max\ [g_2(x)+F_1(c-x)]$
0<x<cM
$F_2(c)=\max[g_2(0)+f_1(4.20);\ g_2(4.20)+f_1(0)]$
$=\text{Max}\ [0+44.7\ ;\ 65.87+0]$
$=65.87$
The decision is that the optimal distribution is to distribute a ratio of (4.20) to the distribution sector because it gave the highest accumulation ratio in fixed capital, amounting to (65.87).
Optimization for the second stage: In general, the equation of revenue and accumulation

R(k,x)=g(x)+h(k-x)
F(x)they are identical in principle, and then we choose the maximum value through the relationship that (k-x), (x)
They are identical
When the total accumulation is distributed among the two sectors in the second stage, the first sector receives an accumulation of R(K,X)=g(x)+h(k-x)
(αx) The share of the first sector is:
β (k-x) The second sector is
0<x<c1
The expected accumulation in the second stage consists of:
g(αx)first sector =
h(β (k-x)) = second sector
(f1):- Optimization for the second stage, which we symbolize as F(1):
$F_1[\alpha x+\ \beta(k-x)]=\ \text{Max}[g(x)+h(k-x)]$
Thus, we look at the successive stages as if the previous stage were the first stage, and thus the accumulation in the two stages for the two sectors is as follows:
$F_2(k)=\max[g(x)+h(k-x)+f_1(\alpha x+\ \beta(k-x)]$
By the same logic, you write after (n) in the stage, that is:
$Fn(k)=\max[g(x)+h(k-x)+f_{n-1}(\alpha x+\ \beta(k-x)]$
Where: Fn – 1 represents the greatest accumulation of the penultimate stage, i.e. (n-1)
Fn: Maximum accumulation of all stages after n stage.
$F_2(k)=\max[g(x)+h(k-x)+f_1(\alpha x+\ \beta(h-x)]$
$F_2(4.20)=\max[g_2(0)+f_1(4.20);g_2(4.20)+f_1(0)]$
$=\max[0+44.7;65.87+0] = 65.8$
So the decision gave the distribution sector the highest accumulation
$F_2(31.13)=\text{Max}[g_2(x)+f_1(31.13-x)]$
$=\max[g_2(0)+f_1(31.13);g_2(4.20);g_2(31.13)+f(0)]$
$=\max[0+21.00;\ 65.87+44.7;\ 8.23+0]$
$F_2(31.130=\text{Max}[21.00;110.57\ ;\ 8.23]=110.57$
The decision is that the distribution sector gave the highest percentage:
$F_2(64.76)=\text{Max}[g_2(x)+f_1(64.76-x)]$
$=\max[g_2(0)+f_1(64.76)\ ;\ g_2(4.20)+f_1(31.13);g_2(31.13)+f_1(64.67-0)]$
$=\max[0+34.3;65.87+21.00;8.23+44.7;25.00+0]$
$=\max[34.3\ ;\ 86.87\ ;\ 52.93\ ;\ 25\ ]=86.87$

third level:
$F_3(c)=max[g_3(x)+f_2(c-x)]$
$F_3(4.20)=max[g_3(x)+f_2(4.20-x)]$
$=max[g_3(0)+f_2(4.20); g_3(4.20)+f_2(0)]$
$=max[0+65.87 ; 49.74+0]$
$=max[65.87 ;49.74] =65.87$
The decision at this stage regarding the first activity (commodity sector): -
$F_3(31.13)=max[g_3(x)+f_2(31.13-x)]$
$F_3(31.13)=max[g_3(0)+f_2(31.13) ; g_3(4.20)+f_2(31.13);g_3(31.130+f_2(0)]$
$=max[+034.3 ; 65.87+8.23 ; 5.44+65.87 ;44.82+0]$
$=max[0+3.43 ; 74.10 ,71.31 ;44.82] =74.10$
The decision here is in favor of the distribution sector
$F_3(64.67)=max[g_3(x)+f_2(64.67-x)]$
$F_3(64.67)=max[g_3(0)+f_2(64.67) ; g_3(4.20)+f_2(31.13);g_3(64.67)+f_2(0)]$
$=max[0+34.3 ; 65.87+8.23 ; 5.44+65.87 ; 44.82+0]$
$=max[34.3;74.10 ;71.31;44.82]$
$=74.10$
The maximum value in this equation is the optimal distribution in the second sector (distribution activity), but it seems to maintain the same previous level, and then the decision in this case is to stop."
It is clear that total accumulation represents the dynamic that stimulates revenues through investing money or physical assets with the aim of increasing the initial monetary value of all assets. There is no doubt that the real stock of fixed capital is used to finance investment. The basic economic principles of economics consider that purchasing assets that have a useful life is one of the most important justifications for borrowing, in order to finance the losses that have already been achieved.

Conclusions:

1- Most economic theories in the history of economic thought explained that "the amount of output in an economy is determined by economic laws."
2- The financial impact is important on the stock market and the money supply in relation to variables in financial and banking activity, especially in the early stages of the economy's development.
3- Inflation is the matter affected by the money supply, i.e. an increase in the money supply to which prices respond by rising rapidly, and that rapid increase leads to raising inflation rates and then leads to raising the "nominal" interest rate.
4- Saving behavior is largely subject to the economic system, and it seems that high unemployment may encourage saving, and high interest rates increase savers' desire to save, reduce the volume of borrowing, and reduce the number of borrowers.

Recommendations:

1- Without the need for more theories than what was previously reviewed here, we can actually begin to estimate what will happen to prices, interest rates and taxes, as a result of abnormal circumstances, a balanced or extravagant government policy, or in the face of good or bad future possibilities.
2- Fiscal policy should derive its importance from its tools. Government expenditures affect national economic activity. They affect consumption, saving and investment, and revenues represent the resources that the state obtains to cover its expenses. The more these revenues and their investment increase, the greater the economic growth in the state.
3- There is no doubt that the cost of inflation falls on those with fixed annual incomes, but at the same time it benefits the government and the individuals who pay those incomes, which is reflected in the behavior of individuals. Income completely loses its value. Hence, losses occur that are not compensated by any gains for all parties.
4- In light of the current political and economic climate, it has become an obvious fact that the government must focus its attention on achieving prosperity and economic growth for citizens, by stimulating the public sector and the private sector to invest in industrial and agricultural projects... and others. To give its citizens an opportunity to improve their standard of living.

Appendix No (1)

Total fixed capital formation at current prices for the years (2002-2006-2007) One million Iraqi dinar

compound growth rat(2002-2007)	Annual percentage change%	**2007**	**2006**	**2002**	Economic activities
9.80	**-53.7**	**308686**	**666771**	**193456**	Agriculture and forestry
113.17	**128.3**	**6029181**	**2641465**	**136981**	Mining
116.43	**127.3**	**6000459**	**2639510**	**126354**	Crude Oil

21.99	**1368.5**	**28712**	**1955**	**10627**	Other types of mining
-3.30	**-90.6**	**301879**	**3218392**	**356948**	Manufacturing industry
101.12	**124.3**	**9339083**	**4163628**	**283811**	Electricity and water
134.94	**2309.7**	**851354**	**35331**	**11895**	building and Construction
76.48	**56.9**	**16830183**	**10725588**	**983091**	Commodity sectors
39.47	**37.8**	**1537547**	**1115468**	**291392**	Transport, communication and storage
3.98	**29.1**	**151170**	**117106**	**124377**	Wholesale, retail and hotel trade
26.40	**40.1**	**150345**	**107327**	**46605**	Banks and insurance
31.80	**37.3**	**1839062**	**1339902**	**462373**	Distribution sectors
-24.40	**-37.1**	**89868.0**	**142874**	**363952.4**	Residential home ownership
107.73	**269.9**	**15073050**	**4074581**	**389660**	Social and personal development services
107.93	**270.8**	**15058207.5**	**4061434**	**387458**	1-Social development services
46.47	**12.9**	**14842.9**	**13147**	**2202**	2-Personal services
82.27	**259.5**	**15162918**	**4217456**	**753612**	Service sectors
72.75	**107.8**	**33832163**	**16282946**	**2199077**	Total capital formation

Iraqi Ministry of Planning/Investment Budget Department 2008

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