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REGIONAL ECONOMIC INTEGRATION TO COUNTER THE GLOBAL  
RECESSION  
(RESEARCHSAMPLE: REPUBLIC OF IRAQ FROM 2013 – 2017)

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**KeyWords:** globaleconomic recession, purchasingpower, regional economic integration,  
unemployment rates.

**Abstract: -**

The purpose of the research is to find solutions to the repercussions of the economic recession on the countries of the region, especially the Republic of Iraq and neighboring countries. the researcher has adopted the descriptive analytical approach and reasoning approach to show the importance of regional economic integration because of the advantages it has to face potential economic repercussions due to the potential global economic recession, whose effects have become apparent through increased unemployment rates, low purchasing power, low demand, and many pauses. Business and corporate bankruptcy in some vital sectors such as tourism and transportation. In addition to the fluctuation of oil prices , it is reflected in Iraq`s oil revenues, especially as the Iraq economy depends on oil revenues by 88% , and it is born and will generate a budget deficit that affects the nature of spending policy , which has become significantly contractionary , especially investment spending ,in addition to the limited role the private sector and the absence the attractive environment for investment and the absence of a unified central stage responsible for operating.

The research concluded that the governments in the region, especially Iraq and neighboring countries, should enter into trade agreements or seek regional economic integration to create

a regional economic force capable of facing the global and local economic repercussion by taking advantage of the advantages of regional economic integration.

### ***Introduction:***

Global events confirm day to day the necessity of effective regional economic blocs based on sound economic foundations whose effects return on all countries of the region and protected from the evils of crises and international economic fluctuation. As most countries of the world seek to establish regional economic grouping and blocs in order to benefit from the advantages that may arise in these blocs , such as increasing the flow of goods and services , the speed of movement of capital among member states, creating job in addition to achieving economic development . These economic blocs are both it was bilateral , semi-regional or regional , as it includes a number of countries with a common approach and symmetry across a wide geographical area , which were called the economic fields the greater(1) with the growing trend towards forming blocs that bring together countries with different levels of development developing countries and different developed countries , at a time when the effects of the global recession on the economies of the world are increasing , the Organization for Economic Cooperation and Development urged governments to move and take measures to protect the income of social groups and Weak companies . Accordingly, the need for cooperation between countries to facilitate the flow of trade among them to reduce costs and raise production efficiency through a set of agreements aimed at achieving the so-called regional economic integration came. The problem of the research lies with the following question: -Is regional economic integration capable of facing the global economic recession in addition to economic policies (fiscal policy and monetary policy), especially with regard to the Republic of Iraq?

### **Research Importance: -**

The importance of research is concentrated in many of the drivers of regional economic integration, which can accrue to economically integrated countries,including: -

- 1) The size of the market.
- 2) Increased operating.
- 3) Increasing the rate of economic growth.
- 4) Broadening the production base.

These advantages are sufficient to advance the economic sectors to face the global economic recession for the countries of the region, such as Iraq, because of the Iraq economy`s components of regional economic integration,including: -

- 1) Availability of natural resources.
- 2) Specialization and division of labor to provide a return that exceeds what can be achieved before integration.
- 3) Providing the necessary production elements for production processes.

4) Availability of methods and means of transportation and communication.

***Research Objectives: -***

The study objectives to find the treatments and the solutions to economic problems resulting from economic stagnation at the global level and the region, especially with regard to Iraq, by relying on regional economic integration in addition to economic policies because of its advantages able to rise and address the problems resulting from the economic recession.

***Research Hypothesis: -***

The research makes the following hypotheses:-

- 1) Regional economic integration leads to expanded market size and increased demand.
- 2) Leads to increased employment and job creation and contributes to solving the problem of unemployment.
- 3) To increase economic growth rates.
- 4) It leads to the expansion of the production base and the provision of production elements.

***Research Methodology: -***

The researcher relies in his study to test the research hypotheses on the descriptive analytical approach and the method of reasoning and deduction for the purpose of confrontation the global economic recession and its effects on the countries of the region through the adoption of regional economic integration with the concept of economic as well as official information and data issued by the relevant international institutions.

***Research Limits:-***

Spatial boundaries for the study of Iraq and neighboring countries. As for the time limits for studying economic indicators for Iraq for the period from 2013 – 2017, the study sample.

***Previous Studies:-***

There are many studies on regional economic integration that have been addressed in several ways, including: -

- 1) Dr. Muhammad Baboush, Maghreb economic integration and current regional blocs, Dar Al-Khaleej, Jordan, Amman.

The writer explains that the reality of the Arab Maghreb in its current state is very difficult and stresses the need to find methods and means capable of developing and

activating the Arab Maghreb Union to achieve the goals and aspirations that the Moroccan people seek to achieve development and prosperity.

- 2) Asia Al-Wafi, Regional Economic Blocs and Freedom of Trade within the World Trade Organization, Master Thesis, University of Batna, Algeria.

The researcher explains that successful economic blocs at the international level are related to developed countries and emerging industrial countries that seek to liberalize global trade, which makes these countries to reach high economic growth and more welfare passing through the path of establishing those regional blocs, as well as to that some Countries growing in Asia and Latin America are beginning to realize the extreme importance of economic blocs.

3) Abdelwahab Rumaidi, Regional Economic Blocs in the Era of Globalization and Activating Economic Integration in Countries Studying Different Experiences, PhD Thesis, University of Algiers, Algeria 2006 – 2007.

Among the results reached by researcher is the developed countries, keenness to be among the largest number of economic blocs, but in new formula after the establishment of the World Trade Organization, which gave it a strong push as these blocs are a means to reach trade liberalization. The study also reached a basic result that coordination mechanism between economic policies of member states.

4) Boussbi Saleh Rahima, Economic Blocs in the Balance of the Global Crisis, Master Thesis, University of Mohamed Khodeir, Biskra, Algeria, 2011 – 2012.

One of the most important findings of the study is that the prevalence of crises is based on number of infection channels and their expansion globally through the global flow channel of capital to and from their centers of origin to their spread through the trade deals crossing. International export and import with companies in developing countries.

#### ***Research Structure: -***

For the purpose of achieving the research objectives it is divided into: -

The first topic: - Regional economic integration

The first requirement: the concept of regional economic integration.

The second requirement: forms and levels of economic integration.

The third requirement: the justification and importance of regional economic integration.

The second topic: The global economic recession

The first requirement: the nature and stages of the economic recession.

The second requirement: the causes and effects of the economic recession.

The third requirement: the global economic recession.

The third topic: The first requirement: economic indicators for Iraq for from 2013 – 2017.

The second requirement: Conclusions.

The third requirement: Recommendations.

Sources and references.

### ***The first topic***

#### ***Regional economic integration***

Economic integration is considered one of the most important modern strategies pursued by countries in one geographical environment to the acceleration of economic relations between countries in the areas of trade, tourism, technology, finance, investment and other opportunities as a result of economic globalization has led to an increase in economic blocs, as the borders of trade liberalization have gone beyond the different aspects of life. In this topic, we will discuss the concept of regional economic integration and levels of economic integration, as well as justification for regional economic integration and finally the importance of regional economic integration.

#### ***The first requirement: The concept of regional economic integration***

It may explain economic integration in different forms. Some economists include social integration within this concept and others go as any international economic cooperation falls under this title and there are those who consider merely the existence of commercial relations between independent countries is a sign of economic integration (2).

Economic integration is a general term that includes several classes of arrangements whereby two or more countries agree on economic convergence, and all these arrangements have a common feature the use of tariffs to distinguish their goods from the goods produced by countries not party to the agreement (3).

The economist, Bela Alexander Palas, defined economic integration as ( a process of completely abolishing customs barriers between different national economic units ) as it considers the process of eliminating barriers, so it includes all measures aimed at eliminating discrimination between the economic units of different countries and in this definition distinguishes between integration and cooperation and the difference between them is qualitative and quantitative, the cooperation offered to reduce discrimination places of the integration process to eliminate forms of discrimination for example international agreements on trade are within international cooperation, while removing trade barriers from within economic integration and it is clear in the basic feature of economic integration is the removal of barriers within a specific region ( 4 ).

Bella believes that it is possible to achieve regional economic integration easily in light of international integration and excludes social integration that includes equality in rewarding the elements of production.

As for J. Machlup emphasizes the essence of economic integration is the process of removing obstacles that prevent the movement of capital, labor and products as essential conditions for integration that requires the establishment of joint institutions and policies that would ensure continued non-discrimination ( 5 ) .

It can be said that economic integration is the measures agreed upon by two or more countries to remove restriction on the movement and flow of goods, services, employment, technology, capital, and factors of production between them, and coordination between economic policies for the purpose of achieving high growth rates.

***The second requirement: Forms and levels of economic integration: -***

The level of regional economic integration can vary greatly from a simple level to a highly integrated and developed economic space. It is clear that the unifying factor for the various forms of integration is the desire of the participating countries to advance national economic interests, which are as follows: -

**Simple free trade area: -**

It is the simplest type of economic integration where two or more countries agree to focus attention on reducing tariffs and quotas that restrict trade and increase the exchange of goods and services between them. Where a set of measures are taken to help the flow of trade better, such as that certain countries in the region agree to abolish the quota system to which trade exchanges are subject while keeping customs duties and agree to give each other mutual customs concessions.

**Free trade area: -**

This level of economic integration is agreed between member states to abolish customs duties on goods, and every member state reserves the right to impose whatever restrictions it wants on goods imported from the world outside the free trade area (6).

**Customs Union: -**

At this level of economic integration, in addition to the procedures applied in the free trade area by eliminating restrictions and tariffs, unified customs tariffs are imposed for member states in the face of the rest of the world (7).

So all the member states deal with the outside world in the field of trade foreign as if it were one customs country (8), as this stage relies on deepening organizational coordination to take a unified position towards the global commercial market.

**Common Market: -**

The common market, in addition to adopting a customs tariff for member states towards the outside world, and with increased trade flows between

them and the entry of imported materials into the economics of integration and trading without restrictions , production chains that crossnational borders begin to form and this creates pressure to reduce costs for the transport of semi-manufactured goods and completely between member states , to solve this issue , coordination takes place to overcome border measures ,which leads to effective elimination of national borders as internal barriers to trade and the formation of a free-flowing regional economic space . Other countries that make up economic integration.

### **Monetary Union: -**

With the development of the common market and the accompanying boom in internal trade , a new element appears , the costs of transnational business transactions despite the borders that may be open to free transit of goods and services , but the need for foreign exchange operations to settle payments in addition to the different relative costs caused by policies the various national economic orders impose fixed financial and administrative expenditures on companies operating within the region , and the solution lies in agreeing to adopt one of the forms of monetary union , whether through an agreed fixation of relative exchange rates or the adoption of a common currency . In this case, the aspects of economic integration begin by taking

a strong policy by adopting all member states a common monetary policy that strengthens the overall economy, which leads to restrictions on local spending and finance that the government follows, so the gradual change of political and economic lines separating the member states in a project economic integration.

### **Economic Union (EconomicCommunity): -**

In the Economic Union , a comprehensive framework is built for all member states where there is a common economic policy system to which all countries adhere , which leads to their abdication with a large degree of economic sovereignty in exchange for vastly expanded opportunities and a much larger and fully integrated economic space where it facilitates the full movement of products and factors production and employment through the establishment of a comprehensive legislative and legal system that transcends national laws and rules and also ensures that effective economic sectors will face the same treatment throughout all member countries.

### ***The third requirement: The justification and Importance of Regional Economic Integration: -***

#### **First: Social Interaction: -**

One of the most important justifications is the existence of a strong historical link between the peoples of the region and the geographical proximity. Geographical convergence is one of the most important reasons for the establishment of the regional bloc in terms of common interests, cultural ties and beliefs between the countries of the same region, making the regional bloc able to solve the problems of the region due to deep

knowledge of the positions Constituent countries of the region. In addition to other links between the peoples of these countries , this indicates that countries in the region seek economic integration to protect their common interests from specific or ambiguous external threat , to provide a level of protection for internal producers such as the ( Mercosur ) trade bloc to confront threats from the

International economic environment. Also , in some cases , the state seek to participate in trade agreements in anticipation of its isolation from the global economic system , such as Canadian participation in the North American Free Trade Agreement ( NAFTA ) .

### **Second: The political factor (peace and security): -**

The political dimension is of importance as motive for the establishment of the regional bloc , as the desire of states to pool their forces is embodied in order to have an active role in the conduct of international events , and this is illustrated by the European experience , where it realized that it would not be able to maintain its independence if it remained unilateral under the control of the United States of America and The former Soviet Union , thinking focused on the importance of unity, integration or economic integration as a weapon to restore peace and security , close the door of conflicts, guarantee the welfare of its European peoples , and face the rapidly accelerating changes globally. The idea is to increase economic overlap between countries in an effort to raise the level of interdependence to the point where armed conflict and continued mutual isolation become unsupported economically. Hence it highlights the importance of the political factor as an important incentive to form a regional grouping as a means to support political independence and increase the negotiating power of countries in the area of transactions and resisting the effects of global fluctuations.

### **Third: The economic factor (efficiency): -**

Sometimes economic integration projects outperform the desire to reduce transaction costs within a regional area experiencing growth in production structures. For example, the Association of East Asian Nations (ASEAN), the continued rise in regional distribution of production structures and the creation of organizational cooperation in order to achieve efficiency in economic integration Achieving the highest possible profitability as a dominant factor to integrate with interest in the concepts of social and political integration. There are factors of an economic nature that can affect countries to favor regional integration projects because of their strong

desire to industrialize (9).

There are advantages to regional integration with respect to the manufacturing process from expanding the market in front of their industrial products by removing obstacles and restrictions on their entry to the markets of the bloc countries.

### **The importance of regional economic integration: -**



Regional economic blocs are extremely important today to achieve many of the gains and achieve the desired goals, they can be summarized as follows :(10)

- 1) The productive impact of economic integration, as (J.Viner) pointed out the effect of creating trade is to increase the welfare of member states, which comes as a natural result of increasing production of high efficient projects at the expense of less project efficient.
- 2) The impact of economic integration on consumption leads to an increase in consumer welfare by replacing goods with expensive prices with low-priced goods and increasing the number of goods available while improving their quality.
- 3) Economic integration contributes to increasing the rates of trade exchange between member countries and the strength of negotiation with other countries increases as the number of countries participating in the bloc increases and then increases the volume of their trade with the outside world.
- 4) Economic integration achieves economic saving through expansion the market and the increasing the demand for products of projects with positive flexibility, which enables these projects to utilize the largest amount of production capacity and then lead to an increase economic well-being.
- 5) The free and unrestricted movement of production elements between member states achieves external economic savings that lead to lower costs for most projects as a result of the optimal use of available resources that maximize the importance of the economic bloc.
- 6) Economic integration contributes to increasing competition between the various projects and production elements in the member countries, which leads to the withdrawal of less efficient producers and thus the optimal use of available economic resources and an increase in the economic well-being of consumers.
- 7) Increased economic growth rates as a result of increasing the volume of investments according with economic standards, and the importance of regional economic integration in increasing and encouraging intra-regional trade for member states as a result of the elimination of various restrictions from customs or administrative tariffs.

### **The second topic: The global economic recession: -**

#### **The first requirement: What is the concept and stages of the recession? :-**

Recession is a term in the macroeconomic and expresses a significant decrease decline in economic activities for a number of months. Recession is one the stages in the economic cycle when unemployment increases and values decrease investments and corporate profits.

And in the case the economic recession shrinks the gross domestic product for at least two quarters, where the GDP growth slows for several quarters before it turns into an economic contraction due to the decrease in consumer demand and other economic indicators of the recession, such as income and employment, manufacturing, and retail sales. The stagnation

results in a decrease in production and low cash flow. Many companies declare bankruptcy and lay off their employees and workers, which increases the unemployment rate in society. This results in a loss of confidence in the business and accompanied by the collapse of the stock market, because stocks are the ownership of companies and the stock market is a basic indicator for the future of all companies and without confidence in their future investors will be prevented from buying shares. The recession can be explained as an increase in the supply of production with weak purchasing power, an increase in supply and less demand, which leads to lower revenues for industry and trade, a decrease in the value of investment, increased unemployment, in addition to negative social and political effects.

The economic recession differs from the economic depression where the recession is an accumulated recession that extends for years and is worse than the recession where unemployment reaches more than 25% and its repercussions are negative and continue for a long time even after its end, as in the case of the great depression that occurred in 1929 and lasted for ten years.

#### **Stages of economic recession: -**

The purchasing power of consumers declines during the recession, and this is noticeable by the decrease in sales to a large number of retailers and shops, which is reflected in the demand for factory products, which in turn leads to a reduction in production. This affects the decline in profits of industrial establishments, so it loses its ability to pay the salaries of its employees and workers, which makes it have to give up a large number of them, and this in turn leads to increased unemployment rates and low purchasing power among consumers, which is further exacerbated, thus the negative results of the consequences of the recession continue respectively, and more worse than its predecessor until the equation is reversed, and economic activity returns to its positive vitality.

#### **The second requirement: The causes and effects of the economic recession: -**

There are psychological factors determined by some economists, which have a role in decision-making, such as optimism and pessimism, with the increase in spending or savings, and there are economic theories that attribute the cause of recession to an urgent change in the demographic makeup due to human migration or the increase in births of the country, which leads to increased spending. While other theories see that of sufficiency in the consumer of a particular product may be a reason for stagnation. There are theories say there is a relationship between stagnation and the economic cycle. During the recovery period, there is a big boom in the field of

industrialization, and when it reaches the peak it begins to decline and the demand

for investment. In industrial assets, its activity rates are less than the previous ones and it enters the deflationary stage. This situation is clear in

the global financial crisis in 2008, as companies laid off large numbers of their employees, such as Ford and others, which means increasing unemployment rates. There are a number of reasons behind the recession, the most important of which is the decrease in consumer confidence in business, which reduces demand and exacerbates the problem of unemployment. In addition to the following reasons: -

- 1) The stock market and stock market crash as a result of the loss of confidence.
- 2) High interest rates and prices, which reduces the purchasing power.
- 3) Decreased housing sales and lower prices, which leads to a decrease in their value.
- 4) Remove restrictions on loan ratios.
- 5) Reducing wages that pay workers to leave work.
- 6) Wars stagnation.

#### **The effects of the economic recession: -**

The economic recession returns with a large number of effects, despite the short period during which it is considered devastating. One of the most influencing effects in the long run is a significant increase in unemployment, in addition to the harm to families in terms of saving or enjoying an adequate standard of living and low levels of health and welfare for individuals. And these families may be forced to resort to charitable institutions to receive benefits because they are unable to support their which causes them to humiliate. Many workers lose their ability to pay rent to their homes or to pay off their loans, thereby exposing them to losing them. The economic stagnation causes a decline in marriage cases due to the youth's inability to bear its costs, and perhaps the stagnation of the recession may lead to a change in many of the values that prevail in society and the prevalence of certain values caused by the economic recession, which leads to the emergence of political unrest and unrest due to the citizen's belief that the government is unable to provide a better life for members of society and carrying out their duties.

#### **The third requirement: the global economic recession: -**

Experts and researchers in the field of economic define the global economic recession as the recession occurring in all countries of the world or in a group of these countries , and the global recession is characterized by its persistence in these countries for more than an accounting period that may be a year or half a year or a quarter , and is considered a fund International Monetary is the party that determines the recession , as a set of financial indicators is used for this purpose , including the rate of decline in the average per capita income of the gross domestic product in most countries of the world . According to the definitions of the International Monetary Fund, the decline in the average per capita income of the gross domestic product must coincide with the decline in other economic indicators such as cash flows and rates of trade and employment, the economic decline must affect most of the macroeconomic indicators, and this decline must continue for two consecutive quarters and more in order to be considered arecession. According to the International Monetary Fund. (10)

According to the International Monetary Fund, the world lived through four periods of global economic recession, the first in 1975, the second period in 1982, where the International Monetary Fund considers that the global economic crisis it witnessed the world 2009 is the largest and most influential on the global economy. The federal authorities tried to contain the crisis by reducing interest rates and adopting federal policies that encouraged home and real estate ownership in an attempt to mitigate the effects of the crisis that afflicted the real estate sector. The Great Recession, referred to as the sharp decline in global economic activity in 2007. Experts and economic researchers know this period is the most important recession period, as the global economic recession began in the United States of America, which officially lasted from December 2007 to June 2009, The global economic recession began when

The US real estate and housing market went from an economic boom to a recession, as that period was characterized by the presence of very large quantities of real estate loans, which are loans taken for the purpose of housing and the purchase of real estate and so on, which prompted the federal authorities to launch an economic, financial and monetary policy that is not preceded in order to remedy the repercussions of the economic recession.

### **The third topic:**

**The first requirement:** -The economic indicators of Iraq for the period from 2013 – 2017. The Iraq economic is known as a rentier economy that depends on oil exports and therefore any change in oil prices has a direct impact on development plans. Therefore, we review here the most important economic indicators to which the development plan (2013 – 2017) was exposed.

1) Fiscal and Monetary Policy: - The decline in world oil prices for Iraqi oil from 102.3 dollars a barrel in 2013 to 44.7 dollars a barrel in 2015 and then 36 dollars a barrel in 2016, which led the government to enter into basic obligations with the World Bank and the International Monetary Fund. The numbers also indicated a decrease in allocations and investment expenditures from what was put in the plan, and this is a deviation from the objectives of the financial policy in dealing with imbalances in the structure of public spending. As for the monetary policy, it preserved the inflation rates at acceptable rates, as the inflation rate decreased from 1.9 % in 2013 to 0.1% in 2016, where the exchange rate recorded 1303 dinars per dollar in 2014 to the end of 2016 and in mid-2017 it reached the exchange rate of the dinar against the dollar is 1258 dinars per dollar. which led to a decrease in the reserves of the Central Bank from 77.4 billion dollars in 2013 to 45.3 billion dollars in 2016, as for the credit activity for the period from 2013 – 2016, it increased from 29.9 trillion dinars percentage of the total credit granted. in 2013 to 37.16 trillion dinars. In 2016, with an increase of 7%, as the services sector occupied the largest percentage of total credit, while other sectors such as industry and agriculture got the least

2) Output imbalances and the role of the private sector: -

The 2013 – 2017 development plan set a target growth rate for the GDP with Oil at 13.31% and the non-oil GDP of 7.5% at constant prices for the year 2007, verifying the scheme only 3.45% with oil at 2007 prices, while the GDP excluding oil was negative growth by ( - 6.48% ) in 2007 prices for the same period. Excluding the oil sector, we see that the contribution of the commodity sectors decreased from 31% in 2013 to 23.7 % in 2016.

The role of the private sector :- Due to the decrease in investment allocations in the state budget, total fixed capital was at a negative growth rate during the period 2013- 2015 by (-8.38% ) according to the constant prices of 2007. While the private sector contribution in 2015 reached 34.69%, with a growth rate of 30.8%.

### 3) National income and average per capita income: -

The level of national income in 2013 reached 164.3 trillion dinars, while in 2015 it decreased to 126.68 trillion dinars, with a negative growth rate of ( - 12.2%) at constant prices for the year 2007, and the average per capita income decreased during the same period from 4.99 million dinars in 2013 to reach 4.59 million dinars in 2015 at constant prices for the year 2007, which affected the level of economic welfare and contributed to the spread of many social problems.

4) Sectoral Development: - For the purpose of upgrading the Iraqi economy and transforming it from a rentier economy into a diversified economy, the structure of non-oil production should be diversified, led by the sectors of industry, energy, agriculture and tourism, as developmental sectors: -

First: the agricultural sector: We see a decrease in area of arable agricultural land from 52.2 million acres to 47.8 million acres in 2015, 6.9 million of which were exploited, or 14%, while in 2014 the ratio was 27.9%. As 100 thousand acres were reclaimed out of 2500 thousand acres. Where the contribution of the agricultural sector to the GDP decreased from 4.2% in 2013 to 3.1% in 2016.

Second: the energy sector and manufacturing industries other than oil production and export: -Liquidation capacity reached 423 thousand barrels/day in 2016, while it was 602 thousand barrels / day in 2013, a decrease of (- 16.2 %). Also the decline in the gross domestic product of the manufacturing industries to 1.5 trillion dinars in 2015, while it was 2.65 trillion dinars in 2013 and it reached 1.6 trillion dinars in 2016 at constant prices for the year 2007, and at the same fixed prices, the industrial sector's contribution to GDP decreased to 0.84% in 2016, while it was 1.5 % for 2013.

5) Unemployment: - unemployment rates increased from 10.6% in 2014 to 10.8% in 2016, the unemployment rate is broken down by gender. The percentage of males reached 8.4%, while females reached 21.9% in 2014, where it is distributed according to age groups. From the age of 15-19, the unemployment rate reached 24.5%, and from the age of 60-64 with the lowest unemployment rate it was 2.9%. As for the environment, it amounted to 11.5% in urban areas, while in rural areas it amounted to 8.1% in 2014.

### **The second requirement:Conclusions: -**

The instability of oil prices generated an apparent deficit in budgets and was reflected in the spending policy, which has become contractionary significantly, especially investment spending, which strengthened the severity of the economic recession and the difficulty of generating job opportunities. And by addressing the issue of economic recession and in light of its dire consequences for the country and this is what applies to Iraq, the researcher arrives at a number of conclusions,including: -

- 1) Increasing unemployment rates in society, which leads to harm to families in terms of saving or enjoying an adequate standard of living.
- 2) Low levels of health and well-being of individuals in society.
- 3) Decrease in purchasing power and decrease in sales for a large number of retailers, which will be reflected in factories , and in turn, lead to reduced production .
- 4) Low profits of companies and industrial establishments and their inability to fulfill their obligations, which forces them to declare bankruptcy, and this is what happened to many tourism companies and many factories.
- 5) Loss of consumer confidence in business, which reduces the demand for goods and services.
- 6) Decline in the value of assets such as housing and real estate.
- 7) The economic recession causes a change in many of the values that prevail in society and the spread of new values, which leads to the emergence of unrest and political unrest, and this is what exists in Iraq because citizens believe that the government is unable to provide a better life for members of society.

### **The third requirement:Recommendations: -**

Therefore, the researcher recommends addressing the repercussions of the economic recession in addition to the economic policies that it adopts governments to face the recession, the necessity of these governments to seek to enter into international agreements or to seek regional economic integration with neighboring countries to obtain the advantages of this integration, which is a guarantor to address the repercussions of the economic recession, including: -

- 1)The productive impact of economic integration in creating job opportunities, which means an increase in the employment rate of manpower and employees and an increase in the welfare of the member states as a result of increasing the productivity of high-efficiency projects at the expense of less efficient projects .
- 2)The consumption effect of economic integration, which leads to an increase in the welfare of consumers by substituting high-priced goods for low-priced ones and increasing the number of available goods while improving their quality.

3) Economic integration leads to an increase in sales and an increase in trade exchange between member states, which leads to an increase in purchasing power and negotiating power with other countries and an increase in the volume of their trade with the outside world.

4) Economic integration achieves economic savings through the expansion of the market and the increase in demand for products. Projects with positive flexibility, which enables these projects to exploit the largest amount of production capacity.

5) The free movement of production factors between member states will achieve external economic saving that lead to lower project costs as a result of the optimal use of available resources.

6) Increasing economic growth rates as result of increasing confidence in investment projects and increasing the volume of these investment in accordance with economic standards. Regional economic integration also shows its importance in increasing and encouraging intra-trade in member states as a result of eliminating various restrictions

7) The increase in economic growth leads to an increase in the standard of living of the individual by increasing his income, which is reflected in good social values and social stability.

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