ANALYSIS OF RELATIONSHIP BETWEEN TRADE POLICY TRENDS AND UNEMPLOYMENT RATES IN IRAQ

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ARTICLE INFO	ABSTRACT
Article history: **Received** 21 November 2022 **Accepted** 30 January 2023 **Keywords:** Trade Policy; Unemployment; Imports; Domestic Product.	**Purpose**: This research aims, to review trends of trade policy in Iraq. **Theoretical framework:** identifying the extent of impact of alternative policies aimed at achieving productive diversification on unemployment rates in the long and short term. **Design/methodology/approach**: The research sample included data to measure research variables for the period 2004-2020. The ARDL model was used to measure research variables. **Findings**: The main conclusion that the trade policy in Iraq continued to operate in isolation from the rest of economic policies, in light of the continued dependence on oil sector and inflexibility of the production system, all of which led to the lack of diversification of economic activity and weaken contribution of non-oil production sectors in produce and creating jobs, which led to continuing dependence on imports and high unemployment rates. **Research, Practical & Social implications**: the coordination between trade policy and the rest of economic policies are achieve a wide range of basic sustainable development goals, foremost of which is economic diversification in addition to increasing public revenues, creating opportunities, and diverse work in many fields. **Originality/value:** The findings show that success of trade policy in achieving its goals, especially in terms of its ability to influence unemployment rates. Doi: https://doi.org/10.26668/businessreview/2023.v8i1.935

ANÁLISE DA RELAÇÃO ENTRE AS TENDÊNCIAS DA POLÍTICA COMERCIAL E AS TAXAS DE DESEMPREGO NO IRAQUE

RESUMO

Objetivo: Esta pesquisa tem como objetivo revisar as tendências da política comercial no Iraque.

Referencial teórico: identificar a extensão do impacto de políticas alternativas voltadas à diversificação produtiva sobre as taxas de desemprego no longo e no curto prazo.

Desenho/metodologia/abordagem: A amostra da pesquisa incluiu dados para medir variáveis de pesquisa para o período 2004-2020. O modelo ARDL foi utilizado para mensurar as variáveis da pesquisa.

Resultados: A principal conclusão de que a política comercial no Iraque continuou a funcionar de forma isolada do resto das políticas económicas, tendo em conta a contínua dependência do sector petrolífero e a inflexibilidade do sistema de produção, o que levou à falta de diversificação da actividade económica actividade, e enfraquecer o contributo dos sectores não petrolíferos na produção e na criação de emprego, o que levou à continuação da dependência das importações e às elevadas taxas de desemprego.

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Pesquisa, implicações práticas e sociais: a coordenação entre a política comercial e o resto das políticas econômicas é alcançar uma ampla gama de objetivos básicos de desenvolvimento sustentável, principalmente a diversificação econômica, além de aumentar as receitas públicas, criar oportunidades e trabalhos diversos em muitos Campos.
Originalidade/valor: Os resultados mostram que o sucesso da política comercial em atingir seus objetivos, especialmente em termos de sua capacidade de influenciar as taxas de desemprego

Palavras-chave: Política Comercial, Desemprego, Importações, Produto Interno.

ANÁLISIS DE LA RELACIÓN ENTRE LAS TENDENCIAS DE LA POLÍTICA COMERCIAL Y LAS TASAS DE DESEMPLEO EN IRAK

RESUMEN
Propósito: esta investigación tiene como objetivo revisar las tendencias de la política comercial en Irak e identificar el alcance del impacto de las políticas alternativas destinadas a lograr la diversificación productiva sobre las tasas de desempleo a largo y corto plazo.
Metodología: La muestra de investigación incluyó datos para medir variables de investigación para el período 2004-2020. Se utilizó el modelo ARDL para medir las variables de investigación.
Conclusiones: La conclusión principal es que la política comercial en Irak continuó operando aisladamente del resto de políticas económicas, a la luz de la continua dependencia del sector petrolero y la rigidez del sistema productivo, todo lo cual condujo a la falta de diversificación de la economía. y debilitar la contribución de los sectores productivos no petroleros en la producción y creación de empleo, lo que condujo a una continua dependencia de las importaciones y altas tasas de desempleo.
Implicaciones de la Investigación: la coordinación entre la política comercial y el resto de las políticas económicas permite lograr una amplia gama de objetivos básicos de desarrollo sostenible, el principal de los cuales es la diversificación económica además de aumentar los ingresos públicos, crear oportunidades y trabajo diverso en muchos campos.
Originalidad/valor: Los resultados muestran que el éxito de la política comercial en el logro de sus objetivos, especialmente en términos de su capacidad para influir en las tasas de desempleo

Palabras clave: Política Comercial, Desempleo, Importaciones, Producto Interno.

INTRODUCTION

Developing countries aim to employ various economic policies, including trade policy, to achieve a balance between their economic sectors, to reduce economic imbalances, raise the level of productivity and employment, and reduce unemployment and poverty rates, according to their available economic tools and resources (Abass et al., 2022; Al-taee & Flayyih, 2022). As far as the nature and trends of trade policy in Iraq is concerned, the trend towards adopting a free trade policy after (2003) led to a decline in non-oil domestic production, and the loss of these activities of their competitive capabilities, which prompted a rise in unemployment, and a trend towards low-productivity businesses (Nikkeh et al., 2022; Flayyih and Khiari 2022).

It goes back to the fact that following the policy of trade openness in Iraq after the year (2003) has contributed to the decline in local production (Flayyih et al., 2022). and its loss of competitiveness, which pushed towards high unemployment rates, and the trend towards fragile and low-productivity businesses that do not achieve an actual increase in GDP (Al-Janabi et al., 2023). The research aims to confirm that raising employment levels and reducing

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unemployment rates in the Iraqi economy requires abandoning the open-door policy in the field of foreign trade that was adopted in Iraq after 2003, and moving towards adopting a rational approach based on combining the advantages of free trade and the advantages of Protection policies, especially those related to protecting the national industry, encouraging employment and reducing unemployment rates.

LITERATURE REVIEW

The trade policy is one of the tools of the government's economic policy, and it shows the state's position on international trade and the commercial relations established by residents inside the state with people residing abroad, and that its application depends on a set of procedures and controls taken by the state, whether the trade protection approach or the freedom approach is adopted Trade (Lindert & Pugel, 2018), and that the protectionist trade policy is described as a set of laws and legislation followed by the state to offer to preserve its national product from competing with the foreign product, by imposing customs duties on imports, or setting a maximum share of imports within a certain period of time, On the other hand, the policy of trade freedom is described as based on the principle of economic freedom by removing all obstacles and restrictions imposed on the flow of goods across borders, whether on the side of exports or imports, in order to ensure easy access of goods to the markets of different countries, whether these countries are developing or developed (Markusen et al., 1995).

In a study of Export Promotion Agency (EPAs), export growth would not be very beneficial if it was accompanied by a decrease in economic activity or a rise in unemployment levels, and in a study presented by the University of Geneva and the United Nations Conference on Trade and Development (UNCTAD) that countries that have a comparative advantage in sectors with Low unemployment tends to have low levels of total unemployment, and on the other hand, countries that have a comparative advantage in sectors in which unemployment rates are high tend to have higher levels of total unemployment, and the explanation for this is due to the fact that the country that has a comparative advantage in economic sectors with high unemployment rates High frictions in the labor market, which leads to attracting more labor force towards these sectors where unemployment rates are high. The study concluded, however, that the growth of exports leads to a decrease in unemployment depending on the structure of the economy, and in another study of the project (Horizon 2020 RESPESPECT), which means The word (RESPESPECT) is to achieve the soft powers of Europe in external cooperation and trade, as this study showed that countries that have a comparative advantage in sectors with high frictions in the labor market tend to Unless there are higher levels of total unemployment,

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in other words, the increase in the export promotion process leads to a decrease in unemployment rates. As for unemployment, which is one of the axes of this research, it is considered one of the most prominent problems with economic and social dimensions that most countries are exposed to, whether they are developed countries or developing countries. Also, it is the forced disruption of part of the economically productive labor force, despite the ability and desire to work and produce (Carruth et al., 1998).

Some studies also focus on types of unemployment, such as "structural unemployment", which appears as a result of economic changes, which leads to a mismatch between the skills of workers and the skills required in the field of business and the available job opportunities. " As for "frictional unemployment", it occurs because employees leave their old jobs to move or search for new jobs in order to obtain a better salary or a new job. As for disguised unemployment, it occurs in cases where the number of workers exceeds the actual need for work. As for seasonal unemployment, it is It appears as a result of changes in the employment season, and this type of unemployment occurs due to the stagnation of the labor sector and the insufficient demand for work, and it occurs due to the fluctuation of economic cycles," while voluntary unemployment "means the presence of people unwilling to work at the prevailing wage in the market, and it is not Compulsory but voluntary unemployment. " On the other hand, poverty unemployment "indicates a lack of capital development, in terms of human and material capital, or a lack of productive capacities in general, which leads to the inability of workers to obtain a worker, and this type of unemployment may push the unemployed to emigrate abroad. Because they are unable to find a job at home that suits their scientific and practical experience in their field of specialization (Patterson, 2002).

It must be noted that many schools have addressed the problem of unemployment. The classical school pointed out that the economy is balanced in the case of full employment, through the flexibility of prices and wages, which means that there is no forced unemployment. As for the neoclassical school, it focuses on the idea of economic freedom, as this school sees that an increase in the supply of work generates unemployment, and this leads to a decrease in the real wage, and the latter leads to an increase in the required amount of labor force, which pushes towards a decrease in unemployment and the balance returns to the labor market again. As for the Keynesian school, it believes that the phenomenon of unemployment is due to a decrease in effective demand that determines the level of production and employment, and that the treatment for this problem, according to Kenz, is through some financial and monetary policies with the aim of increasing effective demand and investment. Among these policies is the devaluation of the exchange rate, which leads to an increase in production, and the latter

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leads to an increase in employment levels and a decrease in unemployment (Felderer & Homburg, 1992).

It should be noted that there are many previous studies that dealt with the topic of research, including (World Bank, 1995) which is considered one of the most famous studies that shed light on the relationship between trade openness policy and employment. The study is based on many tangible experiences in some European countries of Asia and Africa. The economic facts have clearly shown the strong link between the policy of trade openness and the rate of economic growth and the role of economic growth in raising wages and encouraging workers to seek jobs with more wages and greater production, and this leads to a change in the structure of employment., which occurs gradually with the increase in the cost of labor and technological progress, and the study confirmed that because of these changes is the movement of employment from the agricultural sector to the industrial and service sectors on the one hand, and on the other hand migration from rural to urban areas, and the transition from the informal sector to the formal sector As for the level of qualification of the labor force, especially in the sectors with a surplus in foreign trade, the levels of the labor force will rise, in the form of workers in the private sectors. Productivity oriented towards import, the reason being that the latter is not highly dependent on technology and therefore on qualified labor as opposed to exports (Adenikinju & Chete, 1999). The study is an article in the Nigerian Journal of Economic and Social Studies, where it touched on the contradictory growth between the economies of East Africa that followed the relatively neutral trade policy compared to the Latin American countries that chose import substitution policies, and the study also addressed the quantitative impact of trade liberalization on the structure of the labor market and productivity during the period of trade liberalization in Nigeria since (1986), as it concluded that this policy enhances the productivity of the worker in the manufacturing sector, and in return there is a need to slow imports, as it was found that the growth rate of imports has a negative impact on productivity in the short term, and that the process of Liberalization of imports was proceeding at an accelerated pace in local companies.

Study (Feliciano, 2001) This study is one of the studies that confirmed the existence of a positive relationship between trade openness and employment, at least in the long run, as it is expected that the process of trade liberalization will lead to the contraction of some sectors and the expansion of others, but the problem stems from the fact that it can The process of expansion proceeds at a slower rate compared to the process of deflation. As for the study of (Hoekman, 2005), this study indicated that there is a positive relationship between trade openness and employment in the long term, and that trade liberalization leads to the contraction of some

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economic sectors and the expansion in other sectors, and that the expansion process taking place It has a weak path compared to the speed of the downturn in other economic sectors, according to the study of the World Bank (Feghali et al., 2022). Which indicated that trade is a major driver of growth and the reduction of unemployment and poverty, especially in developing countries. The study concluded, however, that maximizing the gains from trade requires a comprehensive approach, and this requires understanding the mechanism of labor transfer in light of complementary policies at the level of the national economy of developing countries, depending on the available data. And real analyzes of the labor force in countries, and this enables those countries to reform both their institutional structure and the business environment, which ensures a greater efficiency of the distributional impact of trade in line with the governance of the liberal trade policy followed in these countries (He, 2018; Mumtaz & Smith, 2018).

Research hypothesis: Unemployment rates in Iraq are affected by trade policy trends, import growth rates, and GDP growth rates.

METHODOLOGY

Due to the aggravation of unemployment rates and the decline of the non-oil production sectors after 2003 due to the adoption of the open-door policy in the field of foreign trade. The inductive approach was adopted by analyzing and measuring the trade policy variables affecting unemployment rates using the ARDL model.

RESULTS

We note from the data of Table (1) that the indicators of unemployment, GDP, imports and customs revenues have varied in their performance between highly fluctuating rates such as the unemployment growth rate, the growth rate of imports, the growth rate of customs revenues or reasonable fluctuations such as the GDP growth rate due to the correlation of its fluctuations with the conditions of the global oil market. We also note that the unemployment growth rate increased significantly after the year (2014), then decreased in (2018) and returned to jump to an unprecedented level in (2020), and reached about (54%) due to the impact of the Corona crisis, and this indicates that the trend In the recent years after 2014, towards a return to the application of protectionist policies, it did not contribute to creating new job opportunities for the unemployed and reducing the rate of unemployment growth.

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Table (1) Growth rate of (GDP, imports, customs revenues & unemployment) for period 2005-2020. (%)

years	GDP	imports	Customs revenue	unemployment
2005	1. 68	-6. 1	23. 01	-33. 2
2006	5. 64	-6. 47	147. 8	-19
2007	1. 89	15. 01	15. 88	-19. 3
2008	8. 23	40. 23	91. 04	30. 77
2009	3. 38	27. 4	68. 62	-8. 5
2010	6. 4	14. 25	-15. 1	-14. 3
2011	7. 55	8. 85	6. 59	-7. 5
2012	13. 94	17. 64	15	7. 21
2013	7. 63	4. 56	15. 31	1. 68
2014	2. 26	-9. 56	-12. 5	-12. 4
2015	2. 61	-26. 6	-21. 2	24. 34
2016	13. 79	-12. 2	52. 1	-18. 1
2017	-1. 82	-16. 1	93. 53	27. 78
2018	2. 63	35. 15	42. 5	-1. 52
2019	5. 96	27. 12	-36. 9	0. 44
2020	-15. 7	2. 24	2. 15	53. 85

Source: Annual reports of the Central Bank of Iraq

Econometric analysis of the impact of trade policy on unemployment rates in Iraq

I-   Diagnosing the variables of the Econometric model: In light of the aforementioned theoretical and historical presentation, the explanatory variables affecting unemployment rates in Iraq were diagnosed during the study period 2004-2020, and since the volatility in the growth rates of the domestic product was among the factors that contributed to a change in the behavior of trade policy in the shift from extremism towards Openness during the study period, so a variable GDP growth rates were added in addition to the variables that expressed the trends of trade policy, which are each of the annual growth rate, imports, the growth rate of customs revenues, based on those perceptions, the Econometric model was formulated as follows:

$$UNM=f (GDP,TRF,IMP)$$

UNM = growth rate of unemployment

GDP = growth rate of GDP

TRF = growth rate of customs revenue

IMP = growth rate of imports

Due to the small size of the annual sample of the study, which is the period 2004-2020, the data was transferred from annual to quarterly, and due to the static variables in the first difference, the ARDL model was used because it is more appropriate and provides better results compared to other methods used for the co-integration test.

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II-   Stationary test: The Augmented Dickey-Fuller test is one of the most widely used static tests, to find out the degree of integration of the model variables, and in order to ensure their validity for use in revealing the nature of the relationship between the dependent variable and the chosen set of explanatory variables. The second difference. The test results indicated in table (2) that the time series of the variables in question were not static at the level, but when the first difference of these variables was taken, all variables turned into static, after the calculated Dickey Fuller values for all variables became greater than the tabular values at The different levels of significance are 1%, 5% or 10%, i. e. they are integrated of degree

Table (2): stationary TEST TABLE

UNIT ROOT TEST TABLE (PP)						
At First Difference		GDP	IMP	TRAF	UNM
Without Constant & Trend	t-Statistic	-5. 29	-3. 35	-7. 97	-7. 71
	Prob.	0. 0001	0. 0026	0	0
Significant at the 1% ***		***	***	***	***
UNIT ROOT TEST TABLE (ADF)						
At First Difference		GDP	IMP	TRAF	UNM
Without Constant & Trend	t-Statistic	-4. 41	-3. 40	-3. 84	-4. 53
	Prob.	0. 0003	0. 0024	0. 001	0. 0004
Significant at the 1%. ***		***	***	***	***

Source: Test was calculated using a statistical program EVIEWS 10.

III-   ARDL Long Run Form and Bounds Test:

The ARDL model uses limits test to detect co-integration between different variables in degrees of integration (I(0) or I(1)), provided that the dependent variable is stable in the first degree. If the time series are not static at the level, this means that they may be integrated of degree I(1) or higher. In general, if there is a co-integration, this means that the two series move together through time, and there can be co-integration between them that results in a long-term equilibrium relationship between the variables in question. From Table (3), we note that the calculated F-statistic value of 5. 614 is greater than the upper limit value of 4. 66 at a significant level of 1%, which means accepting the hypothesis that there is a long-term equilibrium relationship between the annual growth rate of unemployment and the explanatory variables, and thus a co-integration relationship between those variables.

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Table (3): Limits test to detect co-integration between the variables under study

Null Hypothesis: No levels relationship					
F-Bounds Test	F-statistic	8. 614		k	3
Critical Value Bounds	Significance	I(0)		I(1)	
	10%	2. 37		3. 2	
	5%	2. 79		3. 67	
	2. 50%	3. 15		4. 08	
	1%	3. 65		4. 66	

Source: Test was calculated using a statistical program EVIEWS 10.

IV-   **the quality of the model:** To diagnose the quality of the model, there are a number of tests, which are shown in the table, the most important of which are: -

1-   **Detecting the Breusch-Godfrey Serial Correlation LM Test:** Table (4) indicates that there is no serial correlation problem in the model according to the Breusch-Godfrey test. The calculated F-statistic value was 0. 08619, and the calculated Prob Chai Square value was 0. 241163, both of which are not significant at the 5% level, which means accepting the hypothesis that there is no correlation problem. sequential and that the values of the model variables are independent of each other.

2-   **Heteroskedasticity Test: Breusch-Pagan-Godfrey:** Table (4) indicates that there is no Heteroscedasticity problem at the 5% level. The calculated F-statistic value reached 0. 680398, and the calculated Prob Chai Square value reached 10. 49982, both of which are not significant at the 5% level, which means that the hypothesis that there is no variance problem is accepted.

Table (4) Results of quality tests form

Breusch-Godfrey Serial Correlation LM Test:		
F-statistic	0. 08619	Prob. F(2,42)
Obs*R-squared	0. 241163	Prob. Chi-Square(2)
Heteroscedasticity Test: Breusch-Pagan-Godfrey		
F-statistic	0. 680398	Prob. F(14,44)
Obs*R-squared	10. 49982	Prob. Chi-Square(14)
Scaled explained SS	19. 64865	Prob. Chi-Square(14)

Source: Test was calculated using a statistical program EVIEWS 10.

V- results of estimating long- and short-term parameters:

The parameters of the short-term and long-term model were estimated, to reveal the nature of the relationship between the dependent variable, which is the rate of unemployment growth, and the independent variables, which are both the growth rate of domestic product, imports and customs revenues: The results of estimating the short-term parameters in Table (5) indicate:

1- There is a short-term negative and significant effect of the GDP parameter on the unemployment growth rate, i. e. an increase in GDP growth by 1% will lead to a decrease in the unemployment growth rate equal to 1. 96% and this result is logical because the increase in output growth rates It will contribute to increasing the demand for the labor force and reducing the rate of unemployment growth.

2- The existence of a short-term negative and significant l impact of the TRF growth rate variable on the unemployment growth rate. Increasing customs revenues by 1% will reduce the unemployment growth rate by 0. 154%. This is a logical result. Applying strict trade policies through raising customs duties will contribute, in reducing unemployment rates.

3- There is a positive and significant short-term impact of the IMP import growth rate parameter on the unemployment growth rate, meaning that an increase in the import growth rate by 1% will lead to a rise in the unemployment growth rate of 0. 616%, and this result is an increase in the growth rate of imports means continuing the current approach represented Relying on imports, and in light of those circumstances, the negative effects of the policy of dumping the Iraqi markets with imported consumer goods, with the lack of sufficient legislation and procedures to protect local productive activities from the effects of dumping, contributed to the high unemployment rates.

3-The existence of a positive and significant short-term effect of the parameter of the unemployment rate in the past year UNM(-1) on the rate of unemployment growth, meaning that an increase in the unemployment rate in the past year by 1% will lead to a rise in the rate of unemployment growth in the current year by 0. 715%, and this is considered. The result is logical because it reflects the cumulative effect of the high unemployment rate in the current year.

The model was also distinguished by a high value of R^2 is 0.87 and adjusted R^2 is 0.82. The model also has a high significant F test, which indicates the morality of the model, and the absence of a problem of autocorrelation according to the value of the Durban Watson test.

Table (5) Estimates of the short-run parameters of the ARDL model dependent variable unemployment growth rate

Variable	Coefficient	Std. Error	t-Statistic	Prob. *
UNM(-1)	0. 715666	0. 108124	6. 618915	0
GDP	-1. 959875	0. 330424	-5. 93139	0
IMP	0. 61672	0. 167365	3. 684884	0. 0006
TRAF(-1)	-0. 154385	0. 055444	-2. 784529	0. 0079
R-squared	0. 866884	Mean dependent var		3. 406608

Adjusted R-squared	0. 824529	S. D. dependent var	21. 25712
S. E. of regression	8. 904444	Akaike info criterion	7. 426105
Sum squared resid	3488. 722	Schwarz criterion	7. 954292
Log likelihood	-204. 0701	Hannan-Quinn criter.	7. 632288
F-statistic	20. 4671	Durbin-Watson stat	1. 900292
Prob(F-statistic)	0		

Source: Test was calculated using a statistical program EVIEWS 10.

V- Long-term parameter estimation results:

The estimation of the long-term parameters in Table (6) showed that the variables in question did not show a noticeable structural change in their behavior over time, and this matter indicates that the performance of trade policy in Iraq can improve during the long term if there is a structural shift in the performance of trade policy During the long term.

Table (6) estimations of the long-term parameters of the ARDL model dependent variable unemployment growth rate

Variable	Coefficient	Std. Error	t-Statistic	Prob.
GDP	-1. 50	0. 534751	-2. 79613	0. 0076
IMP	0. 42	0. 176074	2. 394836	0. 021
TRAF	-0. 23	0. 090922	-2. 53868	0. 0147
C	14. 28	5. 051978	2. 826802	0. 007

Source: Test was calculated using a statistical program EVIEWS 10.

The estimates of the long-term parameters are identical with the values of the short-term estimators in terms of significance and volumes of signals, as follows:

1- The existence of a short-term negative and significant effect of the GDP parameter on the unemployment growth rate, that is, an increase in GDP growth by 1%, will lead to a decrease in the unemployment growth rate equivalent to 1. 50% and this result is logical, as an increase in GDP growth rates In the long run, it will contribute to increasing the demand for labor force and reducing the rate of unemployment growth.

2- There is a positive and moral short-term effect of the IMP import growth rate parameter on the unemployment growth rate, meaning that an increase in the import growth rate by 1% will lead to a rise in the unemployment growth rate of 0. 42%, and this result is an increase in the growth rate of imports in the long run will contribute to a higher unemployment rates.

3- The existence of a short-term negative and moral impact of the TRF growth rate variable on the unemployment growth rate. Increasing customs revenues by 1% will reduce the unemployment growth rate by 0. 23%. This is a logical result, as the

application of protectionist trade policies aimed at encouraging national production in the long run. The long term will contribute to a reduction unemployment rates.

DISCUSSIONS

The results of economic and econometric analysis showed Iraq's need for a structural transformation in the direction of trade policy to ensure that oil revenues are directed towards investment in the non-oil production sectors and a group of strategic industries selected to raise their production and competitiveness through employing free trade policy procedures and tools to support activities that contribute to creating job opportunities and contribute to reducing unemployment rates.

The necessity of employing protection and support measures to serve this selected group of strategic productive activities. Cancellation of customs tariffs and other restrictions on imports of inputs and intermediates and investment goods included in the production of those selected strategic production activities. The success of trade policy in achieving its goals, especially in terms of its ability to influence unemployment rates, requires coordination with the rest of the economic policies, to achieve a wide range of basic sustainable development goals, foremost of which is economic diversification, in addition to increasing public revenues and creating diverse job opportunities in various fields Multiple. Working on completing reforms and facilitating foreign trade channels by reducing customs duties and facilitating trade procedures to give better opportunities to workers in the field of export and import operations. Seeking to join international institutions and bodies to take advantage of the opportunities and facilities offered by the latter to developing countries in the field of entering international markets, Significant progress can be made in terms of job creation by adopting more measures to liberalize intra-regional trade with Arab countries, and removing tariff and non-tariff barriers. If the Arab countries gather their capabilities and markets, and benefit from the points of integration between sectors, they will be able to enhance trade and investment opportunities and thus reduce unemployment rates, if the following measures are taken: (a) reduce trade barriers, i. e. reduce tariffs, quotas and non-tariff barriers; (b) coordination of macroeconomic and monetary policies; (c) Realizing the potential of trade creation by eliminating all trade diversion tariff reductions, thus increasing intra-trade; (d) Enhancing efficiencies in production by exploiting comparative advantages in local markets; (e) Intensifying competition in the local market by expanding consumer choices and reducing prices (f) Increasing production by increasing the potential for abundance of scale offered by expanding markets; (g) Improving national terms of trade by relying on less costly imports.

CONCLUSIONS

It was found from the previous axes that the application of the policies of trade openness after 2003 led to an increase in the growth rate of imports; The high rates of unemployment that the continuation of these results in the long term came as a result of the following factors:

1-   The commercial policy-making process in Iraq during the period (2004-2016) was characterized by the absence of an economic vision in choosing the tools that are compatible with the goal of protecting the national product. Customs, economic security, the standardization and quality control system, health control departments and others increased the area of chaos and allowed the entry of bad and previously prohibited types of goods in very large quantities, which greatly harmed the consumer and the local industrial and agricultural product, and all of this contributed to raising unemployment rates.

2-   The trade policy in Iraq has been operating in isolation from the rest of the economic policies, so its programs were limited to the field of foreign trade and did not care about the effects of these policies on the rest of the macroeconomic parts.

3-   The dependence of the Iraqi economy on the oil sector made the Iraqi economy vulnerable to external shocks and fluctuations.

4-   The inflexibility of the production system due to the lack of diversification of economic activity and the structure of exports, which led to the weak contribution of the non-oil production sectors to production and operation, the weakness of the absorptive capacity of the national economy, which led to continued dependence on imports and high unemployment rates.

5-   The absence of a long-term strategy for trade policy in Iraq made it unable to confront the hegemony of the oil sector, which led to the failure of the procedures of those policies to diversify the productive national economy out of the cycle of dependence. In the state of the outside world.

6-   The results of the Econometric model estimation of the short-term parameters showed: A- There is a negative and moral short-term effect of the GDP parameter on the unemployment growth rate, equivalent to 1. 96% B - The existence of a short-term negative and significant impact of the customs revenue growth rate variable TRF on the unemployment growth rate, equivalent to 0. 154%. C- There is a positive and moral short-term effect of the parameter of the unemployment rate in the past year UNM(-1) on the unemployment growth rate, equivalent to 0. 715%,

7- The results of estimating the Econometric model for long-term parameters showed that the variables in question did not show any tendency towards structural change and did not change their behavior over time.

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