

## **Research the first retriever The pro-poor growth model in the Iraqi rentier economy For the period from (2005-2018)**

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### **Abstract:**

The term economic growth has always occupied a large part of the writings and discussions of economists around the world in different countries, whether developed or developing, for its great role in raising output and income and improving the standard of living and then the welfare of the general population, and with the return of international attention to issues of poverty and inequality in the distribution of income for the last two decades. From the twentieth century and the beginning of the third millennium, economic growth became famous for various names and terms that focus mostly on the possibility of economic growth for sustainability and impact on the lives of individuals. The term pro-poor growth was the term that received great attention from international bodies and institutions, especially the World Bank and United Nations development programs. Since this term adds the social dimension to growth in addition to the economic dimension, it searches for that type of economic growth that works to make the fruits and benefits of economic growth in favor of the poor relatively more than the non-poor, while at the same time focusing on achieving appropriate rates of inequality in the distribution of income.

The current study is an attempt to measure and analyze the pro-poor growth in the Iraqi economy, in which the pro-poverty growth index was calculated in Iraq for the period (2005-2018) divided into three periods by using the (SON-KAKAWANI/2006) model, and the study concluded with a set of conclusions. The recommendations were among the most important, that the economic growth achieved in Iraq was favorable to the poor throughout the study period, but to different degrees, and the main reason for this was the bad conditions that the economy suffered and their negative effects on the fluctuation of rentier oil revenues, the only resource for Iraq, while the study recommended the need to work on training the poor. And rehabilitating them in line with the needs of the market, especially the class of the unemployed with diplomas, with the aim of ensuring the participation of these poor people in the production process in order to avoid wasting and losing their potential effort due to their exposure to unemployment and the failure to find job opportunities that guarantee them a decent standard of living.

### **Introduction:**

The lost eras of development, according to William Easterly's description of the eighties and nineties at the end of the twentieth century, in his description of the developing countries receiving development aid, because most developing countries did not record a decrease in poverty rates commensurate with the rates of economic growth achieved as a result of the loss of returns gained through the unfair distribution of wealth, after they innovated International financial institutions have economic reform programs directed at achieving economic efficiency in allocating the resources of these developing countries with the aim of achieving high economic growth rates, leading to the reduction and alleviation of poverty in developing countries, but the results on the ground were disappointing. With the international attention to the issue of poverty and taking it as a strategic goal for the development goals in the new millennium, the international financial institutions have been engaged in scientific research, in addition to specialized researchers, on the dimension of social growth in addition to the economic dimension, which would raise the standard of living and increase the welfare of the

low-income classes of the poor at rates that exceed the benefit non-poor, not to mention working to develop measures and indicators that enable us to judge the nature of pro-poor growth.

And the fact that the triangle of the relationship between economic growth, poverty and disparity in the distribution of income in the Iraqi economy has a specificity related to the rentier economy and the state's ownership of the most important resource in the country on which economic growth in Iraq depends almost completely, and the link between poverty and disparity in the distribution of income with the difficult internal and external conditions that it went through Iraq, therefore it is assumed that the growth resulting from the increase in huge oil revenues after the occupation, which resulted in an increase in the living standards of the poor and those with limited income, is supposed to be favorable to the poor. The aim of the research was to introduce the pro-poverty growth and to indicate the nature of the economic growth achieved in Iraq for the period (2005-2018) Was it pro-poor or not, based on data from official and statistical agencies for field household surveys carried out by the Central Bureau of Statistics and Information Technology in Iraq, and the research followed the inductive method supported by the quantitative method to calculate the pro-poverty growth in Iraq.

The structure of the research was divided into two sections. In the first section, we explained the definition of pro-poverty growth and the mechanism of action of the (SON-KAKAWANI, 2006:p31)<sup>j</sup> indicator used for measurement in this research.

As for the second topic, we tried in it to calculate the growth favorable to poverty and to show its nature within the period (2005-2018) and divided into three periods, whether it favored the poor in Iraq or not. The study concluded a set of conclusions and recommendations.

### **The first topic**

#### **Definition of the term pro-poor growth and its origin**

With the beginning of the last decade of the last century, there was almost unanimity in the search and investigation of the best cases that enable countries and peoples of the whole world to provide or make their economic growth favorable to the poor and those with limited income compared to the rest of the classes of society, until studies and researches in this regard continued and accumulated before Institutions, organizations and international development bodies. Ideas focused on questions and challenges about how to raise the poor, how to reduce poverty rates, and how to make the poor the most benefiting from the achieved economic growth rates. A set of questions and challenges, the concept of pro-poor growth (pro poor growth) came to answer them and to find some effective solutions to this difficult phenomenon globally, by reducing and scaling poverty, taking into account the problem of inequality and unfairness in the distribution of incomes by taking advantage of the achieved economic growth.

#### **First:- The emergence and concept of pro-poor growth:-**

The theory of growth by precipitation, Theory Triskele dawn by (Simon Smith Kuznets), focused on the extent of inequality in the distribution of income and the share of the poor and the rich in income or spending, and this was done according to the developmental stage the country is going through, where economists previously believed that economic growth in its early stages is more Those who benefit from it are the rich and at the expense of the poor, due to the material and human capital they possess, which enables them to invest their money in the economy so that the proceeds of growth fall later on to the poor of the working class. Achieving economic growth, according to their belief, will be sufficient to eradicate poverty for the long term and without the need for the state to intervene in the economy with redistribution policies for the benefit of the poor, because redistribution policies from the top to the bottom will take care of the matter.

In 1974, (Chenry, 1974)<sup>ii</sup> Chenry Et Ahluwalia presented their study on redistribution and growth for the account of the World Bank, where it is believed that the term pro-poor growth originated from this study that explained in detail the relationship of growth to poverty with a focus on the mechanisms that would It raises the economic growth rates of developing countries and works to redistribute income in favor of the poor. Despite achieving high growth rates in many developing countries, it was noted that poverty rates did not decrease at the required level, but on the contrary, some of them recorded a rise in poverty rates, and this is often due to the effect of inequality in the distribution of incomes. What was later known as impoverished growth appeared in 1988 for (baghwati), and the social reality of most developing countries after implementing the recommended economic programs disappointed expectations, especially with regard to poverty indicators and gains achieved

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in growth, which prompted (William Easterly) (2001) and (2003) and those with him to describe the decade of the eighties and nineties. From the twentieth century the lost era of development.

And in response to a scientific rejection of the theory of growth by precipitation, work and research began on a mechanism to create economic growth from the base, namely the poor, and then benefit all classes of society from the bottom up, referring to economic growth that is in the interest of the poor in a relative manner more than other classes of society.

Scholars and specialists differed in defining pro-poor growth, as it is a relatively recent term that attempts to combine with its folds an overall relationship of three basic variables in the economy is the combination of economic growth, poverty, and inequality in income distribution.

He tries to show through this relationship whether economic growth was pro-poor and whether it worked to redistribute income so as to achieve the general interest of society, especially the poor class in it? The United Nations (2000) and the Organization for International Cooperation and Development knew each other The OCDE in 2001 defined pro-poor growth as every economic growth that results in a reduction in poverty (**Lamia Mokaddem, chaziBoulila, 2011: p83**)<sup>iii</sup>, and it is noticeable on this definition that it expresses in a simple way the inverse relationship between increased growth and decreased poverty, while neglecting the mention of A very important third party in this relationship is the inequality in income distribution, so this definition was called the absolute form of pro-poor growth and it is compatible with the Millennium Development Goals (OMD), which was launched in 2000 and aims to reduce the number of poor by half by 2015.

(**Bin Al-Hassan Al-Hawari, 2017: pg. 54**)<sup>iv</sup>.

(Amartya Sen) defined pro-poor growth based on the definition of multidimensional poverty, where he defined it as growth that allows the poor to participate in economic activity and as a result they will be able to obtain new economic gains, which results in good health, increased educational level and longevity (**Abdul Halim Fadl Allah, p. 33**)<sup>v</sup>.

A lot of criticism extended to this definition in its absolute form, on the pretext that it does not take into account injustice in the distribution of income, the benefit of the poor may be very weak compared to the rest of society, Nor has it been proven by scientific research that high growth rates always lead to poverty reduction (**Paolo Verme, pp19-23**)<sup>vi</sup>.

Therefore, we have a definition of pro-poor growth in its relative form, i.e. when the average income of individuals grows more than that of the non-poor, that is, it takes into account changes in the level of inequality in the distribution of income and emphasizes reducing this inequality as much as possible.

The researcher believes that the pro-poor growth can be defined as ((that kind of economic growth that is pro-poor and works in a sustainable way to reduce the phenomenon of poverty and its bad effects on the poor, while focusing at the same time on finding acceptable rates of inequality and disparity in the distribution of income in the interest of the poor and people with disabilities. The limited income in society is relatively more than the non-poor)).

## **Second: Methods of measuring pro-poor growth and its indicators:**

It has become clear the extent of interest worldwide in poverty issues in general, and as a result of this interest we note the response of international financial institutions, led by the World Bank, which adopted in 1990 the Millennium Development Goals (OMD), which declared that one of its most important and first goals its priority in sustainable development 2030 is the eradication of poverty and inequality in income distribution (through economic growth and income distribution), which has made this goal at the core of growth and sustainable development policies for all countries of the world (**International poverty center, 2004: p3**)<sup>vii</sup>. The orientation of scientific research on the nature of pro-poor economic growth and how to make this growth in the interest of the poor more than the non-poor, with the search for those indicators that judge the nature of economic growth and the degree of its support for the poor, and the World Bank took the lead in this field with a set of research and studies Since 2000, under the theory of pro-poor growth, a set of methods and indicators for measuring pro-poor growth have been accumulated, the most important of which are (datt et ravallion 1992 poverty decomposition index, Revallion et Chen 2003 CLC growth index, ICPP kakwani et pernia year 2000, Ravallion et chen 2003 Pro-Poor Growth Rate Index TCPP, The son and kakwani index in 2006, a group of indicators that have been subjected to a lot of criticism, so we will suffice to mention the indicator chosen for

the study, the son and kakwani index in 2006, as it is one of the globally approved indicators for measuring the pro-poverty growth.

❖ □ **Son and Kakwani Index in 2006:**

Relying on the poverty growth curve index of Son in 2004, in which the pro-poor growth was defined by that growth that benefits the relatively poor more than the non-poor, which means a decrease in the level of inequality during the period of economic growth, and based on the generalized Lorenz curve as a basis for judging the nature of the growth process. In its favoritism to the poor, which distinguished this method from its predecessors, which relied on other indicators of poverty, this study was carried out in cooperation with the United Nations Development Program (UNDP), and included 80 countries and about 237 local sectors for the period from 1984 to 2001. In the case of pro-poor growth, the effective growth is greater than the observed growth and decrease in the inequality in the distribution of income i.e. an upward shift of the Lorenz curve and vice versa.

The effective growth rate can be obtained from calculating the average growth rates of average spending for the different segments, and then we compare it with the growth rate of per capita spending in society, which is known as the observed growth rate.

This indicator can be applied and computed to judge the nature of the growth process and how pro-poor it is in all countries when data are available on the percentage of deciles and average incomes for any two time periods.

This is what we will do in the next requirement to calculate and test the nature of growth in the Iraqi economy, is it pro-poor growth or not.

**The second topic**

**Measuring and analyzing the pro-poverty growth in Iraq for the period (2005-2018)**

**Using the model (SON - KAKWANI) 2006**

This model was presented in a working paper for the United Nations Development Program (UNDP) in 2006, as this model is considered one of the most prestigious models in the world for its internationally approved results to measure pro-poverty growth. The authors of the model are (HYUN H. SON AND NANAK KAKWANI), to present their model under the title (GLOBAL ESTIMATES OF PRO - POOR GROWTH), and this model gained international fame and acceptance among academic scientific parties, including those international institutions interested in this matter, which launched a large campaign targeting poverty and the poor all over the world at the beginning of the new millennium and under the leadership of The International Bank for Reconstruction and Development, and this model is considered one of the modern models as it proceeds from the generalized Lorenz curve in its definition of pro-poor growth as a result of the growth of per capita spending. From this point, the authors explained that the model defines pro-poverty growth as that growth from which the relatively poor benefit more than The non-poor if this growth is positive, but if it is negative, the poor will be affected less than the non-poor, meaning that this model tracks the changes caused by growth in a degree other than The distribution of spending among the segments of society, if economic growth leads to a shift of the Lorenz curve towards the optimum distribution line and the effective growth (average growth of per capita spending) is higher than the real growth observed (average annual per capita expenditure growth) and achieves a gain in economic growth, this growth is supportive For the poor, and vice versa, if the Lorenz curve moves away from the optimal distribution line and heads downward, we will get the non-pro-poor type of growth and a loss in economic growth.

And the fact that the triangle of the relationship between economic growth, poverty and disparity in the distribution of income in the Iraqi economy has a specificity related to the rentier economy and the state's ownership of the most important resource in the country on which economic growth in Iraq depends almost completely, and the link between poverty and disparity in the distribution of income with the difficult internal and external conditions that it went through Iraq. We divided this topic into three periods in order to be comprehensive of modern Iraqi history and to show the extent to which economic growth favors the poor. The first period was (2005-2012) to demonstrate the extent to which high growth is favored thanks to the lifting of urbanization from the export of its main rentier resource, which is oil with its high global prices, for case poverty and the poor and their standard of living, as well as the degree of justice achieved in the distribution of income, as well as an explanation of the new economic situation after the occupation and the political and economic change, with an explanation of the effects and repercussions of the global financial crisis on the Iraqi economy, and then the second period (2012-2018) came to cover a very important period in Iraqi history, which

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is the period after the double crisis of 2014, which had the worst impact on the lives of the poor and destitute in the Iraqi economy, and undermined many The successes in the field of eliminating poverty and reducing its severity in the country for many years of work and multiple plans and strategies, in fact, added large numbers of Iraqis to the classes of the poor and needy from the millions of displaced and displaced people due to military actions in their five governorates occupied by terrorists, and finally the third period (2005- 2018) to show the state of economic growth achieved and the extent to which it favors the poor in general.

**First: Measure and analyze the extent to which economic growth favors poverty in the Iraqi economy for the period (2005-2012)**

Through Table (1) we can clearly see the change in the average annual per capita expenditure, which rose from 873804 Iraqi dinars in 2005 to 2,968,800 Iraqi dinars in 2012, meaning that it increased to more than three times what it was in 2005 and this is only an indication of the increases The big thing that affected all spectrums of the Iraqi people, especially the classes with limited salaries, as a result of lifting the economic siege and lifting the freezing of Iraqi assets abroad, not to mention the first and main reason, which is the increase in oil exports, and raising government salaries with double increases than they were before the war of occupation.

As for the expenditure of clans from the segments of society, we note in Table (1) that the disparity was very large between the strata of Iraqi society, as 10% of the society owned 31.19% of the funds for the entire community, and this was for the richest clan, while the second richest clan totaled Its members own 20.68 percent of society’s wealth, meaning that 20% of individuals own and control more than 50% of the funds available to individuals. As for the poorest clans, we note that the poorest clan enjoys only 2.39% of the funds, and the poorest clan The second partner owns only 3.3%, and the third poorest partner also enjoys only 4.36% of the funds, so that we reach the fourth poorest partner, who enjoys only half of their percentage in Iraqi society, and the fifth partner is not the best in luck, who spends only what Its percentage is 6.41%, until we reach the eighth partner, which represents the best percentage, as the percentage of what he spends is approximately equal to their percentage in society, which is the 10%.

And if we compare the mentioned percentages for the average expenditure with the cumulative percentages of the population for the year 2005 with the cumulative demographic and expenditure decile for the year 2012 in Table (1), we will also notice the extent of the significant changes in favor of the poorer classes in society, where the percentage of the wealthiest clan’s possession of money decreased from 31.19 in 2005 to 9.40 In 2012 and the second richest partner also, the percentage of his possession of money decreased from 20.98 in 2005 to 6.60 in 2012 and this decrease came in favor of the increase in the percentage of possession of money by the poorest classes, as we note that the poorer partner increased their spending ratio from 2.39 in 2005 to 11.70 and the second poorest partner, their spending ratio increased from 3.30 in 2005 to 10.40 in 2012, the same was the case for the third poorest partner, 4.36 to 10.20 in 2012, and the fourth poorest partner also increased from 5.13 in 2005 to 9.80 in 2012. All these changes indicate that the poor benefited more than others from the economic growth that has occurred, which is represented by the increase in oil revenues and other imports as a result of the lifting of the economic blockade. After the 2003 war, we also note that the growth rate of the expenditures of the clans (devils) for the period (2005-2012) extracted from the spending averages of all deciles for the above time period when calculating the effective growth, indicates that the highest growth rate in the average expenditure of the clans was achieved by the poorest clan in Iraq, which A growth rate was recorded (44.8), the second poorest partner reached (38.72), and the sixth poorest partner achieved a growth rate of (24.03), in addition to.

**The share of the population segments (devils) in spending in Iraq**

**For the period (2005-2012) Iraqi dinars**

**Table (1)**

Population Segments Ratio	Segment spending 2005% average	Spending tranches 2005 %	Spending 2012 average %	tranches spending 2012%
Poorest Clan	2.39	208839.16	9.4	2790672
Second poorest clan	3.3	288355.32	9.6	2850048
Third poorest	4.36	380978.54	9.5	2820360

clan				
Fourth poorest clan	5.13	448261.45	9.8	2909424
Fifth poorest clan	6.41	560108.36	9.8	2909424
Sixth poorest clan	7.3	637876.92	9.7	2879736
Seventh Decimal	9.63	841473.25	9.8	2909424
Eighth Decimal	10.15	886911.06	10.2	3028176
Ninth Decimal	20.68	1807026.7	10.4	3087552
Richest clan	31.19	2725394.7	11.7	3473496

Average per capita expenditure per year	873804	2968800
Gini coefficient	0.42	0.37

Source: From the researcher's work based on:

- (Ministry of Planning, Central Statistical Organization, 2006)<sup>viii</sup>
- (Ministry of Planning, Central Statistical Organization, 2012)<sup>ix</sup>

For all the clans that achieved a higher growth rate than the richest clan, which achieved the lowest growth rate of expenditure and reached (3.53), as in Table (1), which assures us once again that the poorest clans in Iraq for the period (2005-2012) were the ones who benefited the most from economic growth.

This is what we proved when we calculated the pro-poor growth by using the (SON-KAKWANI) model 2006 for the period (2005-2012). The result was a growth gain of 5.69, which is the highest rate of growth gain in the three periods selected for the study, which indicates that the growth achieved in the above period, it is a pro-poor growth in the Iraqi economy and that the classes with limited or no income will benefit more from the growth than without the poor, as well as this is what we notice from the upward shift of the Lorenz curve towards the optimal distribution line in a clear indication of the improvement in the fairness of income distribution among the segments of society as a whole.

#### Calculating the pro-poor growth in Iraq for the period (2005-2012)

Table (2)

Population Segments Ratio	Segment spending growth rate %	Effective growth rate %	Real growth monitor %	gain or loss in growth	Nature of growth
Poorest Clan	44.8				Pro-poor growth in Iraq
Second poorest clan	38.72				
Third poorest clan	33.11				
Fourth poorest clan	30.63				
Fifth poorest clan	26.54				
Sixth poorest clan	24.03				
Seventh Decimal	19.39				
Eighth Decimal	19.18				
Ninth Decimal	7.95	24.79	19.09	5.697098	
Richest clan	3.53				

Source: From the researcher's work, based on Table (1).<sup>x</sup>

As for the Gini coefficient, it also shows that inequality and inequality in the distribution of income have decreased to significant degrees, where it was recorded at a value of 0.366 in 2012 after it was 0.422 in 2005, and this is a clear indication of the extent to which the poor and low-income classes benefited from the economic growth taking place in the country as a result of raising the economic embargo after the 2003 war.

**Second: Measuring and analyzing the extent to which economic growth favors poverty in the Iraqi economy for the period (2012-2018)**

When we talk about the second period (2012-2018), we are talking about the negative effects of the double crisis (ISIS and the crisis of low oil prices), we are talking about forced displacement, which leaves families without resources, work, or property with continuous movement in search of security and stability, and forced displacement affects In increasing poverty rates for all, whether for displaced or host families, we note that the poverty rate in Iraq returned to 22.5% in 2014 after it was planned to decrease to 15% in 2014 after achieving a rate of 19% in 2012, meaning that Iraq and because of this The double crisis has lost the great gains it made between 2007 and 2012 (UNHCR, Population Displacement a Challenge and an Opportunity, Profile of Urban Areas, Refugees, IDPs and the Host Community, Sulaymaniyah Governorate and Kerman Administration, (Kurdistan Region of Iraq, August 2005, p. 21)<sup>xi</sup>.

Therefore, we chose this period and we will try to clarify the nature of the economic growth achieved within the period (2012-2018), despite the double crisis in 2014, whether it is pro-poor or not.

**The share of the population segments (devils) in spending in Iraq**

**For the period (2012-2018) Iraqi dinars**

**Table (3)**

Population Segments Ratio	Spending 2012% average	Spending segments 2012 %	Segment spending average% 2018	Spend 2018%
Poorest Clan	9.4	2790672	8.9	2722332
Second poorest clan	9.6	2850048	8.8	2691744
Third poorest clan	9.5	2820360	9.4	2875272
Fourth poorest clan	9.8	2909424	7.7	2355276
Fifth poorest clan	9.8	2909424	8.7	2661156
Sixth poorest clan	9.7	2879736	11.1	3395268
Seventh Decimal	9.8	2909424	11.3	3456444
eighth decimal	10.2	3028176	10.6	3242328
Ninth Decimal	10.4	3087552	11.7	3578796
Richest Clan	11.7	3473496	12	3670560

Average per capita expenditure per year	2968800	3058800
Gini coefficient	0.37	0.42

**Source: From the researcher's work based on:**

- (Ministry of Planning, Central Agency: 2016)<sup>xii</sup>

- (Ministry of Planning, Central Agency: 2018)<sup>xiii</sup>

When we follow Table (3), we note that the average Iraqi per capita spending continues to increase, as it rose from 2,968,800 in 2012 to 3058,800 in 2018, which is explained by the state's general trend towards expanding spending and relying on oil revenues to pay its increased spending bill and its repeated failure to create real economic growth. Diversifying the economy and working to disengage the economy from the oil sector, despite the significant drop in world oil prices after the 2014 crisis and coinciding with the political-military crisis in Iraq when terrorists took control of four Iraqi provinces covering more than a third of the area of Iraq, which exposed the population of this country. areas for displacement and displacement, increase poverty rates and undermine the work of the Iraqi government, which has made great strides in reducing and addressing poverty rates.

When following up on the evolution of the spending percentage of the clans of the Iraqi society, we clearly notice an increase in the percentage of spending for the least poor, compared to a decrease in this percentage for the poorest clans in Iraqi society, which indicates an increase in the disparity of distribution rates among the segments of Iraqi society. In this poor first decile, the average expenditure decreased from 9.4% in 2012 to 8.9% in 2018, and the second decile also decreased from 9.6 to 8.8 for the years 2012 and 2018, respectively, up to the fifth decile, which also declined from 9.8 in 2012 to 8.7 in 2018. The opposite is observed in the higher clans, that is, the richest in society, as the average spending or possession of money increased from 9.7 in 2012 to 11.1 in 2018, this for the sixth poorest and seventh clans increased from 9.8 to 11.3 for the years 2012 and 2018, respectively, reaching the richest clan from the top Which rose from 11.7 in 2012 to 12 in 2018, that is, the trend of expenditure distribution was in the interest of the richest clans in society at the expense of the decrease in the share of the poorest clans in society. Income for the period from 2012-2018, which is primarily due to the impact of the 2014 crisis and the continuation of its impact represented by the decline in global oil prices throughout the post-2014 period, except for a clear improvement in the last year 2018, when the oil price reached Oil has a threshold of \$65.

This analysis also corresponds to the Gini coefficient, which was 0.37 in 2012 and rose significantly to 0.42, that is, it returned to what it recorded in 2007, in reference to the high degree of inequality and unfairness in the distribution of income so that the rich and high-income classes benefit more than the poor and the classes with Fixed and low income from the growth achieved, ie the growth is not favorable to the poor within the above period

**Table (4)**

**Calculating the pro-poor growth in Iraq for the period (2012-2018)**

Population Segments Rate	Segment spending growth rate %	Effective growth rate %	Real growth monitor %	gain or loss in growth	Nature of growth
poorest clan	-0.41				Non-pro-poor growth in Iraq
Second poorest clan	-0.95				
Third poorest clan	0.32				
Fourth poorest clan	-3.46				
Fifth poorest clan	-1.48				
Sixth poorest clan	2.78				
Seventh Decimal	2.91				
eighth clan	1.15				
Ninth Decimal	2.49	0.43	0.49	-0.07	
richest clan	0.92				

The source table was prepared by the researcher based on Table (3).



In order to calculate the pro-poverty growth for the above period according to (SON-KAKWANI) 2006 model, and to show the extent to which the growth supports poverty in Iraq, according to the model's working mechanism, both the actual expenditure growth rate and the average real expenditure growth rate observed in Iraq were calculated, so that we then subtract the second From the first in order to extract the gain or loss in growth, to determine as a result the nature of the growth achieved and whether it is of the pro-poor type or not.

According to the results obtained in Table (4), we note a growth loss of (-0.07078), since the effective growth, which can be obtained from calculating the average real growth rate of spending by individuals in all population segments, is less than the growth rate of the average real expenditure in Iraq, which indicates a downward shift in the Lorenz curve away from the optimum distribution line and a reduction in the inequality in the income distribution, and from table (4) we can also note that the lowest growth rates in the average expenditure of the clans were for the poorest clans, as the growth rate of the first poorest clan decreased by (-0.41) and the second poorest clan decreased by (-0.94), and the positive growth was for the higher clans, as the seventh clan achieved a growth rate of (2.91), while the growth rate of the ninth clan increased by (2.49) and the growth was of the non-pro-poor type during the time period (2012-2018).

**Third: Measuring and analyzing the extent to which economic growth favors poverty in the Iraqi economy for the period (2005-2018)**

After we analyzed the nature of growth for two periods of time in which conditions differed, one before the crisis and the second after the crisis, and it was found that the first period was pro-poor and the second was not pro-poor, we try to analyze the nature of growth achieved in Iraq for the entire period from 2005-2018 to identify and reveal the nature of growth Verify whether he favored the poor or not.

**The share of the population segments (devils) in spending in Iraq  
For the period (2005-2018) Iraqi dinars**

**Table (5)**

Population Segments Ratio	Segment spending 2005% average	Spending tranches 2005 %	Segment spending 2018 average%	Spend 2018%
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Richest clan	31.19	2725394.7	12	3670560

Average per capita expenditure per year	873804	3058800
Gini coefficient	0.42	0.42

**Source: Prepared by the researcher based on:**

- (Ministry of Planning, Central Statistical Organization, 2016)<sup>xiv</sup>
- (Ministry of Planning, Central Statistical Organization, 2018)<sup>xv</sup>

When we follow Table (5), we see that there is a significant shift and change in percentages, whether it is in relation to the share of the richest clans in society and the clear decrease in their average annual expenditure, or in relation to the clear increase also in the share of the poorest clans in Iraqi society. Its spending share, after it controlled 31.9 in 2005, decreased to 8.90 in 2018. As for the second richest clan, it also decreased from 20.86 to 8.80 for the years 2005 and 2018, respectively, and the situation is similar for the third richest clan, where its percentage of money acquisition decreased from 10.15 In the year 2005 to 9.40 in 2018, as for the other side, which is the poorest clan in Iraq, we note that the percentage of its expenditure achieved continuous and significant leaps throughout the study period. This first clan is the poorest, its consumption spending capacity increased from 2.39 in 2005 to 12.00 in the year 2018. As for the second poorest partner, its percentage also increased from 3.30 in 2005 to 11.70 in 2018, and the situation is similar for the third poor partner, as the contribution of e in spending from 4.36 in 2005 to 10.60 in 2018, and the fourth poorest partner has also achieved an increase in its percentage of 11.30 in 2018 compared to its percentage of 5.13 in 2005, and we do not forget the fifth poorest partner when its percentage increased from 6.41 in 2005 to 11.10 in 2018, the sum of the figures In the above, it became clear to us a clear fact that there was an increase in growth that was mostly in the interest of the poor more than the non-poor in Iraqi society. This significant decrease in the share or possession of wealthy clans in Iraq was in favor of an increase and a rise in the share of the poorest clans even if Some of them have doubled the percentage they were in from 2005 to 2018, and this was due to the doubling of salaries, wages, gifts, aid and social benefits in the period following the occupation war in 2003, and this is what we also concluded with a growth rate of 2.71, and what is the decrease in this percentage despite One of its positivity, in reference to the Iraqi rentier economy, in which the economy is fully recovered and the state's spending on various economic sectors increases, and this is linked to the increase in the exported quantities with A rise in global oil prices, and the opposite happens if global oil prices fall, and this is what we noticed during the period (2005-2018), during which the Iraqi economy was exposed to two global crises, the first of which was represented by the global financial crisis in 2008, which was accompanied by stagnation and global decline in all sectors The global demand for oil and then its prices globally. As for the second crisis, the crisis of the drop in global oil prices in 2014, which was accompanied by the crisis of the control of terrorist groups over four Iraqi provinces and the resulting bloody armed conflicts that were sufficient to displace and displace the population of these Iraqi provinces internally and externally Increasing pressure on the Iraqi government, which was already suffering from signs of a suffocating recession and deflation crisis, led to the great efforts of eradicating poverty and resisting its negative effects on the poor themselves and all the spectrum of the Iraqi people behind them. Educated and poor youth are given a job opportunity that guarantees them a decent living, with the difficulty of including them in the labor market or finding a job opportunity for them due to the narrowness of this cycle. Basically because of The nature of this rentier market and the rule of the underdeveloped public sector filled with underemployment weighs it down from time to time, due to the high percentage of their wages compared to their productivity, which is close to zero in many sectors, if not negative, and this is naturally caused by the increase in unjustified employment in non-productive sectors it does not achieve growth and does not occur economic development with the militarization of the economy and burdening the state's general budget with the burden of the salaries of these people, which is now showing that operating expenses exceed investment expenses significantly, exceeding 90% in some years of study. To buy political satisfaction and ensure that the ruling authority remains in power, by deluding the simple people that they are providing them with salaries and raising their standard of living by sharing the small part of the rentier revenues, and it would have been more appropriate and more beneficial for the poor and the destitute to put them in jobs and productive work that guarantee them real incomes such as agricultural work. or industrial, instead of most of these turning into an army of disguised unemployment with time and constituting a burden on the budget in subsequent years, and as is the case with the majority of those who preceded them in employment, and this is what we see clearly with the coefficient or Gini index that has become equal to what it started with, as it reads 0.422 in 2018, which is the same percentage in 2005, despite the significant decrease it achieved over the study period, reaching 0.318 in 2009 and then to 0.309 in 2010, where these percentages are considered This is very good for the Iraqi economy compared to other Arab economies, which did not suffer even a small part of the suffering that the Iraqi economy suffered, and this is of course due to the great efforts represented by strategies

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and plans prepared to alleviate and eliminate poverty, until we reached 2014 and what it brought to the Iraqi people from Tragedy and wars affected the rest of the Iraqi oil and charities, from which the Gini coefficient began to rise again to record in 2014 to 0.380 and then in 2015 it rose to 0.387 and then 2018 to 0.422 in order to raise the alarm of the return of disparity between the segments of Iraqi society and the high risk of injustice in The distribution of income among the segments of Iraqi society and the re-emergence of class and its problems, not to mention the main problem, which is the decline in the interest and benefit of the poor classes from the fruits and benefits of economic growth represented by the increase and development of the size of the gross domestic product in the Iraqi rentier economy.

**Calculating the pro-poor growth in Iraq for the period (2005-2018)**

**Table (6)**

Population Segments Rate	Segment spending growth rate %	Effective growth rate %	Real growth monitor %	gain or loss in growth	Nature of growth
Poorest Clan	21.84				Pro-poor growth in Iraq
Second poorest clan	18.75				
Third poorest clan	16.82				
Fourth poorest clan	13.61				
Fifth poorest clan	12.74				
Sixth poorest clan	13.73				
Seventh Decay	11.48				
Eighth decimal	10.49	12.72	10.12	2.60	
ninth decimal	5.40				
Richest clan	2.32				

**Source: The table was prepared by the researcher based on Table (5).**

Also, through Table (6) prepared for calculating the pro-poor growth and testing the extent of its support for the poor in Iraq for the period (2005-2018), we note that the highest expenditure growth rates were for the poorest clans in society, as the poorest clan achieved the highest growth rates, reaching (21.84) The second poorest clan also achieved an expenditure rate of (18.75), as well as the case for the third poorest clan when it achieved a growth rate in the average expenditure of the segment (16.82). As for the clans in the upper classes, their share was the lowest recorded rates of spending growth, this richest clan achieved a growth rate It is (2.32), and the ninth detachment also achieved a low spending growth rate it reached (5.40), and the eighth partner achieved a rate of (10.49), but these rates indicate the extent of the benefit of the poor from the growth in the Iraqi economy is greater than the benefit of the non-poor for the period (2005-2018), and by calculating the average growth rates of the clans, we get the value of effective growth in Iraq, which is (12.72), which is thus higher than the value of the real growth observed, which is (10.12) and the total From calculating the compound growth of spending for the whole period (2005-2018), and in order to calculate the pro-poor growth, we subtract the observed real growth rate from the effective growth rate and then we will get a positive gain for economic growth of 2.60, and as a result we can judge the economic growth In Iraq, for the above period, it is of the pro-poor type, according to what is in place according to the model used in this study, which is in fact due to the increase in oil revenues and the application of the new salary scale after the occupation and the increase in employment on the public sector and economic growth, or more precisely the development of The volume of the gross domestic product obtained as a result of the significant rise in world oil prices after 2003, with the increase in the quantities exported of crude oil after the lifting of the embargo on it, and the return of successive governments to practice their usual work This economic growth (development in the size of GDP) is not attributed to well-thought-out and effective policies to solve the problem of poverty and redistribute income in a way that ensures that the poor benefit more than the benefit of the non-poor, and were it not for the 2014 crisis and its continuing negative effects On the rentier economies, including Iraq, it would have been possible to achieve greater economic gain to help the poor classes and extricate them from their bitter reality as soon as possible.

**Conclusions and Recommendations**

**First: Conclusions:-**

- 1- The rate of growth (development) of the gross domestic product in Iraq witnessed great leaps after 2003, due to the lifting of the international embargo on the export of oil abroad, which coincided with the rise in international oil

prices, and the increase in production from it, which resulted in a huge volume of these revenues And the dependence of growth in the rentier economy on it almost completely, and allowing the state to return to exercising its distributive role by virtue of its possession of the most important resources in the country, so it proceeded to expand spending on basic services and increase employment on the public sector, the results of which became clear on all layers of Iraqi society and on the face of it. In particular, the poor classes with limited income were the most affected classes during the economic blockade, as the spending of the poorest clan in Iraq grew at a rate of (21.84%) compared to the richest clan, where its growth rate was (2.32%), and the growth was favorable to the poor, because the effective growth rate is greater than The real growth rate and a growth gain of (2.60) was achieved throughout the study period (2005-2018) and according to the working mechanism of the model used for measurement, which is a weak favoritism, due to the negative effects of the double crisis (ISIS and the drop in global oil prices). e) the year 2014.

- 2- The economic growth achieved for the period (2005-2012) was strongly favorable to the poor, as it recorded a positive gain in growth of (5.69), and this becomes clearer when observing the growth rate of the spending of the poorest clan, which grew by (44.8%) compared to the growth of the spending of the richest clan which amounted to (3.53%), which is also confirmed by the Gini index, which decreased from (0.42) in 2005 to (0.37) in 2012, in a clear indication of decreasing inequality and achieving justice in the distribution of wealth gained from oil revenues, in the interest of the poor and those with limited income in Iraq.
- 3- The economic growth achieved for the period (2012-2018) was unfavorable to the poor, as it recorded a growth loss of (-0.07%) and the growth rate of the poorest clan's spending was (-0.41) compared to (0.92%) as a growth rate for the richest clan, the same What we notice is the rise in the Gini index to (0.42) in 2018 after it recorded (0.37) in 2012, all of which can be attributed to the double crisis in 2014, which indicates the seriousness of linking and dependent on the growth (development) of GDP with the volume of returns oil from the export of crude oil.

#### **Recommendations:-**

- 1- Serious work in the light of a long-term strategic plan that has a lifespan longer than that of successive governments, and is binding on them and aims to disengage economic growth from fluctuating oil revenues, and work to find alternative economic sectors to the oil sector that is vulnerable to depletion that works to support the country's economic growth and ensure its stability and sustainability To achieve the comprehensive benefits of growth, including improving living standards and welfare and eliminating poverty.
  - 2- Work to train and rehabilitate the poor in line with the market needs, especially the unemployed class of certificate holders, with the aim of ensuring the participation of these poor people in the productive process in order to avoid wasting and losing their potential effort due to their exposure to unemployment and the failure to find job opportunities that guarantee them a decent standard of living.
  - 3- Training the poor, rehabilitating them and raising their human capabilities, and then putting them into real productive jobs in the industrial and agricultural sector, and leaving work by increasing employment in the public sector and in the army and the police, without economic feasibility and with low productivity rates that raise as a result disguised unemployment rates, and it is already suffering from inflation in the public sector. As a result, the burden of oil revenues, and then the general budget of the state, and draining it with unproductive consumer obligations and expenditures.
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