

Federal Budgets in Iraq for Achieving the Economic and Social Goals: An Analytical Study

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ABSTRACT: In this study, an analytical introduction to each of the federal public budgets in Iraq for the period 2004- 2013 to the extent of achieving the goals of economic and social state through those budgets, according to the economic and social development indicators. The study concluded that a number of the most important conclusions: (At the time it should be that the budget reflects the vision of the future government and their strategies, however, adopted in the preparation of the general budget and the failure of planning method pointing to the government's lack of strategic vision in the face of the financial burdens growing; and the lack of clarity of the goals that the Government should seek to achieve through the budget).

That adoption objective estimates as well as detailed economic programs during the preparation of the state budget should be in accordance with the manner in which Imposed by budget preparation mechanism, add to the adoption the actual incomes of the previous years for all ministries and agencies as a basis in the federal budget estimates as well as serious and effective work to find new sources of funding.

KEYWORDS: Federal budget, economic indicators, expenses planning, economic performance and funding sources.

1 INTRODUCTION

Government authorities are in charge of preparing, monitoring and implementing the necessary plans to achieve the economic and social objectives of state and employing resources optimally to complete the development objectives (human, economic, social and environmental). One of these methods is preparing approval and implementation the state budget as it reflects the overall economic activities of the state. The state budget should reflect the financial and economic reality of the country during a specific period by what capabilities and elements are available and what will be spent in operational areas - including the establishment of infrastructure - investment areas that provide financial resources to improve living standards and achieve social welfare.

The state public budget is a financial program that depends on annual estimate of incomes which have different sources and spends on various activities of the State, whether they are operational or investment activities for a specified period in the future- usually one year – by adopting a scientific and objective approach for these estimates. And the study comes to demonstrate the extent to which the Iraqi government to the goals of economic and social state through public budgets after the Federal 2003.

2 METHODOLOGICAL FRAMEWORK OF THE STUDY:

The problem of the study: Study problem can be divided into two directions:

A. The first is related to the sources of incomes scheme adopted in the federal budget; where the Iraqi economy is one of the rentier economies that depend entirely on the export of crude oil incomes per nearly 84% out of the overall total revenue as shown by Iraq's budget of the year 2015. These revenues are affected by oil source quantities and prices of demand

and supply which affects the state budget in case of such prices decreased, as a result the state is unable to achieve its goals especially those related to economic and social development.

B. The Objectivity of estimating the state budget revenues and expenditures if the adoption of the state budget estimates (revenues and expenditures) has not been taken in a scientific and objective consideration.

1. The study objectives:

- A) Analytical statement for the federal public budgets in Iraq from 2004-2013.
- B) Stating the possibility of diversifying financial sources of the federal budget.
- C) Stating the extent with which to accomplish the federal budget for the objectives of economic and social state.

2. The Significance of the study: The importance of the study is ascribable to the importance of the state budget in performance monitoring of the executive authorities and its efficiency, as well as achieving an economic development and social welfare through the optimal use of available resources and to diversify sources of funding.

3. The hypotheses of the study: The study to test the following hypotheses:

- A. there is a negative relationship between what was adopted by the Iraqi government from bases in their estimates of expenditure and income in the federal public budgets and the objective of those budgets.
- B. There is a negative relationship between the use of the Iraqi government to its available financial resources and the achievement of economic and social objectives of the state.

4. Methods of collecting data and information: The data and information were collected from Arabic books, and foreign researches, brochures issued by relevant departments and the Internet, as well as the questionnaire to achieve the practical part of the study.

5. The Approach of the study: In order to access the study objectives and test its hypotheses we have adopted a descriptive approach in analyzing data due to absence of the standardized metrics for the country's economic and social objectives. Also the inductive method is adopted In order to reach the results.

6. The limits of the study:

- A: temporal boundaries: Stretch temporal study of the border for the period 2004- 2013- the period between the first year after the change in Iraq to a year left to initiate this study (2015)- and did not include the 2014 budget will not be approved.
- B. Spatial boundaries: represent the Iraqi state institutions related to the study of spatial boundaries.

7. The framework of the study: To achieve the objectives of the study it was divided into:

- 1. The concept of the state budget, its divisions, objectives and functions.
- 2. The concept of economic and social development and its indicators.
- 3. The diversification of financing the federal budget and the goals of economic and social development sources.
- 4. Analysis of the federal public budgets In Iraq for the period between 2004-2013 according to the economic and social development indicators.
- 5. Conclusions and recommendations.

3 THE THEORETICAL FRAMEWORK OF THE STUDY:

First: Concept , types, objectives ,and functions of the state budget:

- a) The concept of the budget: The state budget is a financial program which reflects the government's policy and its goals that tries to achieve in a document that includes estimates of the state's expenses and resources within a period often one a year. The budgets help to link the long-term goals with short-term activities by the objective distribution of work according to available resources of economic unity (Needls et. al, 2002: 921).
- b) The budget definition: Budget is a certified assessment for state's revenues and expenses by legislative authority for a year and reflects the state's economic goals depending on the planning, coordination and control of using funds to achieve the purposes desired efficiency (Salloum and Darwish, 2008: 5).

The budget is defined as tables showing the planning in a quantitative manner by estimating the resources that will be used to achieve the desired goals for a certain period of time. (Hilton, 1999: 336).

The budget is also known as a group of management plans written formally for a coming and limited period explaining with financial items, one of the basic duties is to evaluate performance and motivate competent employees to reduce waste in resources. (Weygandt, 2005: 971)

From the above the budget can be defined as a future plan formulated and implemented by economic unity to achieve its short and long term goals using the economic resources available through consistency, harmony and integration between the administrative levels and performance monitoring within a specified period of time.

c) Budget types: Budgets are divided into: (Radi & Hijazi, 2001:36)

1. The operating budget: It is a plan related to business and government activities in terms of necessary resources to carry out these tasks, and oversight in order to ensure the efficient use of those resources and improve performance.
2. The capital budget: It is a plan of spending on existing or planned investments to and draws its policy in the short and long term as well as financial planning, control and execution accordingly.

In the field of investment expenditure, it is very important to employ the money in investment opportunities which are expected to achieve an acceptable return that exceeds the cost of financing in an appropriate investment environment where political stability and security are available. There should be a stable economy with no troubles such as lower production with higher costs and prices, in addition to other economic problems which affecting the investment, as well as legal and financial legislation that will help to achieve the financial and banking facilities for investment projects, since the society wealth is determined by the productive capacity of the economy, especially that Iraq needs a revival in the field of investment - after the fallen of Iraqi economic sectors (agriculture, industry, transportation, religious tourism and archaeology as well as the oil industry) after 2003- through diversification income sources that contribute in achieving additional revenue.

d) objectives and functions of the general budget:

The state's role and duties have changed as a result of economic, social and political developments. The budget has been adopted as a system of economic, financial, social and political orientation to assist senior management with performing the various functions like planning and control for various activities (Lawzi et al, 1997: 11). The preparation of the state budget has been accomplished in a way that helps to achieve a set of objectives, the most important of which are as follows: (<http://www.accdiscussion.com>)

1. To help achieve an economic development plan.
2. To help achieve social justice
3. .To assisting in rationalizing government spending.
4. To improve the performance level of government services.
5. To provide production facilities and significant services.
6. To provide stability for employees in governmental offices.
7. To provide appropriate standards to measure the government performance efficiency.

e) Budget functions: The basic functions of the general budget is represented by: (<http://www.accdiscussion.com>)

1. Planning: Planning is associated with the general budget closely; therefore there is a need to coordinate between the Plan and Budget. While planning requires the identification of the required goals to achieve and the means of implementation and the budget inherent in the planning, so it should be provided with the financial resources required and customized according to the different activities then spent these resources regarding on what devoted to review and reconsider the sources.
2. Administration: It means translating goals into specific projects and activities and designing government units, which hold the implementation programs, and finally, employs personnel in these units and provide the resources required .
3. Monitoring & performance evaluation: Monitoring process includes all procedures and rules which control over government spending where it prepare control and follow-up report because of depending upon performance evaluation which is one of the most important control objectives through the preparation of comparisons between

planned and actual performance to determine performance deviations, analyze and identify its causes to suggest necessary proposals to assess performance. (Zimmerman, 2001: 241).

Second: concept and indicators of economic and social development:

A- Concept of economic development: It is an intentional process to achieve accumulative increase and create an evolution in a particular field by parties and specific methods. It is one of the development branches that have multiple definitions and interests with production by increasing the real national income occurring (total national output of final goods and services GNP) of a certain state within a period of time, with the consequent of increasing the average income per capita. (Meier and Baldwin, 1957:2)

The general form of economic development aims at finding a solution to the problem of economic backwardness over time, and cares about the most comprehensive and efficient usage of economic resources available in order to obtain construction and promotion of human level and improve the quality of human life to provide the resources needed to decent standard of living as defined by the human development reports issued by the (UNDP) United Nations Organization. It could be a process of expanding human economic, social, political and cultural choices. (Awadallah, 2002: 42) .

Economic development also aims at providing full employment, stability and justice in distributing the national income. Increasing in gross national product (GNP) must have a center stage in economic development, for growth means employment and stability; nevertheless it does not ensure fair distribution. Here economic development means the most comprehensive of the current economic growth to ensure a decent living for all and the ability to permanent, reliable and fair continuing in the future. (Ajlouni, 2013:7).

Economic growth is an essential element for economic development. In the absence of clear formula to stimulate economic growth, the data can help policy makers to understand the economic conditions of their countries better and lead any work to the best. The data presented here covers the procedures for economic growth, as well as the gross domestic product and gross national income. It also includes indicators as the factors related to economic growth, such as capital and operating rates, investment, savings, and consumption, government spending, and imports and exports. ([Http://data.albankaldawli.org](http://data.albankaldawli.org))

The idea of development is the basis to formulate policies, plans and goal setting. When this goal or the item is not capable by itself for measuring, then the indicator primarily serves the referring for this purpose or item. (<http://www.arab-api.org/images/publication>)

B- economic and social development indicators: These indicators can be clarified as an average or median gross product, such as the average annual per capita income, or as a different rate of gross national product (GNP) such as average export, import or debt. (Hicks & Streeten, 1979: 567).

The economic indicators can be measured through multiple indicators including: (Gillan et al., 2009: 6).

1. Per capita from the gross domestic product:

It is one of the most important indicators which refers to the social welfare. It is possible to determine the per capita of the gross domestic product by dividing the gross domestic product with current prices in a certain year on the population in that year.

Per capita of GDP = the gross domestic product ÷ the population

GDP is considered one of the indicators which expressed the level of economic performance of the state and the economic importance of this indicator is through the reversed economic growth rates.

2. Gross fixed investment ratio to GDP:

Composition of gross fixed capital (Fixed Capital Formation) can be defined as that part of the immediate production capability which directed to the production of capital goods and construction such as buildings and constructions, machines and means of transport. Gross fixed capital = total fixed investment ÷ of GDP

3. The ratio of exports into imports:

Goods and services exports as a proportion of imports goods and services index shows country's ability to keep importation and the vital importance of this indicator highlights through the fact of high grade openness of local economies to the global economy.

Social development indicators: while aspects of economic development characterized by relatively viability of direct measurement, most of the social aspects have no direct measurement. Therefore, the social development indicators used partial measurement for Justice, security, education and other elements in the social policy. Social index can be measured by several partial measurement indicators for the following indicators:

1. **Unemployment rate:** This indicator reflects the number of individuals of working age who are capable to work but did not get a chance, this is expressed as a percentage of the total workforce in a country. The general budget is a system that could help to guide the economy to achieve growth and raise per capita income and reduce unemployment. When the unemployment rate increased, it indicates the economic and social imbalance at the same time, and failure to achieve the general budget one of the social objectives.
2. **Population growth rate:** It shows the average annual rate of change in population number and its importance to sustainable development through the condition of backwardness growth rate per capita income from the population growth rate.
3. **Enrollment rate in primary and secondary schools:** It is the number of those who attend primary school to the total population (ages 6 – 22 years). This indicator reflects the spread of education and knowledge in a country.

The researcher believes that education is one of main keys which consider pivot in the economic and social development process and then achieve social luxury, and that mean impossibility to achieve this development in the absence of learning and production the citizen. Therefore, the provision of educational services to enable citizens to join the educational institutions as a basis on the way of development.

4. **protection the human health:** health services is one of the most important community services by securing the health protection as well as providing treatment services to the population through the health sector institutions. It is calculated by dividing the number of people who just do not get of these services on the total population. (Abdul-Jabbar & Jabr, 2008: 143).

Third: diversifying sources of funding:

The federal budget and the goals of economic and social development:

According to Section 6/1 of the Financial Administration Act No. 94 of 2004 to be the preparation of the federal budget in Iraq depends on the economic development plans and seeks to macroeconomic stability and economic policy. Financial management law in Iraq, 94 for the year 2004 Section / 6.

The federal budget depends by 84% on the oil revenue resources of the total sources of funding. It is an abnormal case reflects the rentier nature and distorted of the country economic structure, which refers to the likelihood of increasing risk whenever international oil prices had dropped for any reason, as well as all the threats that may affect oil industry due to internal or external factors and then increase import compared to exports. ([Http: //www.iraq2020. org / print_top.php](http://www.iraq2020.org/print_top.php))

Since the Iraqi economy depends largely on the crude oil export revenues and as a result of impacted those revenues of oil quantities issued by the prices of supply and demand, it has a direct impact on the state budget when the price falls, and then the state's inability to achieve its objectives especially those relating to economic and social development. This requires a diversification of funding sources form that does not affect any of those sources - in case of decline - on the state's ability to achieve its objectives depending on the rest of sources as well as to give an active role to the private sector in economic and social development.

In order to diversify the sources of income there is a need to develop the sectors of agriculture, manufacturing and other activities (such as tourism, air and ground transportation, hotels, Fish Wealth, Animal Wealth, food products, income tax, domestic and foreign investment) in order to increase the contribution in the formation the gross national income. As well as its contribution to the outcome of the general non-oil revenues, which are necessary for the strategy at the current stage to build a more secure and more stable economic future, as Iraq has the a natural resources like: A. Hedrukarboneh Wealth (free oil and natural gas and the accompanying) estimates indicate there are 115 billion barrels of oil reserves for sure, (215) barrels of potential reserves, and about 110 trillion cubic feet of natural gas.

- A. Mineral wealth, particularly the sulfur found in huge quantities in Mishraq and phosphate area in Akashat and red mercury in Amar, and other minerals.
- B. Agriculture: By providing all basic necessities for the advancement of the agricultural sector, as well as human and material resources (Al-Bassam, 2011: 143).

The growth rates that have been made during the period of the sixties and seventies of the last century in light of imports the establishment of strategy existing policies on the protection and support were the result of large oil revenues, which made it possible to sustain on this model of growth for many years. However, the decline in oil revenues 1991 due to the economic sanctions imposed by the United Nations showed failing of this strategy as it is no longer able to support the increase in incomes rates, creating major challenges for Iraqi economy due to the increase of the population with declines of economic growth rates and inability of economic activity driven by the public sector on compensating the decline of oil revenues. The efforts of development that happened by the five year plans were the result of the application of this strategy which have vanished as soon as oil revenues decline; and that confirms the seriousness of dependence on one source of development, accordingly Iraq needs to make radical changes in the economic structure to diverse sources of growth and income (Quraishi, 2007: 219-232)

Table (1): per capita gross of domestic product in \$ the annual rate of growth in Iraq during 2004-2013.

2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	Year
35095.8	34207.2	33338.8	32490.0	31664.5	30577.8	29682.1	28791.6	27927.8	27090.0	Population
228934589041.0	216044306775.3	185749664444.4	138516722649.6	111660855042.7	131611819294.3	88837727881.4	65141035027.9	49954890353.3	36627901762.1	(Thousand people)
6523.1	6315.7	5571.5	4263.3	3526.3	4304.1	2992.9	2262.5	1788.7	1352.0	gross domestic product/ GDP /\$
0.03	0.13	0.30	0.20	0.18	0.43	0.32	0.26	0.32	0.32	Per capita gross domestic product GDP /\$

Fourth: the analysis of federal public budgets In Iraq, for the period from 2004-2013 according to economic and social development indicators

1. Economic indicators:

A. Per capita gross of domestic product:

The table above clarifies the per capita of GDP between 1,352 \$ in 2004 and 6532.1 in 2013 – it is the highest percentage during the years of the study - but the growth rates in per capita of GDP was low compared with the rates of increase in total increase of revenues during the years of study referred to in the Table (7), as the highest growth rate in Table (1) was 0.43 in 2008, while the lowest percentage was 0.18 in 2009, and these ratios ranged between 0.32 in the years 2005 and 2007, and between 0.03 in 2013, and its fluctuation in the rest of the years ; while state revenues during the years of study are between almost 33 trillion dinars in 2004 and 132 trillion dinars in 2013 representing an increase fourfold revenue of basic year; as revenues the state in 2005 grew by 1.07 % for revenue in 2004, down to a rate increase of 4% in 2013. It is worth mentioning that what has been spent during the years of study is almost 31 trillion dinars in 2004 and 124 trillion dinars in the year 2013, which equals the same increase revenues ratios (fourfold) for the base year; as spending increased in 2005 by 1.07% reaching to 4% in 2013, reflecting weak economic performance of the state level.

B. Gross capital formation (% of GDP):

Table (2): Gross capital formation (% of GDP) during the years 2004-2013

2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	Year
%16	17%	15%	16%	11%	15%	9%	19%	22%		Gross capital formation (% of GDP)

Source: World Development Indicators <http://databank.albankaldawli.org>

Table (2) shows that capital formation of GDP is fluctuating between the highest rate (22%) in 2005 and lowest rate (9% in 2007). It is a very low rate of GDP, despite the dramatic increase in spending through the years of study as it is shown in Table (7). This confirms the weakness of the productive capability directed to the production of capitalized goods; this also reflects the poor economic performance of the state level.

C. Proportion of exports to imports:

Table (3) Proportion of exports to imports within the years 2004-2013

2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	YEAR
1.79	1.86	1.96	1.38	1.11	50.3	45.9	51.0	54.3	56.3	Proportion of exports to imports
132879856	135979621	105197564	86728811	69757529	91683939	53671837	50965801	35996319	33394398	Incomes

Source: World Development Indicators <http://databank.albankaldawli.org>

Table (3) shows that Iraqi exports to imports rates in steady decline, with the highest percentage (56.3%) in 2004 and then those rates start to decline within years of the study down to the ratio (1.79%) in 2013, referring to state reliance on external imports to cover its requirements despite the continuous increase in Iraqi revenues which reaches to (33394398 million dinars in 2004) down to (132 879 856 million dinars in 2013). This indicates a significant increase in the Iraqi imports during the years of the study, in a manner which could lead to the country's inability to carry on import. This also reflects the weak economic performance of the state.

2. Social indicators :

A. Unemployment rate:

Table (4) the unemployment rate during the years 2004-2013

2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	year
10.3%	10.3%	10.2%	5.5%	5.8%	6.6%	1.4%	10.2%	4.4%		Unemployment rate

Source: Ministry of Finance / Accounting Department, the Central Organization for Statistics and Information Technology, Statistical Abstract.

Table (4) shows that the volatile unemployment rates among the highest percentage (10.3%) in 2012 and the lowest percentage (1.4%) in 2007. Adhaq to growing unemployment rates during the years of the study, which indicates economic and social imbalance, and this also reflects poor economic performance of the state level, and the lack of the general budget for the goal of social objectives.

B. Per capita rate of GDP

Table (5): Per capita rate of GDP during the years 2004-2013

2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	year
35095.8	34207.2	33338.8	32490.0	31664.5	30577.8	29682.1	28791.6	27927.8	27090.0	Population
1.02	1.02	1.02	1.02	1.03	1.03	1.03	1.03	1.03		Thousand person
1.03	1.13	1.30	1.20	0.81	1.43	1.32	1.26	1.32		Rate of population growth

Source: Ministry of Finance / Accounting Department, the Central Organization for Statistics and Information Technology, Statistical Abstract.

Table (5) shows the population growth rate (1.03%) in (2006 – 2009) and 1.02% from 2010 - 2013, while the per capita income growth rate, during the years of the study, was fluctuating between 0.81 in 2009 and 1.43 in 2008. This indicates a random planning and unobjectivity. This also reflects the poor economic performance of the state level.

C. Enrollment in primary and secondary rate :

Table (6): enrollment rate of primary and secondary school from 2004-2013

2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	Year
	23.4%	22.7%	21.6%	21.4%						Enrollment in primary and secondary rate

Source: Ministry of Finance / Accounting Department, the Central Organization for Statistics and Information Technology, Statistical Abstract.

Table (6) shows weakness of students' enrollment rate of primary and secondary school, which indicates shortage in spreading education and knowledge in the country, as well as showing the weakness of social performance of the state level to achieve one of the reasons of social welfare.

D. Protection of human health:

The World Health Organization has set a goal to specify one doctor for 714 citizens, while the reality of the situation in Iraq points to specify one doctor for 1282 citizens .This confirms the numerical deficit against the quality of health service in the country. One study indicates that number of hospitals, health centers and medical staff in Iraq are moving slower than population size growing, as well as quantatively insufficient which refers to deficit in performance level and quality of services as well as the weakness of the social performance level of the state.

4 REVENUES AND EXPENDITURES OF PUBLIC BUDGETS DURING THE YEARS 2004-2013

Table (7): revenues and expenses and surplus budgets during the years 2004-2013

2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	Year
132879856	135979621	105197564	86728811	69757529	91683939	53671837	50965801	35996319	33394398	Revenues Million dinars
124827664	105139574	78757665	70134201	55589720	67268196	39308348	37494459	30831141	31521427	Revenues
8052192	30840047	26439899	16594610	14167809	24415743	14363489	13471342	5165178	1872971	Million dinars

Source: Ministry of Finance / Accounting Department, the Central Organization for Statistics and Information Technology, Statistical Abstract.

Table(7) shows that all public budgets in Iraq during the years of the study registered high surpluses ranged between (1872971 million dinars in 2004 less surplus - and 30,840,047 million dinars in 2012 - the highest surplus -) and a total surplus (155 383 280 million) resulted from the increased revenue level for the level of spending compared with what has been spent during the years of study with what has been achieved federal budget targets during the years of the study according to the economic and social development indicators - as shown in the tables analyzing economic and social development indicators above. Lack of implementation of those budgets to objectives and to the deterioration of the conditions of development despite the availability of material and human abilities as well as that of human development indicators in Iraq reveal quantitative and qualitative deterioration in essential services such as security, health, education, infrastructure and standard of living of Iraqi people. This suggests poor planning in the preparation of the state budget as well as poor implementation and weak oversight in the preparation and implementation.

5 CONCLUSIONS

- A. The state budget preparation is still adopting the traditional budget-which is one of the worst kinds of budgets and most waste of public fortunes – back to a century ago in spite of its failure to achieve the desired goals.
- B. Despite the increase of incomes earned during the previous years (study years), but the budgets has been prepared with a deficit scheme. This indicates the lack of objectivity expenses planning as well as revenues that has been confirmed in most of those surplus budgets.
- C. When the budget should reflect the future vision and strategies of the government; the method adopted in preparing the general budget and clear failure in planning refers to the lack of government strategic vision of growing financial overloads; so we do not find a clear goal in the budget that government works to implement.
- D. Public budgets reflect the state dependent heavily on imports for most of the requirements of citizens, neglecting the attention of production.
- E. The general budget preparation is set with a large deficit; end up with a surplus; due to the lower rates of implementation or increase of oil revenues because of the rise in oil prices or the export amounts, which suggests non efficiency in using of available economic resources.

- F. Non use of exploit surplus budgets of previous years (years of study) of (155 383 280) Iraqi dinars; the optimal exploitation in the field of investment to return on the country with additional revenues for the development of the national economy.
- G. Although the state has spent huge amounts of money estimated at nearly (640872395) million dinars from 2004 to 2013, it has been unable to achieve economic and social objectives according to the indicators referred to in the study. Reflecting the weakness of economic performance of the state, and the lack of public budgets for goals that should be achieved.
- H. Although the state achieved revenues during the years of the study estimated almost (796255675) million dinars, the state couldn't complete infrastructure projects in the country.

RECOMMENDATIONS

- a) The Diversification sources of funding by activating the sectors like (tourism, transport, hostelry, agriculture, industry, livestock, income tax, investment), as well as oil and gas sectors to build a more secure and stable economic future.
- b) The Reduction of spending in the luxury aspects (unnecessary) and reconsider the administrative sagging structure by encouraging the transition and work in the private sector in accord with the laws that guarantee the rights of employees in that sector. The retirement and social security are considered the most important ones.
- c) The Oblige the government units to prepare final accounts as scheduled in accord with Office of Financial Supervision Act as a basis for approval in objectively estimating revenues - non-oil when preparing the state budget.
- d) The Preparation of the state budget on the basic of achievement economic and social objectives development according to development indicators that should be identified to be a standard emulated when the budget is carried out.
- e) Align the strategic long-term and immediate objectives when preparing public budgets of the state.
- f) H. Activating and implementing the role of oversight during the preparation of the state budget as well as performance evaluation periodically (semi-annually) to avoid weaknesses and reinforce strengths.

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