

**Economic reform Policies in developing economies  
Among Tasks and Transitions: refer to the status of  
Iraq.**

**A Thesis**

**Submitted to the board of the college of  
Administration and Economics University of  
Baghdad as a partial fulfillment of the requirements  
for PhD degree in Economic Science**

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**2006**

# Abstract

## **Economic reform Policies in developing economies Among Tasks and Transitions: refer to the status of Iraq.**

Since the eighties many developing countries suffered from exacerbation of structural crisis and increasing budget deficits ,high inflation rates with lower living standards notwithstanding their inability to serve their public external debt due to extensive indebtedness and prevailing corruption that caused the failure of development programs pursued by those countries reducing development to achieve rapid growth only, where the latter, if achieved, will definitely be reflected in improving living standards and minimizing the gap between the rich and the poor ,however many developing countries have realized moderate growth rates, but class discrimination and lower living standards continued to increase, at the same time the international economic system suffered from financial surplus accumulation within it, also financial markets and areas of investments were incapable to absorb those surpluses and invest them ,for the Global system started suffering from a situation of stagflation after the failure of Keynesian policies in providing solutions, so new economic liberalism appeared to blame the reasons on the State broad interference with economic life and that the solutions for those problems stems from dismantling markets and setting loose market freedom which western media along with international institutions have contributed in their promotion introducing market mechanisms as an alternative for central guidance led by the State so as to insure the government achieving the minimum and removing the State from economic life aiming at raising economic efficiency and encouraging economic growth and accomplishing stabilization on the overall level , those are economic reform policies or what is called economic stabilization programs and structural adjustment ,the first pillar of policies deals with overall demand starting from the relation existing between debtness accumulation and its problems and the necessary adjustments that should be implemented within national economy to correct the imbalances in the balance of payments from monetary, fiscal and price policies that relates to short term , the second pillar is concerned the overall supply based on market mechanisms and the nature of the role the government set in implementing the required adjustments in the area of overall policy aiming at promoting the efficiency of resource allocation by working on finding legislative and regulatory environment required to facilitate

production and restructuring operations in both sectors public and private so it basically relates to medium and long term. But the results achieved by many developing countries has forced some of them or made the others hasten to implement them, motivated by copying the western model have led to severe deflations in GDP and laid on social justice account, due to the absence of complete vision in achieving reform depending on the interaction of the market system with social justice and technological development on one hand and the required transition in the political life towards strengthening Democratic life enhancing market economy through broad participation of the public in economic decision making, freedom of opinion ,also in true willingness for administrative reform and combating corruption which will be more severe in the transition stages in view of legal and systemic gap on the other hand .

The study was divided into six chapters the first focused on the changing nature of the role of the State in economic life, Democracy and economic reform, the second chapter addressed financial and banking reform, whereas the third chapter, tackled transfer of ownership and administration of public sector what is called privatization, the fourth chapter was about foreign direct investment effectiveness ,as for the fifth chapter it concentrated on administrative corruption and reform capabilities then the sixth chapter dealt with the importance and requirements of economic reform in Iraq.

Finally the study came out with some conclusions and recommendations which is the most important for economic reform in Iraq.