

# Implications of the Dual Crisis of Terrorism and Corruption on The Economic Development in Iraq: A Comparative Analysis

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## Abstract

Recently, researchers and experts concerned with economic affairs have increased interest in managing the returns of natural resources and how they can best be used to achieve economic prosperity and prosperity for people in developed countries. Most developed countries have devised different strategies and models for successful management of these riches. Accordingly, some suggest a model for establishing sovereign funds under various names to preserve these fortunes for contemporary generations and future generations in a way that contributes to achieving growth and development of the economy and raising living standards and enhancing the welfare of its residents. Meanwhile, others suggest a direct distribution model for the income from natural and oil resources, especially among the population, which contributes to improving living standards and the well-being of individuals. Many countries have started applying this model. In our world today, the American state of Alaska is the most famous application and success, followed by the Canadian province of Alberta, which used the model of direct distribution of oil wealth to the population. Regardless of ideas and opinions, the idea of establishing what might be called (the Iraqis fund) represents the best, efficient and fair way to ensure the Iraqi population enjoy the wealth, especially after the governments that ruled after the change in (2003) failed to provide the most basic services and rights to this country. Besides, the economic and social benefits that can accrue from supporting the consumer's capabilities and the agreement of individuals can be strengthened, which in turn will form the core of economic activity and its prosperity.

**Keywords:** Economic Development, Terrorism, Corruption, Sovereign Funds, Iraqi Economy

## 1. Introduction

Iraq and its oppressed people have endured decades of corruption, waste, and totalitarian dictatorship under the previous regime. Wealth, whether human or natural resources, has been wasted, destroyed, and wasted on wars that cannot be won and on internal repression in all its forms and arbitrary colors, as well as in raising funds for it and for its followers. After the fall of the previous regime and the advent of a new system represented by the authority of ruling the parties with what is called the parliamentary system, Iraqis augured a promising future that is more fair and equitable future viable and decent living economically, with the attainment of their luxury and advanced standard of living (Lafta, 2019). However, what happened is an increase in the waste and wealth dispersal and the deliberate looting of revenues from natural resources that Iraq is blessed by policymakers in the absence of transparency and financial accountability. Many experts and those interested in economic affairs believe that Iraqis have a better life funded by the vast oil wealth revenues that Iraq possesses. However, the opportunity to achieve that future depends on the Iraqis developing laws and practices that guarantee financial accountability and a fair division of oil revenues among its members. This is done in several ways and means, including studying the experiences of some countries and states rich in natural resources (Ali, Hameedi, & Almagtome, 2019). Some people often cite the successful experience of the state of Alaska because of its constitutional guarantees that lead to long-term benefits for the state's oil revenues. Commonly, Iraq is completely different from the state of Alaska, although Alaska has a long history of federalism, democracy, development and stability, making its model not generalizable to developing countries such as Iraq. It is true that the Alaskan experience is beneficial, but it cannot be applied to the challenges facing those looking to ensure responsible management of resource revenues in a country like Iraq. However, this does not mean from not benefiting from successful experiences such as the Alaska experience and taking what is compatible with the circumstances of Iraq in order to achieve a successful management of wealth and its revenues and distribute a share of it to the people according to the Alaskan experience in a way that suits Iraq and its circumstances without reproduction (Ali, Almagtome, & Hameedi, 2019). Despite the enormous amount of money generated by natural income, the living conditions of the population in Iraq are deteriorating. Unemployment and poverty have risen, as have other problems that hinder the achievement of the welfare of the population and lack of respect for the principle of the separation of powers and other provisions of the Constitution. Nowadays, it raises the issue of the failure of governments in the new Iraq to achieve prosperity and decent living for the Iraqi people and provide them with the best services in spite of the enormous revenues that verify the natural resources owned by Iraq.

The paper aims to identify the problems in Iraq that hinder the achievement of establishing a direct wealth distribution fund, and ways to solve it in the light of my research experience. Especially the experience of Alaska in accordance with Iraq and the conditions it is going through, and the necessity of drafting laws and mechanisms that guarantee the success of this fund. The research also aims to answer how the Iraqi constitution can protect the rights of Iraqis from violations committed by governments from a long time ago in squandering and plundering wealth. The paper assumes that the first step towards achieving

accountability and financial transparency is to ensure that natural resource revenues and expenditures are entered into the state's general budget process. This should be clear in the constitutional articles that define responsibility for developing and implementing the Iraqi budget and the share of the direct distribution fund for the population. The paper sheds light on how and mechanism needed to achieve prosperity and raise the level of individual income. In addition, it shows the great role of transparency and financial accountability in the matter of revenues collected and disposed of within the Iraqi constitution.

## **2. Literature Review**

### **2.1. Concepts of Terrorism and Corruption**

It is appropriate in this research to address linguistic and idiom concepts of vocabulary in order to determine the merits of their meanings, especially the concepts of terrorism and corruption, and whether there is a correlation or similarities between them according to the saying of terrorism and corruption are two sides of the same coin, and the validity and safety of the dualism. This is what will become clear as a result of this research (Lafta, 2020). The word "terrorism" is rooted in Latin as the dictionaries of the language refer to, which is a word that extends to the languages and dialects of Romanian groups, and later moved to other European languages. In the Arabic language, the dictionaries of the old language were devoid of mentioning the origin of the word terrorism, and the verb included fear in a fearful sense, and the old dictionaries of this word were not exposed in the Arabic language. Some refer to it as a newly used word that was not previously known. In modern dictionaries, we find the word terrorism derived from the verb more terror or intimidating, so they perform the same meaning and it is fear and dismay, so he says horror so and so in the sense of his fear and dismay, while the abstract verb of it is a horror that terrorizes awe and awe in a fearful sense, then he says terrorize the thing i.e. his fear, but the verb more than it Balta is an act of terror, which means that it was lost to worship in his cell, and from it derives a monk, a nun and a monk. The verb also uses intimidation in the sense of its vowing, and this is found in the modern terrorist dictionary in the sense of taking offspring and threat, and terrorist rule is the rule based on acts of violence that the terrorist uses to establish his authority (Simpson, 2014). The word "awe" appeared in the Qur'an in several meanings, including the meaning of fear and the fear of God, and it came in a verse in the sense of fear and terror, and was mentioned in another in the sense of intimidation by showing strength, as in the Almighty saying. This meaning is offset in the present age by the term deterrence, which prevents the enemy from attacking for fear of the most severe response, and all linguistic meanings, and those that were mentioned in the Noble Qur'an and the Sunnah of the Prophet, do not benefit from the meaning that is used to utter terrorism at this time. Because the modern meaning of terrorism was formed due to subsequent historical data on the previous meaning in the language and legal texts that led to a change in its meaning, which has become valuable later to another content and meaning that was not imagined by anyone from the past two. Because its old meaning does not go beyond the meaning of intimidation by preparing enough force that transforms and prevents war and fighting, as a result of others' fear of the force that was prepared for the aggressors (Shanahan, 2010). As for corruption (Corruption), language dictionaries and specialists defined it as turning something from its natural state into a decadent state, and the term corruption was mentioned in the Arabic language in the sense of damage, damage, drought or killing and unjustly raping money, as it also expresses disobedience to obey God Almighty .

In the language, corruption is the source of the triple verb to be corrupted, and it is the opposite of reform (Abdulhasan, Khudhair, & Lafta, 2020). Corruption is the language of nullity, so it is said that the man spoiled the thing, that is, he made it corrupt, and the man spoiled, i.e. exceeded righteousness and wisdom. In the Qur'an, corruption has been reported in many places, and scholars have interpreted it in several ways. In another interpretation, it denotes magic and, in another resource, the corrupt judgment, that is, the corruption of rulers and officials. Whereas, the linguistic meaning of the term development came in the dictionaries of language, as Ibn Manzoor defines it in the tongue of the Arabs by saying Nami: Development: Increase, Growth grew and grew: increased and increased, and perhaps they said growth is growing, and the thing is grown and grown: I made it sleep, and in Al-Asma'i's saying: Development From your saying, the hadith was developed, I cultivate development: By reporting this on the face of corruption and gossip, and this is reprehensible and the first is commendable. Fertility, giving, rising, resilience, growth, abundance, spread, growth, progress, prosperity, goodness, reform and righteousness (Akanni, 2014). The idiomatic meaning of the vocabulary of terrorism, corruption and development came in several definitions according to the angle from which it is viewed, and the difficulty of finding comprehensive definitions that prevent them, so we take the most comprehensive or issued by international organizations. The United Nations General Assembly has defined terrorism as the one that includes all kinds of terrorist acts that one country resorted to overthrowing the regime in another country or inciting or financing it, as well as all violence that leads to the killing of innocent people, endangering their lives to risk or violating their basic freedoms (Beare, 2003). As for corruption, the term has been defined by the World Bank as abuse of public office for private gain. Corruption occurs when an employee blackmails, accepts or requests a bribe to facilitate a contract or make a public tender bid. It also occurs when private business brokers offer bribes to benefit from general policies or procedures to overcome competitors and achieve profits outside the framework of the prevailing laws. Likewise, it occurs through the exploitation of public office without resorting to bribery by appointing relatives in public office or stealing public funds directly (Zumve, Ingyoroko, & Akuva, 2013). As for the term development, it constitutes a concept of the so-called easy step for researchers and those concerned with development issues and affairs. From a purely economic point of view, development traditionally means sustainable achievement of per capita income growth rates and to enable society to expand output at a faster rate than the rate of population growth. That is, how many real goods and services are available for consumption and investment for the average individual.

Economic development in the past was seen as the planned change in the structure of production and employment, so that there will be an increase in the contribution of the manufacturing and services sectors to the total output at the expense of the low or low contribution of agriculture. Therefore, development strategies usually focus on speeding industrialization, often at the expense of agriculture and rural development, with few exceptions, as is the case in the development study circles in 1970. Until recently, development was seen as an economic phenomenon characterized by rapid gains in per capita gross national income (Almagtome & Abbas, 2020). Therefore, development is the process that aims to improve the quality of life for all human beings and their capabilities in order to raise their living standards, self-esteem, and their freedoms to lead a decent life. From the aforementioned statement of the concepts of terrorism and corruption, whether linguistic or

idiomatic, it is possible to identify the commonalities between these two couples, which both lead to killing and domination, as well as unfair rape of money. Just as corruption is a precursor and a cause for the control of terrorism, and the two also affect and limit human freedom to live in dignity. Their results lead to the destruction and sabotage of public and private institutions and sectors and the collapse of infrastructure in countries where corruption and terrorism are prevalent and widespread. It should be noted here that the definition of the two concepts was from a legal or social point of view. Accordingly, we can define them both from an economic point of view. The two concepts include all illegal actions that lead to the weakness of the state entity in order to destroy it, which is reflected in the sabotage and destruction of different infrastructure and economic sectors and stopping or restricting the economic development process in the country in which they prevail (Bolanle, 2017).

## **2.2. A Brief History of Terrorism and Corruption in Iraq**

The two evils in Iraq are not born today, as well as the rest of the world. Rather, they have historical roots that extend for years, but for many centuries, but rather go back to the beginning of the human race on the globe. The important thing here is to trace their roots in Iraq with what should be pointed out here, that these two phenomena, and according to time, recede at times and expand at other times. Therefore, terrorism was not known in the old-fashioned sense now. This is clear to us in its linguistic meaning, knowing that the word terrorism will be used during the research. Assyrians knew terrorism in the seventh century BC, as they used terrorist means on a large scale against their barbaric enemies and in the pre-Islamic era. Then what happened in the era of Islam from the terrorism of non-believers to Muslims by killing them and exiling them from their role, lands, siege and other methods of terrorism. Then what happened in the Umayyad and Abbasid era at the hands of the rulers and their followers, passing through what happened in the time of the British colonial and occupation of Iraq and the regime of government before 2003 and then discussing the period after 2003 and the repercussions of al-Qaeda attacks and the subsequent ISIS presence, and the toxins of terrorism in Iraq (Makyian & Rostami, 2019). Whereas, the scourge of corruption is another, its roots in Iraq can be traced back to the age of the Assyrians, as indicated by one of the studies related to the Dutch Antiquities Authority at the Raka site in Syria. Cuneiform tablets showing an administrative site. This corresponds to an archive of the Supervision Department that shows issues related to government officials practicing administrative corruption and accepting bribes, including those working in the Assyrian royal court. As the saying of the Indian Prime Minister indicates, it is impossible for a person not to taste honey or to have his tongue extended, it is also impossible for the king's money managers to not taste the king's wealth, even a little bit.

Likewise, King Hammurabi, the sixth king of Babylon and the author of the important legal legislation in history (the law of Hammurabi), has indicated in Article VI of his law, which stipulates, "If a prominent master steals a property belonging to the temple or the state, he must face execution." This article is concerned with combating the crime of assaulting public money. He insisted that he bring the thief in front of him to sue him and take the matter of eradication. This has two indications, the first indicates the existence of the phenomenon of corruption, and the second indicates the interest of the great king in combating this phenomenon. Likewise, this mentioned Sharia has regulated the relationship

between the ruler and the ruled by articles (6,13, 22, 25, 29, 260, 265) (Le Billon, 2005). This phenomenon has continued in Iraq until our contemporary era and the corruption that we see in Iraq today is almost distinguished from all the eras that passed through this country in terms of size and type and every other characteristic of this devastating scourge. It is worth noting that this phenomenon is present in the rest of other human civilizations, whether Chinese or Western as in Plato and Aristotle or in the Middle Ages from the fifth century AD to the fifteenth century AD, to the present era.

### **2.3. Reasons for The Emergence of Both Phenomena**

Behind the emergence of the phenomena of terrorism and corruption are many interrelated causes, most of which are common to both phenomena. At the same time, it can be said that these causes nourish the two phenomena, and establish and nourish them from their permanence. Moreover, these causes are directly proportional to the growth of these two phenomena, and we can summarize and outline the most important of these causes and factors and arrange them according to their importance in influencing the emergence of the two phenomena, as follows:

**1- Intellectual, social and cultural reasons:** The intellectual, value, and contractual system and social and cultural heritages play a large and important role in building a person and refining his personality. Since the population of society consists of the sum of these individuals who are polished by this integrated system. If this system and these social relations are organized according to sound foundations, then there is no suitable environment for the emergence of such deviations and serious societal pests, and vice versa. Accordingly, the intellectual, social and cultural reasons have an important role in activating corruption and terrorist acts. Terrorists have benefited from the suffering and differences of the entire Islamic world, and Iraq in particular, from large and sharp intellectual divisions between the various doctrines and trends of Muslims, and from this juristic difference between these doctrines. Terrorism took advantage of this contradiction and nurtured it and fueled it in the media and society, as it penetrated among the youth and planted in them an extremist religious trend that opposes all Islamic sects and also opposes modern civilization and everything related to the development and progress of civilization. From their point of view, all of these are nothing but corruption in morals and a breakdown in family relations. This ideologically deviant current also educated the policy of killing, plundering and plundering of funds and women, and the slave culture under the pretext of atonement for all those who oppose their ideas, of course. All this was done with the support and international colonial support. On the other hand, corruption was brought up and brought up in Iraq due to family, tribal or party loyalty, and then these relationships and associations turned to make officials prefer their relatives, friends, favoritism, and their acquisition of jobs with large and important positions, especially party control. He also endowed those positions and assigned them to personalities loyal to them, with the aim of securing the party's interests and achieving private and unlawful gains at the expense of the public interest. Note that this corruption is an extension of the corruption of the Baathist dictatorship. The person and entities that practice financial and administrative corruption are the result of their weakness or lack of religious preaching and then this has affected the death of the human conscience, so that the distinction between right and wrong has disappeared, and the distinction between right and wrong and the lack of distinction between good and bad work has disappeared. In

addition, the community encourages this perverted phenomenon, which has led to high corruption and large proportions in government departments and its various institutions, as indicated by international institutions and centers concerned with studying the spread of this phenomenon (Laqueur, 2016).

**2- Political and judicial reasons:** The prevalence of terrorism and corruption in Iraq was not in isolation from its prevalence in the world in which we live. The apparent contradiction between the principles and rights stipulated in the charters of the global political system and the human values and high political ideals they call for, and what is reflected in its actual behaviors that link this system to the denial of all those values and ideals of value and high. This blatant contradiction between them led to the emergence of some terrorist practices at the international level and in Iraq, terrorism was found long ago. But it was relatively and undeclared, and this is at the hands of the terrorist, Ba'athist dictatorial regime, which was planted by Western colonialism and which is presenting nationalism over religion and then began to become clearer and more massive after the fall of that system in (2003) in a big and devastating way. This blind terrorism claimed and claimed the lives of many Iraqis, big or small, men and women alike, and this terrorism is supported internationally by regional or non-regional countries. The emergence of terrorism is with international and organized support and colonial ends. It is noticed that the colonial policy under the unipolar system had focused on the religious factor as a way to undermine states and peoples, and cultivated a group that offered religious militancy, as in takfiri Wahhabism, and was able to achieve it after it failed to penetrate it from other ports. Evidence for this is the outbreak of many religious and sectarian conflicts since the 1990s that have left hundreds of thousands of Muslim and other victims, whether in Bosnia and Herzegovina and at the hands of Serbs. In the wake of the third Gulf War and the occupation of Iraq, it created fertile ground for such sedition and the American occupier and his successors, the other colonial powers, tried to stoke the fire of sectarian strife between Shiites and Sunnis, Muslims, Christians, Arabs and Kurds, and the emergence of terrorism was as one of the characteristics of the new world order (Al-Mayahi, 2016). Whereas, the political factor plays a major role in the spread of corruption in the times of authoritarian and dictatorial government where the absence of a state of political, legal and constitutional institutions and the absence of elements of good governance and the weakness of the supervisory role and the rule of one individual, and the restriction of powers and powers in the hands of the single leader, contributed to the spread of corruption in that era but with a high secrecy. However, since the transition to the era of democracy, which has been identified as a poor democratic practice, as well as a lack of freedom to engage in the management of public affairs, this has led to the spread and spread of corruption. As for the judicial level, which has played a prominent and significant role in the trial of terrorists, but has played a shy role in keeping corrupt people accountable, which has given rise to such phenomenal growth and increased significantly in all the state's joints.

**3- Economic reasons:** It is correct to say here that economic causes are both a cause and a consequence, i.e. on the one hand that affect and cause terrorism and corruption. On the other hand, affected and nurtured by them, the weak economic performance of the government apparatus and its specialized institutions, and the lack of justice in the distribution of income and wealth among the population, which gave these disadvantaged groups a sense of deprivation and their discontent with the political system (Almagtome, Shaker, Al-Fatlawi, & Bekheet, 2019). Then they cooperated with the terrorists, and they were able to support them

in carrying out terrorist and subversive acts. Likewise, high unemployment rates, limited employment opportunities, and restricting them to partisan affiliations, widespread poverty and high levels of it to large and unprecedented rates and other low economic conditions. All of this led to the encouragement and widespread of the two phenomena. Terrorism expanded in many areas of Iraq in a strong and destructive manner, while bribery took a variety of forms that allowed officials and employees alike to bypass the rules, regulations and legal regulations and violate these laws and financial instructions in force that govern the functioning of administrative and financial activities in government institutions. The overlapping and overlapping of powers also made the process of wasteful use of public money in a way that allows these agencies to take possession of funds, which contributed to the widespread corruption (Shaffer, 2019). On the other hand, the inflation of the governmental apparatus and the control of the parties over the state's institutions and institutions, especially the ministries, have also contributed to the growth of corruption on the one hand and the nourishment of terrorism on the other. This was reflected in the number of regulators and their inaction in the performance of their tasks. This situation, of course, led to the expansion of corruption and terrorism together. All of this was reflected on the economic situation, especially the investment side of it, and then negatively affects the economic development process in the country.

### **3. The Effects of Terrorism and Corruption on The Micro and Macro Levels**

The two phenomena affect the micro economy, terrorism and corruption affect the behavior of individuals (consumers). Terrorism and corruption affect and are affected by unemployment and poverty, the resulting deprivation of educational opportunities, a deterioration in living standards, and the inability to meet the needs and requirements necessary for consumption. This impact and change in consumer behavior will inevitably be reflected in various other related economic activities, foremost of which is the low level of demand for produced goods and services. These effects interact to influence the behavior of the economic establishment. This is called physical sabotage. As for moral subversion, it is intended to affect the activity and morale of individuals working in that establishment by spreading despair and fear, and provoking sedition and hostility, as well as spreading destructive rumors.

In addition, deviations that affect the behavior of workers and entice them with meager money or by threatening them with death to influence them and force them to make decisions in favor of the corrupt, thereby widening the scope of corruption (Badawi & AlQudah, 2019). On the macroeconomic level, they affect most of the macroeconomic variables, the most important of which are economic growth. Economic growth is the concern of countries because it constitutes the front gate for development and the ratio is considered from (8%) to (9%) as an annual growth rate targeted by all countries. However, this percentage remains subject to the degree to which each country responds to its level of corruption and terrorism. It has become clear through standard and field studies that the growth rates are greatly affected by the degrees of corruption and terrorism certain. The resources are allocated on the basis of non-growth, but on the basis of the expected revenue from it (the income from the position) or for the purpose of increasing security and defense allocations. It was found through a pilot study of (97) countries for (1997) that countries with high corruption (low corruption perception index) tend to have a low per capita share of GDP and a low rate of

growth, as the coefficient of correlation in these countries has shown between Corruption and growth, and found that a decrease in the level of corruption by (2) points raises the rate of growth (0.5) points, and it was also found through a sample of (46) countries that an increase in the level of corruption by (1%) reduces the growth rate (0.72). This negative relationship between corruption and growth is exemplified by the negative impact that corruption has on the investment that is the engine of growth. Thus, when corruption negatively affects investment, it definitely reduces growth, and well-known studies indicate a causal relationship between corruption and economic growth and that its direction is from corruption to growth.

The findings of the above studies also apply to terrorism and its effect on growth; thus, it becomes certain that the ratio and impact will be greater (Dimant & Schulte, 2016). Moreover, foreign direct investment, which is a primary source of financing and technology transfer, is not provided to the country in light of the uncertainty, uncertainty, and lack of clarity that characterize the security, economic, political, and social conditions. Most foreign companies at the present time are reluctant to invest in Iraq, as long as their money, assets and the lives of their affiliates are not in a safe position, even with the assumption that security is available in the country, even if it is relatively after the defeat of terrorism and its danger has receded. Especially after describing terrorism by specialists as like an iceberg, only its top appears to the eyes, while the rest of its body disappears completely under the water, and its base is located on the sea floor. Therefore, all attempts to combat terrorism have not succeeded so far, because they targeted this apparent part only while neglecting the other parts. Moreover, the scourge of corruption that spreads in the body of the country is like cancer in all joints of the state, which constitutes a major obstacle to entering and attracting investments that the country desperately needs its services as an important means to provide employment opportunities as well as transfer of advanced technology and the engine of the wheel of growth and economic development (Imran, Wu, Gu, Saud, & Abbas, 2019).

#### **4. Impact of Terrorism and Corruption on The Economic Development in Iraq**

Since economic development requires the availability of many necessary and basic requirements and pillars to accomplish its tasks. Among these pillars are achieving political independence, establishing the role of the state, infrastructure, capital accumulation, material and human resources, technology and technological progress. In light of this analytical study of terrorism and corruption, we will explain the impact of these two phenomena by destroying and striking these pillars in Iraq, which led to a delay or suspension of the wheel of developing its economy (Imran et al., 2019). Table (1) shows that Iraq ranks 169 globally among the Arab countries in the Transparency International report, according to the Corruption Perceptions Index for 2017, and with a degree (18%) among the most corrupt countries. This indicates to us that the rest of the Arab countries are automated by a greater integrity, according to the standard, which was indicated in the note below the table. These countries enjoy political stability and stability in the development system and are permanently stimulated by laws and legislations in the service of economic development.

Table 1. Corruption index of Arab countries producing natural resources (2107)

Ranking	Country	Grade	Ranking	Country	Grade

21	The United Arab Emirates	71	112	Algeria	33
29	Qatar	63	117	Egypt	32
57	Saudi Arabia	49	169	Iraq	18
68	Oman	44	171	Libya	17
85	Kuwait	39	175	Sudan	16
103	Bahrain	36	-	-	-

Source: (International, 2017)

Table 2 shows how rich countries benefit from resource management. It is noted that these countries are distinguished from the comparative advantage of these resources in hydrocarbons and the enhancement of their economic development requirements. This in itself indicates the management of these resources, which mean at the same time the management of the capital obtained from them, and away from the political pressures that affect the economic development capabilities, and then its effect on the achieved productivity growth. The table shows that Norway is superior to the great economic power in this area, as it ranked 38th in the world in managing these resources despite the scarcity of resources in it compared to the sample of countries in the table. While the United States ranks (42), despite the tremendous economic development and how to organize the management of these resources. If we look at the rest of the countries in the sample, we will find that Iraq ranks (54) with a combined score of (47).

This means misuse of these resources despite the abundance of natural resources in Iraq. This is due to the low levels of production and modern production methods that the economic world is working on in today's world, as well as the spread of corruption and high levels of terrorism, which have significantly affected the factors of its development.

Table 2. Resource Management Index for Some Hydrocarbon Rich Countries (2013)

Ranking	Country	Accumulated grade	Ranking	Country	Accumulated grade
1	Norway	98	38	Egypt	43
2	United States of America (Gulf of Mexico)	92	42	Kuwait	41
3	United Kingdom	88	45	Algeria	38
7	Canada (Alberta)	76	48	Saudi Arabia	34
14	Indonesia	66	50	South Sudan	31

22	Russia	56	53	Iran	28
29	Iraq	47	54	Qatar	26
31	Bahrain	47	55	Libya	19

Source: (Watch, 2013)

## 5. Reform Mechanisms and Methods

In this paper we suggest the following mechanisms for reforming both phenomena terrorism and corruption:

### 5.1. The Pyramid Method

This mechanism indicates a reliance on the concept of inclusiveness in addressing corruption in order to support development. This mechanism is achieved by finding a method of justice and equality among all members of society in various economic and social areas and looking at the factor of improving the standard of living as an axiom for the success of the comprehensive development process based on a basic criterion, which is that the human being is the goal of development according to human development approaches in its modern concept.

### 5.2. The Absolute Loyalties with The Homeland

This mechanism is based on something that is essential and is personified in holding positions because it is a mandate to serve the community and not serve the position and the time period in which the position is taken (Almusawi, Almagtome, & Shaker, 2019). Most of the time, even the position itself is abused because of the dominance and uniqueness of administrative and legal jurisprudence that violate the regulations stipulated in the applicable administrative contexts. Therefore, it is gradually from the members of society to renounce the protection of this country and respect its sovereignty and law. This consequently affects the overall development process and its management, and society gradually turns away from its construction and is overcome by manifestations of injustice and exploitation, at which point corruption is rooted.

### 5.3. Addressing Sub-Development and Unemployment

This treatment is done by taking care to dismantle the rampant deprivation in Iraq because the two phenomena are in parallel in any society in the world and whenever you find unemployment, there is backwardness and vice versa (Al-Wattar, Almagtome, & AL-Shafeay, 2019). The reason for this is due to the deficiency in the underdeveloped production structure that exists in most developing countries, which leads to the presence of imbalances in the general society and the problems of decline in incomes that accelerate the growth of poverty. As a result, societies and customs are increasingly deviating, their classes are not equal, and their moderate behaviors are lost and they are directed towards terrorism and hostilities.

Table (3) shows the extent of the population increase occurring in Iraq that the positive description above is supposed to apply to address these phenomena, i.e. underdevelopment

and unemployment, and how to reduce the growing number gap between males and females in order to support the development process and eliminate terrorism.

Table 3. Population of Iraq (2017)

<b>Governorate</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
Basra	1493098	1479064	2972162
Maysan	565421	569547	1134968
Baghdad	4220946	4097750	8318696
Salahuddin	816250	799674	1615924
Diyala	838540	821467	1660007
Kirkuk	820334	809291	1629625
Sulaymaniyah	1106576	1105523	2212099
Erbil	957571	939182	1896753
Nineveh	1938073	1855909	3793982
Najaf	752310	748212	1500522
Karbala	626160	615113	1241273
Al-Qadisiyah	661108	650591	1311699
Almuthana	414489	410342	824831
Dhi Qar	1070186	1061963	2132149
Wasit	707490	693952	1401442
Babylon	1057750	1035666	2093416
Anbar	922957	873600	1796557
Dohuk	660657	657801	1318458
Total	19629916	19224647	38854563

Source: Investor guide in Iraq (2018)

#### 5.4. Information and Technology Utilization to Support Development

The state administration and building an advanced economic base provide the basic needs necessary for the citizen. Therefore, a wide range of freedom and expression of opinion should be given to different groups of young people in order to avoid the situation of marginalization and the opening of training and rehabilitation centers for young people that develop their capabilities and enhance their talents. In addition, it is important to rehabilitate the communications and information sector in all joints of the state, so that broad classes of society can see the scientific and technological developments and break their state of repression and stagnation (Kbelah, Almusawi, & Almagtome, 2019). In summary, it can be said that the phenomenon of terrorism is not a new one, but rather an old phenomenon that presented man himself. It is closely related to the nature of its existence and the phenomenon has evolved due to the variables in the international environment in which it is moving, which is the main factor behind the transformation in the forms of state terrorism.

Although the essence of terrorism remains one, its forms, tools and tactics vary and evolve rapidly over time. The main issue remains the restriction and legalization of the phenomenon of terrorism is an issue of a civilized human dimension. Because the person is the person who possesses the actual and practical will to eradicate the roots of terrorism, in order to rise again a creative, constructive thought capable of positively dealing with the different reality and burdens of life. That is, the absence of the true role of the state in protecting its members (Mahmoud, 2019).

#### 5.5. Revenue Distribution Trends in Iraq

Table (3) reveals that the highest percentage recorded in financing economic development in Iraq is the percentage of oil revenues and mineral resources, as it is recorded (86%). The diagnosis of this is due to the complete dependence on the sale of these resources and distinguishes the Iraqi economy in the light of that indicator that Iraq is a country that relies on renting and exporting these resources without benefiting from the derivatives that can be produced from them and increases the support of the general budget (Khaghaany, Kbelah, & Almagtome, 2019). What arouses attention in this regard is the apparent weakness in financing the public budget. We note that the share of public sector profits in its financing is very low. The ratio was (1.1%), in addition to the low other requirements indicated in the table that support the centralization of development and community building, whose effects are clear in preparing societies to advance in the various production fields and which allow diversification of the economy in the collection of resources. These low levels of revenue can analyze the reasons that Iraq was exposed to the absence of the work of the basic economic sectors in the economy such as the agricultural and industrial sectors, which are sectors contributing to stimulating the growth of GDP. So, the relationship is direct between GDP and GDP. Thus, the more diversified its sources, the more diversified employment prospects that reduce the chances of corruption. Therefore, society is gradually withdrawing from the manifestations of terrorism that prevailed in Iraqi society, as well as the entry and expansion of ISIS in a number of Iraqi cities.

Table 4. Public revenue 2017 (billion dinars)

#	Revenue type	Amount	%

1	Oil revenues and mineral wealth	67.950	%86
2	Taxes on Income and wealth	3.451	%4.3
3	Commodity taxes and production fees	1.995	%2.5
4	Fees	688	%0.8
5	Budget share of public sector profits	886	%1.1
6	Capital revenue	125	%0.1
7	Transfer revenue	125	%0.1
8	Other income	1.104	%1.3
	Total revenue	79.011	%100

Source: Investor guide in Iraq (2018)

## 5.6. Energy Sector-Stimulating Indicators

Table (5) shows that Iraq possesses huge economic resources from oil reserves and reserves of proven gas commodity and its daily export capacity. It is clear to us that the development foundations in Iraq are natural and available resources. But more importantly, there is no appropriate environment for its recovery, and one of the essentials to prevent the maturity of development of these resources is the misuse of economic policies to free them. The reason here is due to political peculiarities from our point of view, because the political change that resulted in our country depends on the decision-makers. The performance was not up to the ambition of the Iraqi individual to enjoy these stored fortunes. They mortgaged to the issue of investing in the notorious licensing rounds that mortgaged the extraction of these resources at high costs. In the sense that politics has failed the economy and the economy has become a door for waste by successive government agencies to chart the political direction for it in the contemporary time after 2003.

Table 5. Some indicators of the oil sector in Iraq (2017)

Oil reserves	2017/1/1	148.72	Billion / barrels
Gas reserves	2017/1/1	134.9	Trillion standard cubic feet
The daily rate of oil production	2017	4.469	Million barrels / day
The daily rate of Iraqi oil exports	2017	3.309	Million barrels / day
The daily rate of Iraqi oil exports	2018	3.600	Million barrels / day

Source: Investor guide in Iraq (2018)

The political decision-maker has not tried nor benefited from investing this blessing in enhancing imports by increasing its production capacity. In this context, the Iraqi economy is witnessing a gap in stimulating

development to advance society and increase its real monetary capacity to activate consumption and demand aspects at the macroeconomic level that comes from production sources for the public sector or the private sector or even mixed. Therefore, because of these negative circumstances, Iraq is losing opportunities to overcome these repercussions on the level of corruption and the elimination of terrorism. In other words, there was no logical balance to support the development of the economy as a whole to create positive indicators that eliminate the unacceptable and novel phenomena that have affected the building of a free and developmental economy that rivals that of neighboring countries.

## 6. Conclusions

The paper identifies many concepts by describing and analyzing carefully the phenomena of corruption and terrorism in Iraq, and setting up specific and focused mechanisms to confront them. In fact, these foundations showed that Iraq possesses many positive signs to achieve real milestones for development, foremost of which is its economic and human resources. The one who led to the collapse of this system is the misallocation and management of it by political decision-makers. It did not have an active role in bringing about change, as the democratic approach was not applied, and the democratic systems that support development are not applied here, as is the case in developed countries and even in some developing countries. What is worth noting is that the expansion of development prospects in the Iraqi model needs attention in how to deal with increased growth? For example, the relationship between unemployment and GDP growth is linear, and the fairness of this relationship through economics is that it is a flexible relationship and the reason is that whenever there is no known definition of growth, unemployment will increase and vice versa. On the other hand, ensuring a healthy climate for this relationship, development is an achievement for it, and we will reach a very excellent structural reform in eliminating terrorism and corruption. It is necessary and indispensable that the state has a role to protect the course of that reform through government programs backed by legislation and laws. In another direction, as well, it benefits the fading phenomena under discussion, activating the role of financial and monetary aspects. The financial aspect is the developmental stimulus through the stable performance of the state budget for the purpose of explaining the leader's role in the correction and represented in the state in order to be a direct reflection on the life of the citizen. For example, economic policy is geared towards increasing public spending and reducing taxes, as the first factor in its effect increases growth in certain activities of the economy.

The second factor is tax cuts, the goal of which is to increase real investment, not just paper on paper, which is our reality. But if we look at the other catalyst in the monetary side, which is the interest rate and its direct role in the citizen's daily life, then reducing the interest leads to reducing the size of the financial borrowing of economic units. This is one of the sufficient factors that lead us to activate the elements of effective demand, namely investment and consumption, and thus the wheel of development revolves. Finally, it is in the interest and in light of the current circumstances that Iraq is going through that the economy be organized by the state and revive the enthusiastic spirit of all economic activities because the scientific evidence for the existence of this vision is that the country is going through a rebuilding of the wars, terrorism and sectarianism that followed it. This description exists from the experiences of countries that have been plagued by wars and crises, which have harmed all aspects of development that are supposed to go at the end to sustainable development and a duty to preserve it for all generations. In addition, economic freedom

should play a positive role in organizing the economy to complement the state's role in the overall organization of development that every Iraqi desires.

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