

# The Role of Social Market Economy Mechanisms in Promoting Iraq's Accession to the World Trade Organization

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## **Abstract:**

*This paper interesting on the issue of Iraq's accession to the World Trade Organization and the importance of laying the foundations and mechanisms for a successful, social market economy in order to enhance the accession process on sound foundations and make the most of correcting what is acceptable the economic path in a multilateral framework and removing Iraq from international commercial and economic isolation, with investment The mechanisms and components of the market economy in support of the transformation programs in the Iraqi economy and the acceleration of the process of joining the World Trade Organization by overcoming the obstacles that prevent this and establishing the relationship between the social market economy and the attempts made by the government to join the World Trade Organization as a framework for action to advance the economy The Iraqi forward is far from the rentier situation in its only direction of converting oil dollars into imports in the other words.*

**Key words:** Social market economy, WTO, private sector, free initiative, government intervention.

## **I. Introduction:**

The process of joining the World Trade Organization needs to change local legislation and regulations in order to conform to the principles and foundations of the organization and thus be treated with a coherent and transparent environment in a multilateral framework. The success of Iraq's accession to the organization requires not only a change in the legislative structure, but also requires internal mobility at the level of the private sector in order to be a producer of goods and services so that it is interacting with the market atmosphere in all members of the organization, and the fusion process becomes a membership process and not a membership Superficial, by giving a prominent role to the private sector and market economy mechanisms under government sponsorship, which we have termed a social market economy. Here, social issues will be present in light of the work of market forces through government sterilization activities.

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### **Research Objective:**

The research aims to achieve the following:

- 1- Introducing the social market economy and its role in stimulating private initiatives, production efficiency and enhancing competitiveness.
- 2- The fundamentals of the Iraqi market economy and the extent to which the social market economy can be applied
- 3- Explaining the relationship between the mechanisms of the social market economy and the World Trade Organization, in which the market economy supports successful entry into the organization.

### **The problem of research:**

The research started from a problematic extent of the extent to which market economy mechanisms can be used to support transformation programs in the Iraqi economy and accelerate the process of joining the World Trade Organization and what is the relationship between the social market economy and joining the World Trade Organization as a framework for working to advance the Iraqi economy forward Away from the rentier situation in its only direction of converting oil dollars into imports.

### **Research Hypothesis:**

To answer the problem, the research adopted a hypothesis that the existence of established social market economy rules and mechanisms leads to the availability of successful ties with the requirements of joining the World Trade Organization and that both provide mutual support in order to promote the process of transformation in the Iraqi economy and make the most of the process of joining in the multilateral trading framework.

## **II. Research Methodology:**

The research relied on the descriptive approach in the inference and conclusion of the sources that dealt with the subject.

Research Structure:

In order to achieve the goals of the research and prove its hypothesis, it was divided into first: the knowledge frame of the social market economy definition, and secondly, it dealt with the reality of the social market economy in Iraq and its impact on joining the WTO, and the third paragraph dealt with the elements of the success of the social market economy in Iraq, and fourthly the relationship Between the social market economy and Iraq's accession to the WTO, looking forward to the effects. In the end, it was the turn of the most important conclusions and recommendations reached by the research.

### **1 - the conceptual framework of the social market economy:**

The market economy dates back to Alfred Muller Armac, who with Ludwig Erhard is the spiritual father of the social market economy (soziale Markt wirtschaft). He sought a "new combination" of market freedom and social protection to produce the maximum wealth, so he defined it "as an idea". Regulatory, the aim of which is to combine free initiative on the basis of competitive economics and the social progress guaranteed by the performance of the market economy, that is, it seeks to combine the principle of freedom in the market with the principle of social

compensation, and prosperity for all, understood from the social market economy as a system without franchises, as The feudal or partisan elites or groups of economic powers such as monopolies, cartels or trust funds do not affect the markets and society, as all members of society should in principle have the same opportunity for individual development away from any class barriers, so that the result is prosperity or "prosperity for all" (1).

This social meaning of a market economy represents for some an economic success wherever it arises, as it represents every advantage of rationalization, and every improvement in the performance of work is used for the benefit of the people, which is all that works to better meet social consumption (2).

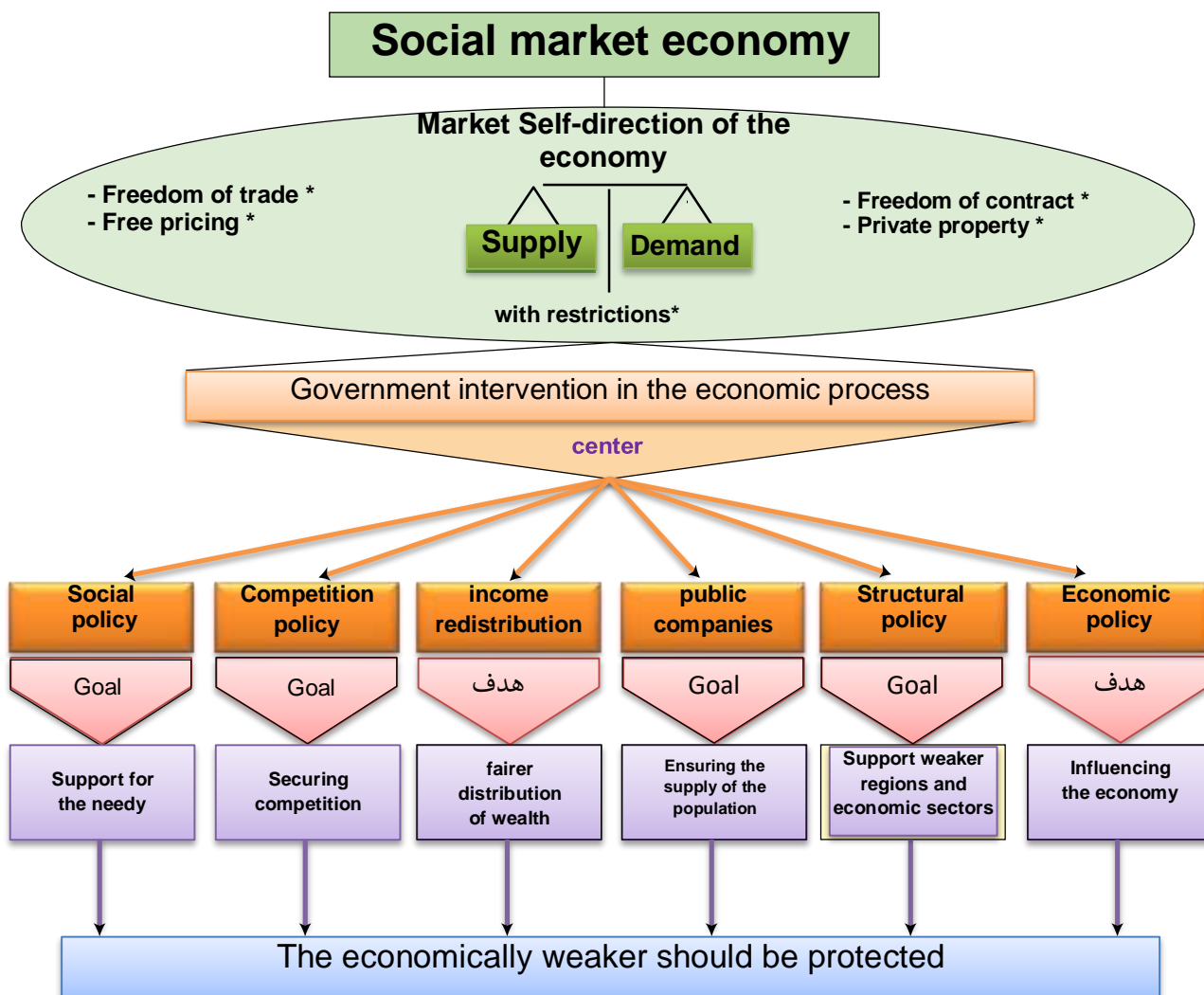
We deduce from the concept of a social market economy to that it combines the advantages of a free market economy and a planned central economy through a mixture of market economy and state interventions (3) along with social policies that create fair competition within the market and the welfare state, which is sometimes classified as a coordinated market economy, It also combines free initiative and social welfare on the basis of a competitive economy, and combines private institutions, organization and the state as well as intervention to establish fair competition, maintaining a balance between high economic growth, low inflation, low levels of unemployment, good working conditions, social welfare, and services General (4).

## **2- The pillars of the social market economy:**

According to the philosophy of the social market economy, the state must support the structurally weaker sectors and economic bodies. Moreover, part of its economic system adopts collective negotiations in accordance with collective agreements between unions and employers 'organizations, and employees are granted rights to establish business councils in them.

Germany has seen social policies that protect or support the economically weaker people, ranging from occupational safety regulations (youth protection, maternity protection, separation protection, etc.) and have adopted social security projects (accident insurance, pensions, health, and unemployment , And long-term care) up to the special promotion of educational and health facilities, as well as controlling the competition component of the social market economy, as benefit from the social market economy is not achieved unless competition succeeds, and competition cannot succeed unless the government secures competition and equitable distribution of income In addition to supporting the policy of freedom of trade and freedom of contract, experience has shown that individual companies can become so strong that they go beyond competition, which the state must establish rules to maintain competition and control the concentration of economic power (see Figure 1).

Figure (1) the pillars of the social market economy



We realize from this that the social market economy as an economic system is based on a set of basic pillars, which are (5):

- The first pillar: Responsibility to work with the principle of free markets, and effective competition. It includes the following:

Freedom to contract \*.

Freedom of Trade \*.

- Property\*.

- Free pricing.

Adoption of monopolistic controls.

- The second pillar: social security, is the most important, and includes:

Long-Term Social Care Insurance Law

Health Insurance Law.

Retirement Insurance Law.

Occupational accident insurance.

Unemployment Insurance.

Social Aid.

- The third pillar: The government enters into the economic process and includes the following:

Economic, social and structural policy.

Providing a safe competitive environment.

Redistributing income and supporting the needy.

Gradual income tax.

Sharing family burdens.

Distribute the fruits of wealth obtained fairly to everyone.

Supporting the economically weaker areas.

- The fourth pillar: Respecting the values and principles that preserve the rights and heritage of future generations and the need for joint action for the harmonious development of each person in the future, as well as respect for human dignity and the protection of social peace through following policies compatible with an effective market that is consistent with the principles of reciprocity and sustainability.

### **3- Social Market Economy - Areas of market failure and the importance of government sterilization:**

Countries advocating the importance of free activity and market mechanisms in regulating economic life have recognized the need for government intervention in economies to disrupt delays and eliminate distortions caused by free market mechanisms. So the so-called welfare state was born, as governments adopted an increased economic role by regulating social conditions and providing the necessary funds for pensions, health care and other images of the social security network, as well as markets that have to direct all the details of daily economic activities (6),

Despite the measures taken by the governments in strengthening the social market economy, there are cases of failure that can be identified in the following areas (7):

3-1 Market forces cannot confront or limit the external impacts that result from the establishment of a project. These effects are generated by the market's inability to achieve consistency and harmony between personal and social well-being. External impacts are highlighted in two forms, the first being called external costs when there are effects Negative social like pollution, and the second is called external benefits through obtaining positive social effects for the establishment of a project such as the establishment of recreational parks or scientific discoveries, and on the basis of this, the negative external effects cannot be avoided by relying on the forces of the complete free market economy system.

3-2 Transactions in the market sometimes lead to irrational or rational consumer tendencies due to lack of information as they are in a position where they lack full knowledge of the quality of goods and the prices of alternative goods or the side effects that may arise from them. In this context, if the request to obtain information is costly for the public, the process of state intervention appears necessary and is better than leaving the matter to take its course through the mechanisms of supply and demand of the market.

3-3 The possibility of instances of incomplete competition as a result of the creation of monopoly as a result of unannounced agreements between enterprises or unfair uses of socially productive resources (8).

3-4 What relates to public goods and the failure of the market to provide them with the optimum size socially, as public goods are characterized by that there is no competition in their consumption, that is, they are available to everyone with the same degree in terms of quality and quantity, and it is not possible to exclude others from their consumption, that is, it is impossible Preventing those who do not pay a price from consuming goods. Because of this free rides of this type of commodity, there is no incentive for individuals and the private sector to produce or provide them, which means depriving society of the presence of such extremely important goods as external defense, the monetary system, and the environment free from pollutants (9).

### **Second: The reality of the social market economy in Iraq and its impact on joining the WTO:**

1- The reality of the market economy:

Iraq has sought to adopt market mechanisms as a new economic approach after 2003 against the background of what has been observed to the major failures of the public sector, its slackness, and its inefficiency in project management. This approach was formally adopted through an explicit reference to that in the articles of the Iraqi constitution, as Article (25) of it referred to what was stipulated (The state guarantees the reform of the Iraqi economy according to a modern economic vision in a way that guarantees the investment of all its resources, the distribution of its resources, and the encouragement of the private sector And its development) (10). On the practical level, however, the market economy and the private sector did not take the desired and pioneering role that I want in the new economy, as it faced a set of obstacles, subjective and objective obstacles, which can be explained as follows:

1-1 The large and strong dominance of the public sector in economic activity remains in terms of the number of projects, the type of projects, the size of employment in them, and the percentage of their contribution to GDP. For example, we find the total capital formation for the private sector that constitutes 22.4% in 2014, just as the proportion of the private sector's contribution to GDP is modest, accounting for 30.5% and 60.9% after excluding the oil sector in 2012. What is worth noting is that the Iraqi private sector He suffered a setback after 2003 in a noticeable way due to the stoppage of industrial projects as a result of the destruction and high production costs and the lack of local demand for his products due to dumping the market with foreign products. The targeting of families of capitalists and the flight of regulators to neighboring countries is a major factor in the same direction (11).

1-2 Despite the government's endeavor to give the private sector its role and market mechanisms its strength in the economy, the private sector did not take the desired weight to move to a market economy in the sense of which it is intended, as that sector has been revolving into a cycle of financial freedom and has become a subordinate to it, He did not reach the stage of maturity to promote real production, where the behavior is towards financing the consumption trade and seizing oil rents through contracting with the government to meet its purchases and implement infrastructure programs in a clear tendency to go in the direction that the government wants and be through.

Consequently, the market economy has generated a distorted birth in the new stage that does not serve the trend towards real production, innovation and competition on an autonomous basis (12).

1-3 Weakness and lack of tendency of the private sector to spend on research and development and training the workforce, which means that it is characterized by negativity and dependence on quick-profit activities that are not productive, weak in innovation and competitive (13).

1-4 The small financial rules of the banking system, as well as the adoption of a deflationary policy by the central bank, has led to weakness and limited credit, which can be presented to private projects as new or expansionary initiatives of the existing ones (14).

1-5 In addition to the fact that the private sector suffers from the phenomenon of the emigration of its funds abroad due to the low validity of the investment environment, including laws, incentives and favorable security conditions at the macro level.

2- The effect of economic reality on joining the World Trade Organization:

In the same direction to correct the path of the national economy through adopting a market economy approach and activating the private sector, Iraq sought to integrate with the international multilateral trading system within the framework of the World Trade Organization, after 2003. Iraq submitted an official request to join in September 2004, and was obtained As an observer member of the same year. As Iraq submitted to the Trade Organization a detailed note in which it described its economic, commercial and legal conditions, and the first meeting was organized between the National Committee (the national team) and the working group formed by the organization (15).

In this context, the Supreme National Committee undertakes the task of preparing the requirements for accession, as the committee consists of the Minister of Commerce as chairman and members representing representatives of the relevant ministries (industry, agriculture, science and technology, planning, trade and culture) as well as representatives of the private sector (the Federation of Iraqi Industries, the Federation of Chambers of Commerce). These bodies work to study the agreements of the World Trade Organization in aspects related to goods, services and intellectual property, and then present their study and the results reached in this regard by the Supreme Committee. As for the latter, it unifies visions with a draft law and submits it to the Council of Ministers and then to the State Consultative Council to discuss it, and in The end is sent to Parliament for voting and approval (16), despite these procedures, Iraq is still an observer member and its meetings have not evolved to the level of negotiation, as it remains at the level of consultations because it is not ready at all levels, including internal legislation related to trade policy and support and the intellectual property protection system, as well On the lack of a solid database on all commercial and financial conditions, just as the Supreme National Committee in charge of following up Iraq's accession to an organizer. The global trade body has not been established on sound foundations and according to international experiences, as it has a set of negatives in that it has entrusted its presidency to the Minister of Trade and is a political figure that changes the cabinet cabinet, and to members of employees in other ministries who are subject to administrative orders moving between positions or assignment To retire, and the allocation of responsibilities between different departments, and this does not achieve the desired goal with the desired effectiveness (17). In the same direction, the slow and lagging progress in adopting mechanisms at the practical level to mature the private sector and giving it the desired role and providing the appropriate legislative and investment environment for it, and reducing the role of the government in owning projects and employing labor and creating a local product capable of competition,

all of these are reasons added to factors Causing slowly and inefficiency in joining the World Trade Organization and the possibility of benefiting from the mechanisms of the organization in a multilateral framework.

### **Third: The ingredients of the success of the social market economy in Iraq:**

These elements are related to a package of requirements related to re-imagining the mixing between the public and private sectors, and encouraging the local industry at the hands of the private sector by creating an investment environment and legal frameworks, as well as adopting commercial policies that support emerging industries and national products.

#### 1- Reshaping a new mechanism for public-private partnership:

1-1 At the legislative level, a role has been given to the private sector and market economy in charting the new features of the Iraqi economy in the constitution specifically in Article (25) of its stipulation (The state shall guarantee the reform of the Iraqi economy according to modern economic foundations in a manner that guarantees the full investment of its resources and the distribution of its resources and the encouragement of the sector Private and development) (18).

In the strategy of developing the private sector 2014-2030, three stages were set for developing the private sector, namely (19):

1-1-1 The first phase for the period 2017-2014 is led by the government.

1-1-2 The second phase of the period 2018-2022 is led by the government in partnership with the private sector.

1-1-3 The third stage 2030-2023 is led by the private sector.

What can be said in this regard is that these stages did not coincide with the issuance of a law regulating the process, and no law was issued for the process of privatization and its regulation, and therefore it is necessary to issue such laws in order to push forward toward a shift towards a market economy and the private sector.

1-2 As for the level of partnership between the public and the private sector, as a mechanism for the gradual transition to a market economy, strengthening the private sector and reducing the government role, the importance has increased after the failures of the public sector became apparent and its inability to carry out development burdens, as the partnership can take several forms, including extension Establishments with their needs for services, technical assistance contracts, subcontracts, management contracts, licensing operations and contracts, franchise system, ownership, building and operating system, acquisition or sale acquisition system (20), in order for a successful transition to a market economy in Iraq should The privatization policy takes its gradual path and not shock therapy, that is, it develops organically in the government building system to form an original and legal equivalent (21). In this framework, a comprehensive program should be established that includes an evaluation of all state-owned projects and the selection of appropriate ones for privatization (tenders, auctions, grants (Sale, rent) and provide a legal environment to guarantee the rights of both parties to the privatization process. This does not mean that the state abandons its role and abolish it altogether, on the contrary, it should play the guiding role and guardian, and provide services to society within the framework of the so-called public goods in order to give the market economy its social dimension.



1-3 With regard to improving the operation of enterprises in the public sector, the principle of competition for the market should be activated instead of competition in the market in order to devote competition in natural monopolies (public activities), according to the Demsetz-Competition rule. The process of accessing efficient establishments is a competitive process that is carried out by re-arranging the activities of the public utilities and their structure, especially the activities of water liquefaction, electricity distribution, transportation ... etc., by offering the management of their services to contract according to competitive conditions and rules, and thus this matter makes the public establishments It behaves according to sound economic fundamentals in the manner of the private sector (22).

2- Encouraging local industries and creating the investment environment and legal frameworks:

Encouraging the local industry in Iraq involves a set of related issues through government action that revolves around building industrial cities, technological incubators and free zones to give the necessary boost to the private sector to industrialize and acquire the necessary skill in it. The issue also requires creating a favorable investment environment by working to achieve a set of related indicators, including the composite index for country risks and the ease of doing business index \*\*, and the negatives in investment laws should be exceeded, for example the Investment Law No. 50 of 2015 did not exceed the existing negatives In the Investment Law No. 13 of 2006 regarding the existence of a contradiction in the powers between the functions of the National Investment Commission and the functions of the Council of Ministers and the Ministry of Planning regarding the text of the law that the National Investment Authority is developing a general national strategic policy for investment and identifies the most important sectors and is preparing a map of investment projects in Iraq And the new law, like its predecessor, excludes from the provisions of private investments in the banking and insurance sectors, which are the two main sectors that work to promote and attract investments (23). In addition, the promotion of the private sector and the promotion of a market economy based on a achieved local industry should be strengthened by a commercial policy that guarantees the protection of emerging industries and the protection of local products through the imposition of fees on competing foreign products, and provides a measure of customs ease to import production inputs involved in manufacturing by reducing taxes on them (24).

Fourth: The relationship between the social market economy and Iraq's accession to the WTO foresight:

You can review a set of aspects for the exchange of the relationship between the social market economy and joining the World Trade Organization, the role that the market economy can play in promoting joining the organization on the one hand, and the role of the organization in establishing the rules of work done for the market economy within the framework of the Multilateral Agreement.

1- The social market economy is based on the role played by the state through its intervention to promote fair competition, prevent monopolies, protect order and law, and private property, and provide the environment suitable for the functioning and promotion of market mechanisms. This job of the state enhances its ability to play the desired role in light of joining the World Trade Organization and through its agreements and principles and the exceptions that came with it, which gave the state the power to intervene to amend some tracks for the appropriate and firm integration and benefit exchange within the framework of the organization, and the state's intervention is through:

1-1 Iraq can intervene away from adherence to the principles of the World Trade Organization through the exceptions found in these principles that allow it to be possible through agreement with other members individually or collectively, by establishing customs unions and free trade areas, providing developed countries introductory facilities

to Iraq as a developing country Among what is known as the condition of empowerment, and the protection of the emerging national industry until it is competitive, establishing trade arrangements with neighboring countries, imposing restrictions on trade for security considerations, interfering to impose anti-dumping duties, all of this comes within the framework of the exception granted on the principle of the most favored nation (25 ). The government can also interfere by using the system of quotas and quantitative restrictions on imports, as an exception to the commitment to the principle of transparency, as quantitative restrictions can be imposed on agricultural commodities to implement government programs related to control production, marketing and disposal of surpluses, or when there is a severe deficit in the balance Payments or in reserves from foreign assets, or with a view to excluding competition from foreign goods in order to encourage nascent industries in conjunction with proving damage to a local industry, also quantitative restrictions on imports of certain goods can be used to protect public morals, national security, health care and the protection of rights Intellectual property of commercial fraud (26).

1-2 The government can intervene in resolving some commercial issues by benefiting from the principle of the organization's trade negotiations based on bilateral and multilateral talks and agreements, as this principle is based on mutual persuasion (27).

1-3 There are a group of exceptions that can be indicated in the WTO agreements through which the Iraqi government can intervene in order to benefit from them, as follows:

1-3-1 In the Agreement on Trade in Agricultural Products, the issue of reducing domestic support provided by the state, as there are exceptions for developing countries that Iraq can benefit from, which is the possibility to provide targeted support for agricultural investment in general and not for a specific agricultural activity, support for agricultural inputs (Fertilizers or irrigation) for low-income producers, supporting agricultural producers to encourage them to diversify production and not cultivate narcotic crops, and this is called the Special Safeguard Measure (SSM), the support directed to a specific product that does not exceed 10% of the production value of this product, Support not directed to a specific product, provided that it does not exceed 10% of the total agricultural production value, direct payments within the framework of production programs on the basis of a specific area or a specific number of heads such as poultry and livestock. There is another issue that is related to the attendance of agricultural export subsidies, as developing countries were excluded, including Iraq in the event that it joined as a developing country regarding two types of support. The first includes payments directed to reduce the cost of marketing in relation to shipping, modernization and air transport, while the second includes permitting internal transportation from Order to export on preferential terms compared to internal transport for internal purposes (28).

1-3-2- Within the scope of the TRIMs Agreement, although it prohibits a member from using measures in his domestic legislation related to foreign investment that are not consistent with the principles of the organization, on the other hand, he does not restrict the Member State of the WTO In the use of its powers to regulate matters of foreign investment within the limits of its borders (29). In this direction, the state will be present to organize its investment matters in line with its vision of the Iraqi economy.

1-3-3- What is related to the support agreement, there are within its classifications within the framework of the agreement, the permissible support that can be provided by governments without resulting in countermeasures, such as support directed to research and development programs within production or research institutions provided that it does not exceed Support is more than 75% of the research cost, or 50% of the development costs, as well as the support

provided to low-growth regions in the country, and the support given to projects in order to adjust their production processes according to environmental requirements (30). The support agreement gave the developing countries some exceptions in appreciation of their special status, as these countries can provide support to encourage exports if the average income is less than a thousand dollars annually, while the rest of the developing countries are given a grace period of eight years and then cancel the support. Or, if it becomes exporting capacity, through its share in the global trade of the exported product, it reaches 3.25% for two consecutive years. Developing countries can also support their domestic product versus the imported product for five or eight years for the least developed countries. It also allows developing countries to provide support within the framework of the privatization programs that they undertake through qualifying and assisting public projects for sale, and no action is taken against the developing country if the total support granted for a particular product does not exceed 2% of its total value (31).

1-3-4- Within the scope of the GATS agreement, among its principles is the right of the state to prevent monopolies and commercial practices restricting fair competition that may be undertaken by domestic service providers, which limits foreign competition or vice versa (32). There is ample room for the government to report competitive and fair service delivery and production within the national economy.

1-3-5- Concerning the TRIMs agreement that aims to protect intellectual property holders, encourage innovations, transfer and popularize technology, the state can intervene within the exceptions mentioned in the agreement in order to preserve public health and promote the public good, And preventing intellectual property owners from unfair arbitration in the use of their rights through monitoring practices that violate the competition in contractual licenses with rights holders in a manner that affects the restriction of trade and international and domestic transfer of technology (33).

2- The market economy promotes the private sector and individual initiatives, as individuals and institutions seek to seize profit opportunities by supporting new ideas, adopting them and transforming them into goods and services, this matter also finds its expression in the WTO agreements, especially the agreement on intellectual property rights in patents, Trademarks, and Geographical Indications, as having an active and active market economy in Iraq will prepare the appropriate ground for maximum benefit from these rights in case of joining the World Trade Organization WTO and establishes a national environment in which innovations and inventions intensify and then their production and marketing (34).

3- The success of the private sector environment and market economy in Iraq eliminates inconsistencies and contradictions in the structure of the economy and helps for successful integration into the World Trade Organization, as the oil sector dominates about 50% of the gross domestic product, while it only employs approximately 2% of The workforce, while we find that the agricultural sector employs 22% of the workforce, and only 5% of the gross domestic product contributes (35). And if we know that the oil commodity is not included in the contents and interest of the World Trade Organization, the imbalance appears clear in the inability of the economy's contribution to export, competition and engagement made in the organization, but with the activation of the private sector, especially in the field of industrial production and raising its contribution to local production and employment, under the umbrella The social market economy that the state interferes to direct, the active contribution in the context of the World Trade Organization will be more effective.

4- The strengthening of market economy mechanisms in Iraq gives a good picture of the economy moving in the right direction in terms of the allocation of economic resources, optimal allocation, and production efficiency in light of production programs that depend on the internal and external market needs away from activities aimed at obtaining oil rents through contracting activities With the government or import trade. This matter provides a suitable ground for work within the World Trade Organization to the extent that it gives the agreements and principles of the organization of instructions and legislations that the commercial process operates within a framework that is universally recognized and recognized, as Iraq becomes under the rule of a more interactive social market economy within the WTO system through export and import and attract Foreign investment and technology, and that no more depends on imports in light of the domination of oil revenues and the failure of the market to perform its tasks.

### **III. Conclusions and recommendations:**

#### **First: Conclusions:**

1- The social market economy mechanisms provide the appropriate ground for successful entry into the World Trade Organization, in a way that can provide the private sector and individual initiatives for commodity production, which is necessary to engage in foreign trade with a wide range of goods with appropriate efficiency and competitiveness in light of government sponsorship to provide the necessary frameworks for the functioning of the market. Organizing it and preventing deviations that affect it.

2- There are exceptions in the WTO agreements and principles that allow governments, including Iraq if it joins, to interfere in the interest of the public interest, security, and emerging industries, or in the event of a severe imbalance in the balance of payments, by departing from the principles and agreements in the form of taxation Increasing tariffs on imports or the use of quantitative quota systems on foreign trade, which allows the government a degree of intervention and sterilization appropriate to the social market economy approach.

3- Joining the World Trade Organization allows taking advantage of the international multilateral system in agreements, exceptions and principles, and in issues of settling trade disputes on a collective basis, which excludes Iraq from individual commercial reprisals, and joining is an international certificate of discipline and the adoption of global standards, which makes the Iraqi economy Trade policies are transparent to other members, and this leads to the encouragement of foreign direct investment flows and technology. It also allows Iraqi exporters to benefit from access to foreign markets for member states, and this all creates a favorable business environment for economic growth in a sustainable manner.

4- Iraq has not reached a stage of sufficient maturity in the approach of the social market economy at an acceptable level at the legislative and practical levels, as despite the clear text in the constitution in Article 25 of it on economic reform and giving the private sector a strong role in developing the economy, but this The sector lacks the spirit of adventure and initiatives and headed towards quick and secured earning in contracting activities with the government or financing import trade, either at the legislative level did not legislate a law regulating the private sector and market economy until the present time, just as the amended Investment Law No. 50 of 2015 did not exceed previous negatives In Law No. 13 of 2006 regarding the contradiction of powers between the Council of Ministers and the National Investment Commission in drawing up national investment policies, it also omits legislation to invest in the banking and insurance sectors.

5- Iraq's delay in joining the World Trade Organization and benefiting from the multilateral trading system due to its weak production base, the private sector and market economy mechanisms, which has lost the benefits of true commercial integration into the global economy.

### **Second: Recommendations:**

1- The necessity of the Iraqi government seeking to work quickly on everything that would support the private sector and establish the mechanisms of the social market economy through legislation for the private sector and market economy, and to improve the environment of public sector institutions according to the market foundations by privatizing successful projects from them in order to be the nucleus For successful privatization, broadcasting market mechanisms and competition according to the Demistz rule in the other part of it, and thus can be called so-called projects competing for the market instead of competing in the market in the framework of reforming public projects.

2- In preparation for joining the World Trade Organization, the formation of the Supreme National Committee in charge of following up Iraq's entry into the World Trade Organization should be reconsidered. As it should be formed with a stable structure that does not change the cabinet cabinet, through the establishment of a president with the rank of minister and independent members with expertise and efficiency in the economic, legal, industrial, agricultural and commercial aspects and to benefit from the experiences of countries in this field, in order for the accession process to be more rapid and effective for maximum benefit Of multilateral international business.

3- Working to support the national industry and the national product, and adopting a favorable trade policy for this purpose, and all of this comes in the period before joining, in order to prepare the national product and place it in a strong and competitive position. As for the accession stage, the state's support and intervention must be done according to agreements The organization and its principles and benefit from the exceptions granted under it.

4- Creating a favorable investment work environment to encourage local and foreign investors to invest in the Iraqi economy, according to well-known investment environment indicators such as the Ease of Doing Business Index, the composite index of country risks and others.

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