

Iraq in the regional economy and social sphere and the problems of reconstruction

© Liudmila V. Shkvarya^{a,b,c}, Ahmed N.N.A.^{a,d}, 2022

^a Peoples' Friendship University of Russia, Moscow, Russia

^b Plekhanov University of Economics, Moscow, Russia

^c ORCID ID: 0000-0001-6653-939X; destard@rambler.ru

^d ORCID ID: 0000-0002-7087-7823; nadirzaxo@rambler.ru

Abstract. The article is devoted to the analysis of the current socio-economic state of Iraq and the identification (as well as the change) of its place and role in the regional economic system of Western Asia. This area of research has been significantly updated in the XXI century due to the growth of regional instability, which has caused serious socio-economic problems in Iraq, as in other countries of the region, and generates the need to understand the dynamics, problems and prospects of socio-economic development and restoration of the national economy of Iraq, significantly destroyed as a result of the military conflict. According to the authors, this study is particularly relevant due to the growing scientific and practical interest in the Eastern Mediterranean region, including Iraq and Syria.

The subject of research in this article is the socio-economic situation of Iraq and its changes in the XXI century. The directions and possibilities of stabilization and development of the national economy, as well as the role and position of the country in the region, the prospects for its more active inclusion in the regional and global economic system. The authors conclude that a significant number of problems remain in the country; many of them arise and are supported at the global and regional level. At the same time, certain stabilization factors are forming in Iraq. The authors substantiate the point of view that the most important of them can be considered Iraq's significant place in the regional economic system. The research is based on the application of historical, statistical, and comparative methods, as well as the visualization method.

Keywords: Iraq, West Asia, regional cooperation, regional economy and trade, social system

For citation: Liudmila V. Shkvarya, Ahmed N.N.A. (Iraq). Iraq in the regional economy and social sphere and the problems of reconstruction. *Asia and Africa today*. 2022. № 8. Pp. 34-41 (In Russ.). DOI: 10.31857/S032150750021325-9

Ирак в региональной экономике и социальной сфере и проблемы восстановления

© Шкваря Л.В.^{a,b,c}, Ахмед Н.Н.А.^{a,d}, 2022

^a РУДН, Москва, Россия

^b РРЭУ им. Г.В.Плеханова, Москва, Россия

^c ORCID ID: 0000-0001-6653-939X; destard@rambler.ru

^d ORCID ID: 0000-0002-7087-7823; nadirzaxo@rambler.ru

Резюме. Статья посвящена анализу современного социально-экономического состояния Ирака и выявлению (а также изменению) его места и роли в региональной экономической системе Западной Азии. Объект исследования - социально-экономическое положение Ирака и его изменения в XXI в., а также роль и позиции страны в регионе, перспективы более активного ее включения в региональную и мировую систему хозяйства. Авторы приходят к выводу о том, что в стране сохраняется значительное количество проблем, многие из них возникают и поддерживаются на глобальном и региональном уровне.

Ключевые слова: Ирак, Западная Азия, региональное сотрудничество, региональная экономика и торговля, социальная система

Для цитирования: Shkvarya L.V., Ahmed N.N.A. (Iraq). Iraq in the regional economy and social sphere and the problems of reconstruction. *Азия и Африка сегодня*. 2022. № 8. С. 34-41. DOI: 10.31857/S032150750021325-9

INTRODUCTION

Currently, the world scientific thought pays close attention to the study of the processes taking place in the socio-economic sphere of the region of Western Asia. This is especially true for a number of countries affected by external interference and internal destabilization as a result of the Arab Spring and the subsequent military conflict in the Middle East. As a result of such intervention, a number of countries, including Iraq, are facing serious difficulties. Their economy needs to be restored, and the population needs to develop the social sphere. These

tasks have to be solved in the conditions of external “controlled”, or rather, already uncontrollable “chaos”, which makes recovery difficult.

Directions of this recovery are the subject of scientific research by both Russian and foreign authors. Russian researchers mainly believe that the basis for the restoration of the national economy of Iraq should be the energy and mining industries [13; 14]. In particular, the expert believes that the Iraqi economy, primarily GDP and the standard of living of the population, continues to depend on oil revenues in the post-conflict period, and this situation is likely to continue in the medium term [10]. This is due, according to researchers, to a high degree of resource dependence of Iraq [11].

Foreign authors focus on the development of Iraq's potential [12], its transport and logistics system (requiring serious reconstruction in the post-conflict period) and the state of water resources [5] and the need for structural changes [1; 2; 3].

According to the authors, it is important to analyze the place and role of Iraq in the regional economic and social system. It is the regional level that in the future can become a growth catalyst for Iraq.

IRAQ IN THE REGIONAL ECONOMIC SYSTEM

Iraq is one of the most controversial developing countries in Western Asia¹. At the same time, Iraq retains a significant potential for socio-economic development (primarily resource) and significant problems. Today, these problems slow down effective development. At the same time, the country retains a huge influence on the situation in the region and even on the global economy. This is due to historical, geographical, resource, mental, demographic, and other factors. These factors, which act in combination, inextricably “interweave” the economy of Iraq into the regional and world economic system in several ways. Indicators of this “weaving” is, for example, the role of Iraq in Western Asia as one of the countries with the largest oil reserves (see table 1).

As seen from table 1, the share of Iraq in terms of both reserves (8.4%) and production (4.7%) of oil in the world is very high. At the regional level, according to these indicators, the country ranks 2nd after Saudi Arabia. In terms of reserves and production of natural gas, Iraq ranks not so high.

Table 1. Hydrocarbon reserves and production in Iraq and West Asian countries and share in the world, 2020

MENA countries	Oil, reserves, 2020		Oil, production, 2020, %		MENA countries	Gas, reserves, 2020		Gas, production, 2020	
	Bln bbl	Share in the world, %		Share in the world, %			Bln bbl	Share in the world, %	
Iraq	145	8.4	Iraq	4.7	Iraq	Iraq	145	8.4	Iraq
KSA	297.5	40.9	KSA	12.5	Qatar	KSA	297.5	40.9	KSA
Kuwait	101.5	5.9	Kuwait	3.0	KSA	Kuwait	101.5	5.9	Kuwait
UAE	97.8	13	UAE	4.1	UAE	UAE	97.8	13	UAE
Qatar	25.2	2.6	Qatar	2.0	Egypt	Qatar	25.2	2.6	Qatar
Oman	5.4	0.7	Oman	1.1	Kuwait	Oman	5.4	0.7	Oman
Egypt	3.1	0.4	Egypt	0.7	Oman	Egypt	3.1	0.4	Egypt
Yemen	3.0	0.4	Yemen	0.1	Israel	Yemen	3.0	0.4	Yemen
Syria	2.5	0.3	Syria	...	Syria	Syria	2.5	0.3	Syria
Bahrain	-	-	Bahrain	-	Yemen	Bahrain	-	-	Bahrain
Israel	-	-	Israel	-	Bahrain	Israel	-	-	Israel

Compiled according to: BP statistical review of world energy 2021. 70th edition. <https://www.bp.com/en/global/corporate/news-and-insights/press-releases/bp-statistical-review-of-world-energy-2021-a-dramatic-impact-on-energy-markets.html>

Because of these objective conditions, the extractive industry is the backbone of the country's national economy. It provides Iraq with most of the foreign exchange earnings, as other countries in the region and the world buy

¹ According to the UNCTAD methodology, 17 countries belong to Western Asia - Armenia, Azerbaijan, Bahrain, Georgia, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, KSA, Palestine, Syria, Turkey, UAE, Yemen. However, we will consider 14 countries in this article, excluding Armenia, Azerbaijan, and Georgia.

Iraqi hydrocarbons. But some part of the oil reserves is located in Iraqi Kurdistan, so there are often problems with obtaining these foreign exchange earnings for the national budget [15].

In terms of GDP production (see *table 2*), Iraq has occupied a more modest place in the region over the past 50 years. Iraq's GDP has grown in value by more than 52 times since 1970 (see *table 2*). This corresponds to the growth of the regional gross domestic product. Iraq in 2009-2020 consistently ranked 5th in terms of GDP production in the ranking among 14 countries in Western Asia (see *table 2*). This place has remained in 2020 when the GDP of Iraq (as well as Syria, and other countries in the region and in the world) has decreased by more than 11%. The reason for this reduction was the spread of COVID-19 and a decrease in demand on the world market, especially for hydrocarbons.

Table 2. GDP of Iraq and West Asian countries in 2000-2020 (\$ mln at current prices at the current exchange rate)

	2000	2010	2015	2016	2017	2018	2019	2020
Iraq	23657	138517	166774	166603	190644	215490	225232	173486
Turkey	274295	776968	864314	869683	858989	778382	761426	718818
KSA	189515	528207	654270	644936	688586	786522	792967	701817
Israel	132342	233996	299813	318951	353253	370588	395099	402733
UAE	105701	289788	358135	357045	385606	422215	421142	357045
Qatar	17760	125122	161740	151732	1669289	191362	183466	150422
Kuwait	37718	115416	114585	109407	120688	140666	134624	110943
Oman	195075	56913	68400	65481	705983	79789	76332	63507
Lebanon	16679	38444	49939	51205	53141	54961	53367	59072
Jordan	8725	27134	38587	39893	41408	42932	44503	43585
Bahrain	9063	25713	31126	32268	35474	37653	38574	33955
Yemen	10865	30907	26660	22037	20739	22903	24935	29457
Syria	19666	60465	19090	12377	13341	16361	20379	18808
Palestine	4314	9682	13972	15405	16128	16277	17059	14998
Total Western Asian countries	869805	2457270	2867406	2857022	3015524	3176100	3189104	2878645
Share of Iraq in regional GDP, %	2.72	5.64	5.82	5.83	6.32	6.78	7.06	6.03

Compiled and calculated according to: UNCTAD. <https://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx>

The share of Iraq in the total GDP of the West Asian region is traditionally about 6% (see *table 2* and *Chart*). In some years, fluctuations in this share were noted due to external and internal problems. But in general, this is a fairly good level, since in Western Asia there are much richer countries with more diversified and stable economies.

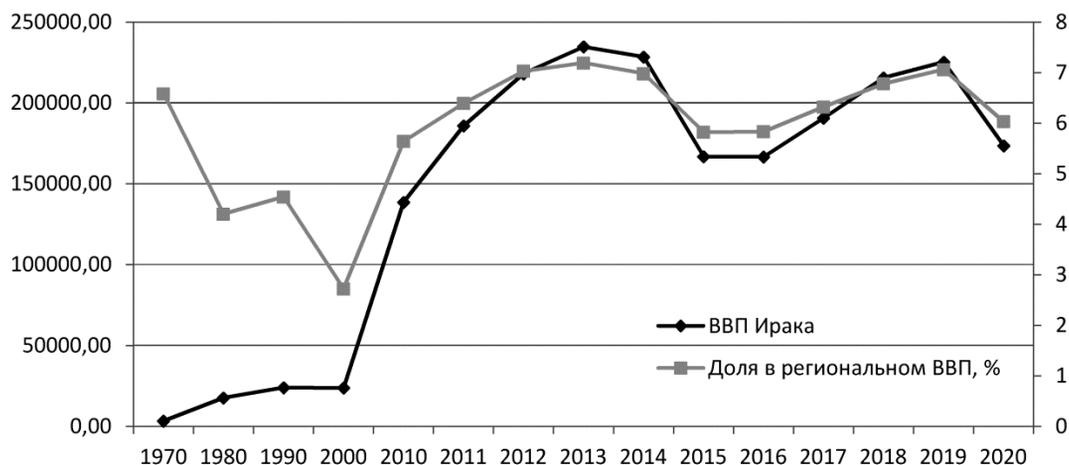


Chart. Dynamics of Iraq's GDP in 1970-2020 \$ mln in current prices at the current exchange rate, and the change in Iraq's share in regional GDP (%).

Compiled according to *table 2*.

Particularly rapid growth in Iraq's GDP began in the 21st century. In the 1970s early 1980s, this growth was low. The 1990s was the most difficult period for the Iraqi economy over the last decade of the XX century. The decline in GDP was accompanied by a reduction in Iraq's industrial and agricultural potential. The state of transport and infrastructure systems has deteriorated in the country, and the level of per capita income, the standard of living in general and a number of other social indicators have significantly decreased [11]. In addition, the researchers note that the pressure of anti-Iraqi economic sanctions has increased significantly in the last decade of the XX century, which still causes concern among scientists, politicians and practitioners about the possibilities and prospects for the restoration and development of the country's national economy. Moreover, these sanctions have a negative impact on its main industries, primarily energy [8; 9].

In 2000-2020, GDP production grew erratically (see *Chart*). But this instability is related to a large extent with external factors. Most of all (apart from sanctions) GDP is associated with the volatility of world prices for hydrocarbons. Consequently, the most important problem of the national economy of Iraq is the structural sectoral imbalance. This imbalance, however, is also inherent in most other oil-producing countries in the region, for example, the Gulf Cooperation Council (GCC) states. But, realizing the threats that the structural imbalance entails, these countries have been making more or less successful attempts to diversify their economies for a number of decades [7]. Iraq failed to change the structure of the national economy. One way or another, the extractive industry remains the basis for the national economy of Iraq. It has the highest productivity and contribution to GDP and is the main catalyst for Iraq's economic growth.

As for the current situation and prospects, according to IMF estimates, Iraq's GDP increased to \$196.27 bln in 2021. Iraq's economy is also expected to grow in 2022². In 2021, Iraq's recovery has been focused on business and investment opportunities in key priority sectors of the economy, including: industry, infrastructure and roads, agriculture, healthcare, banking and finance. The World Bank noted that economic growth in Iraq is gradually recovering. This is partly due to the growth of economic activity in non-oil segments. Experts expect improved global oil market conditions to boost economic growth over the medium term and lead to fiscal and external surpluses from 2022 and reverse the recent increase in debt³.

IRAQ IN REGIONAL TRADE

Iraq's foreign trade is also one of the catalysts for Iraq's economic growth. But the volume of Iraq's foreign trade has declined somewhat over the past 10 years. There are at least two reasons for this trend: these are the volatility of hydrocarbon prices on the world market in recent years (in particular due to the coronavirus), and the military conflict that took place in the territory of Iraq and Syria. It was ended in 2017 and brought enormous destruction to the national economy, including its hydrocarbon sector. However, (see *table 3*) it shows that Iraq's share of regional exports and regional imports has declined by about 1% over 10 years. The country ranked 5th in 2020 (in 2010 it was 4th) in terms of external trade. The share of Iraq in regional exports and regional imports decreased by about 1% over 10 years, as can be seen from *table 2*). However, this circumstance cannot be considered a serious problem for the country because it can be overcome thanks to the existing potential. But in 2020, a negative balance of Iraqi foreign trade was recorded, which raises some concerns. This can make it difficult to acquire goods and services needed for the country from abroad. Economic sanctions against Iraq also limit the ability of Iraq's imports.

Table 3. Dynamics of total exports and imports of Iraq and West Asian countries in 2010 and 2020 (\$ mln at current prices at the current exchange rate, and %)

Countries	Export of goods, \$ mln		Import of goods, \$ mln		Share In Regional Exports, %		Share In Regional Imports, %	
	2010	2020	2010	2020	2010	2020	2010	2020
Iraq	52482.6	41738	43915.3	44484	5.53	4.50	6.08	5.19
Bahrain	14971.25	14066.0	12260.0	12682.7	1.58	1.52	1.70	1.48
Israel	58413.03	49763	61209	69984.9	6.15	5.37	8.48	8.17
Jordan	7028.334	7943	15563.6	17011.0	0.74	0.86	2.16	1.99
KSA	251143.0	173854	106863	137997.6	26.5	18.75	14.80	16.10
Kuwait	69977.95	40116	22674.7	27738.	7.37	4.33	3.14	3.24

² IMF: Regional Economic Outlook, Middle East and North Africa, 2019. 75 p. <https://www.imf.org/en/Publications/REO/MECA/Issues/2019/10/19/reo-menap-cca-1019>

³ Iraq's Economic Update - October 2021. <https://www.worldbank.org/en/country/iraq/publication/economic-update-october-2021>

Countries	Export of goods, \$ mln		Import of goods, \$ mln		Share In Regional Exports, %		Share In Regional Imports, %	
	2010	2020	2010	2020	2010	2020	2010	2020
Lebanon	5021	4085	18460	11354.7	0.53	0.44	2.56	1.33
Oman	36601.3	31685	19972.7	20960	3.85	3.42	2.77	2.45
Palestine	1110	2231	4613.4	7444.3	0.12	0.24	0.64	0.87
Syria	12796.11	868.17	17561.6	5417.99	1.35	0.09	2.40	0.63
Turkey	113883.2	169651	185544	219514.9	12.0	18.29	25.70	25.62
UAE	214000	319278	165000	225741	22.5	34.43	22.86	26.34
Qatar	74964.48	51504	23239.8	25834.9	7.89	5.55	3.22	3.01
Yemen	8100	1204	9255.4	7399	0.85	0.13	1.28	0.86
Total, West Asia	949 656.7	927 344	721 918.6	856 907.8	100	100	100	100

Compiled according to *table 2*.

Therefore, Iraq is oriented very much towards regional partners in foreign trade (see *table 4*).

Table 4. The share of regional trade in the total volume of exports and imports of Iraq in 2016-2020 (\$ ths. at current prices at the current exchange rate, and %)

	2000	2016	2017	2018	2019	2020
Total / regional export, \$ ths.	20 380 000 / 1 018 324	43 774 018 / 14 633 907	59 454 313 / 14 032 324	86 773 873 / 20 381 299	76 938 962 / 3 872 507	41 738 000 / 6 022 892
Share of regional export, %	5	33.4	23.6	23.5	5	14.4
Total / regional import, \$ ths.	13 210 000 / 2 260 058	44 116 000 / 14 819 013	48 505 500 / 15 081 203	56 876 000 / 16 936 062	46 262 100 / 14 238 215	44 484 000 / 13 631 722
Share of regional import, %	17.1	33.6	31.1	29.8	30.8	30.1

Compiled according to *table 2*.

Statistical data confirm the following. The total export of Iraq amounted to \$20,380 mln in 2000 and \$41,738 mln in 2020, i.e., slightly more than doubled. Regional exports over the same period increased from \$1018.3 mln to \$6022.9 mln, i.e., more than 6 times. Iraq's total imports increased from \$13,210 mln to \$44,484 mln, i.e., 3.4 times. Regional imports increased from \$2260.1 mln to \$13,631.7 mln, i.e., 6 times. Thus, we note that the volume of regional trade of Iraq has grown at a faster pace in the last 5 years. This allows us to draw a conclusion about a deep "embedding" of Iraq in the regional economic system. We can assess this trend as promising and positive for the economy of Iraq and entire Western Asia, including the stabilization of the situation in the region.

But everything is ambiguous. Indeed, a significant share of Iraq's foreign trade, primarily its imports (30% in 2020), falls precisely on regional partners (see *table 4*). But this share has been declining in the last 5 years. One of the reasons for this reduction can be considered the coronavirus pandemic. At the same time, the problem in this area, in our opinion, remains the instability of Iraq's regional (and international as a whole) trade, which is confirmed by statistical data. The instability of foreign trade is interconnected with the instability and sectoral imbalance of GDP. We can also note the imbalance of Iraq's trade in the countries of the region. According to UNCTAD statistics, Turkey was Iraq's largest partner in 2020. Its share was almost $\frac{3}{4}$ of Iraq's imports and exports to Western Asia. We consider this as an important regional success for Turkey, which is committed to the development of economic integration in Western Asia and North Africa. Turkey has plans to create a free trade zone in a group of countries that were united by the toponym "Levant" in the Middle Ages.

These countries were provinces of the Ottoman Empire, and here Turkey is currently striving to take a leading position, so to speak, "economically pull" them to itself. Iraq in this group occupies an important place for Turkey as an oil exporter and a large economy. Researchers from Turkey have been conducting research for a number of years, the main idea of which is the theoretical substantiation of the significant economic benefits for the countries of the Levant from the creation of a free trade zone. These benefits, as studies show, can be especially significant in the key industries of these countries, including agriculture, infrastructure, services (tourism and finance, including investment) [4; 6].

Iraq's traditional regional trade partners also include Jordan, Syria, Lebanon, and the United Arab Emirates. The basis of this cooperation is the contractual and legal framework, which is being updated in the XXI century. So, in February 2019, Iraq and Jordan signed a series of bilateral economic agreements aimed at developing mutual trade and other areas of cooperation, primarily in the energy sector. In the same year, a summit of Iraq, Jordan and Egypt was held in Cairo. The purpose of the summit was to discuss the creation of new economic opportunities in mutual trade, foreign direct investment and tourism, and the creation of new jobs. Trade and economic cooperation between Iraq and Syria have intensified in recent years. The countries have held numerous summits in recent years.

With some Western Asian countries, especially Israel, Palestine, some GCC states, Iraq traditionally either does not maintain trade relations at all (Israel) or maintains them at a low and/or irregular level (for example, Saudi Arabia). This situation does not contribute to the strengthening of regional stability and the growth of the regional (and Iraq's) economy, although it corresponds to the specifics of the Arab region. But the government of Iraq is striving to solve the problems of foreign trade imbalance and to develop trade relations with partners in the region and with third countries⁴.

IRAQ IN THE REGIONAL SOCIAL SPHERE

The territory of Iraq occupies about 11% of the total area of Western Asia. This is the third place after Saudi Arabia and Turkey in this indicator. But in terms of population in Western Asia, Iraq ranks second after Turkey. In 2020, the population of Iraq was estimated at about 40 mln people. This amounted to 15.4% of the total population of the region. Thus, Iraq continues to play an important role in the region in terms of population. According to UNCTAD estimates, the country will maintain and strengthen this position. By 2050, according to UNCTAD⁵ forecasts, the population of Iraq may increase to more than 43 mln people. This will amount to 19.5% of the regional indicator. The population growth rate in Iraq is quite high. The average age of a resident of Iraq in 2020 is 21.4 years, i.e., it is a country with a young population, which is typical for Western Asia as a whole. Iraq's workforce accounts for only 3.7 mln of the country's total population due to the high dependency ratio seen in other countries in the region. Unemployment in the country exceeded 14% in 2020, which is higher than the regional average (11.8%) and even higher than in Syria (10.26% in 2020). Iraq ranked 5th in the region for this indicator. But for Iraq, the objective explanation for such a high rate of unemployment, especially among young people, can be considered the destruction in the national manufacturing sector and infrastructure, which were the result of military operations in the territory of Iraq.

Table 5. Dynamics of per capita income in Iraq and Western Asian countries in 2000-2020 (\$ ths.)

	2000	2010	2015	2016	2017	2018	2019	2020
Iraq	1007	4657	4688	4551	5077	5607	5730	4313
Bahrain	13636	20722	22689	22632	23743	23991	23504	19955
Israel	22258	31852	37578	39333	42851	44215	46376	4659
Jordan	1703	3737	4164	4175	4231	4308	4405	4272
KSA	9171	19263	20628	19879	20802	23337	23140	20159
Kuwait	18443	38576	29874	27650	29755	33999	31999	25979
Lebanon	4340	7762	7645	7626	7793	8013	7784	8655
Oman	8601	18713	16029	14619	15131	16521	15343	12436
Palestine	1338	2387	3085	3323	3397	3347	3424	2940
Syria	1198	2830	1061	709	780	966	1194	1075
Turkey	4337	10742	11006	10894	10590	9453	9127	8523
Qatar	29976	67403	63039	57163	61264	68794	64782	52211
UAE	33726	33893	38663	38142	40645	43839	43103	36100
Yemen	624	1335	1006	811	745	804	855	988
World	5476	9528	10163	10207	10741	11287	11339	10892
Western Asia	4794	10947	11485	11186	11615	12056	11924	10595

Compiled according to table 2.

⁴ Iraq National Development Plan 2018-2022. http://www.iraq-jcme.jp/pdf/archives/nationaldevelopmentplan2018_2022.pdf

⁵ UNCTAD. <https://unctadstat.unctad.org/wds/TableViewer/tableView.aspx>

The dynamics of per capita income in Iraq and its correlation with the regional indicator are presented in (see *table 5*).

As seen from *table 5*, since the beginning of the new century, this indicator has increased 4 times in Iraq, but, despite this, it still remains unreasonably low, especially considering that Iraq is the 2nd country in the region in terms of reserves and oil production. GDP per capita in Iraq almost doubled through 2000-2020 (Except for some years). At the same time, the Ginny index for 2020 was 0.633.

In many ways, this situation is due to the fact that a number of problems persist in Iraq in the social and labor spheres, among which the researchers [5] note:

- a high level of intra-country social inequality and regional differentiation;
- the need to create jobs and a high level of unemployment;
- deterioration in the level of education;
- deterioration of medical care for a significant part of the population (let's add - especially in the context of the global pandemic);
- high proportion of the population living in unfavorable environmental conditions;
- high death rate from violent causes;
- food security is not fully ensured;
- low standard of living persists.

A lot of these problems are common to other countries in the region, such as Syria. But stating this fact does not make them less acute for Iraq.

At the same time, the situation with the level of per capita income in Iraq is practically not improving qualitatively, which is confirmed by the statistical data (see *table 5*). For example, while in 1970 the per capita income in Iraq was 2.8 times lower than the world average, in 2020 it is already 2.5 times lower, i.e., the situation is practically unchanged. This is due to the persistence of destabilizing factors that hinder the activation of economic growth, the solution of social problems, the stabilization of the financial situation, and sometimes even blocking these processes in Iraq.

We include these factors:

- ongoing anti-Iraq sanctions;
- military actions that took place in the territory of the country;
- falling oil prices on the world market;
- regional instability;
- global instability (for example, COVID-19).

At the same time, based on the analysis of the place and positions of Iraq in the West Asian region, we come to the conclusion that, on the one hand, the country has a certain potential for socio-economic development and strengthening its position in the region, and on the other hand, significant problems and imbalances that impede such strengthening.

CONCLUSION

Thus, after conducting a study of the situation of Iraq in the region of Western Asia, we come to the following conclusions. First, Iraq has a significant potential for socio-economic development. This potential is currently based on the extractive industry (which can be regarded as an important advantage of the country) and foreign, including regional, trade. Foreign trade relations of the country are developing quite actively, in particular in the region. Population growth can provide an increase in the productivity of the national economy in the future.

However, the persistence of numerous socio-economic problems has not allowed the country realizing the existing benefits so far. Thus, the physical destruction of production facilities and infrastructure in Iraq requires serious financial investments in their restoration and modernization. But the volatility of world oil prices and the undiversified national economy do not provide the country with the opportunity to do so. The non-oil segment, including infrastructure and services, is developing quite slowly so far. The deterioration of the quality of the social sphere and the growth of unemployment, especially among young people, are slowing down the development of Iraq.

Accordingly, the most important task of Iraq is to restore the national economy after the end of the military conflict. This recovery, in our opinion, could rely more on a regional base. Which, in turn, requires the development of the legal segment and the adaptation of existing international agreements to rapidly changing conditions in recent years both in the region and in the world.

In our opinion, the maintenance of security in the economic, social and other spheres is of great importance among Iraq's priorities. Maintaining security is largely possible on a regional basis, which, in our opinion, enhances the importance of regional cooperation based on its diversification.

REFERENCES

1. Bassam Y. 2007. Economic restructuring in Iraq: intended and unintended consequence. *Journal of economic issues*. Vol. XLI. № 1. Pp. 43-60.
2. Foote C., Block W., Crane K., Gray S. 2004. Economic Policy and Prospects in Iraq. *Journal of Economic Perspectives*. Vol. 18. Iss. 3. Pp. 47-70. DOI: 10.1257/0895330042162395
3. Ismael T.Y., Ismael J.S. 2015. Iraq in the twenty-first century: regime change and the creation of a failed state. New York: Routledge. 310 p.
4. Kurtaran G. Regional free zone attempt stillborn. *Hürriyet Daily News*, Desember, 1.
5. Nadhir Al-Ansari, Ammar A. Ali, Knutsson S. 2014. Present Conditions and Future Challenges of Water Resources Problems in Iraq. *Journal of Water Resource and Protection*. Vol. 6. № 12. Pp. 1066-1098. DOI: 10.4236/jwarp.2014.612102
6. Sanford J.E. 2003. Iraq's economy: Past, present, future. *Report for Congress*. June. Order code RL31944. 67 p.
7. Shkvarya L.V., Aidrous I.A.Z., Ruzina E.I., Savinsky A.V., Rodin S.I. 2019. Development of high-tech segment in the GCC region on the example of the aviation component of the Kingdom of Bahrain. *IOP Conference Series: Materials Science and Engineering. Ser. "Workshop on Materials and Engineering in Aeronautics"*. P. 012025.
8. Айдрус И.А.З., Семичева В.О., Березина А.Э. 2015. Влияние экономических санкций на Ирак. *Научное обозрение. Серия 1: Экономика и право*. № 6. С. 108-118.
Aidrous I.A.Z., Semicheva V.O., Berezina A.E. 2015. The impact of economic sanctions on Iraq. *Nauchnoe obozrenie. Seriya 1: Ekonomika i pravo*. № 6. P. 108-118. (In Russ.)
9. Айдрус И.А.З., Меланьина М.В. 2016. Экономические санкции в условиях глобализации: проблемы теории и современная практика Ирака. *Азия: вектор развития внешнеэкономического сотрудничества с Россией в условиях санкций. Ежегодник - 2016*. Москва. С. 48-76.
Aidrous I.A.Z., Melan'ina M.V. 2016. Economic sanctions in the context of globalization: problems of theory and modern practice of Iraq. *Asia: vector of development of foreign economic cooperation with Russia in the context of sanctions. Yearbook-2016*. Moscow. Pp. 48-76. (In Russ.)
10. Бартенев В.И. 2018. Восстановление Ирака после победы над «Исламским государством»: перспективы международного участия. *Вестник Московского университета. Серия 25: Международные отношения и мировая политика*. Том 10. № 2. С. 145-192.
Bartenev V.I. 2018. Reconstruction of Iraq after the victory over the "Islamic State": prospects for international participation. *Bulletin of Moscow University. Series 25: International Relations and World Politics*. Vol. 10. № 2, pp. 145-192. (In Russ.)
11. Бедрина Е. Б., Ассим М.Х.А. 2020. Причины и факторы ресурсной зависимости Ирака и ее последствия. *Россия и Азия*. № 4 (13). С. 16-23.
Bedrina E. B., Assim M.H.A. 2020. Causes and factors of Iraq's resource dependence and its consequences. *Rossiya i Aziya*. № 4(13). Pp. 16-23. (In Russ.)
12. Башер М.А. 2019. Ирак: современная экономика, задачи и перспективы. *Азия и Африка сегодня*. № 5. С. 69-73. DOI: 10.31857/S032150750004754-1
Basher M.A. 2019. Iraq: modern economy, challenges and prospects. *Asia and Africa today*. № 5 (In Russ.). DOI: 10.31857/S032150750004754-1
13. Манафова А.Д. 2017. Нефтяная политика Ирака 2003-2016 гг. М., 196 с.
Manafova A.D. 2017. Oil policy of Iraq 2003-2016, Moscow. 196 p. (In Russ.)
14. Субханкулова Р.Р. О нефтегазовой отрасли Ирака. М.: Институт Ближнего Востока. 2014.
Subkhankulova R.R. 2014. About the oil and gas industry of Iraq. Moscow: Institute of the Middle East. (In Russ.)
15. Шкваря Л.В. Иракский Курдистан: нефть, газ и развитие. *Россия и Азия*. 2017. № 1. С. 11-22.
Shkvarya L.V. 2017. Iraqi Kurdistan: oil, gas and development. *Russia and Asia*. № 1. pp. 11-22. (In Russ.)

INFORMATION ABOUT THE AUTHORS / ИНФОРМАЦИЯ ОБ АВТОРАХ

Шкваря Людмила Васильевна, доктор экономических наук, профессор кафедры политической экономии экономического факультета РУДН; ведущий научный сотрудник, кафедра мировой экономики, Российский экономический университет им. Г.В.Плеханова, Москва, Россия.

Liudmila V. Shkvarya, Dr.Sc. (Economics), Professor, Department of Political Economy, Faculty of Economics, RUDN University; Leading Researcher, Department of World Economy, Plekhanov Russian University of Economics, Moscow, Russia.

Ахмед Надир Надир Ахмед (Ирак), аспирант кафедры политической экономии экономического факультета РУДН, Москва, Россия.

Ahmed Nadir Nadir Ahmed (Iraq), Post-graduate student, Department of Political Economy, Faculty of Economics, RUDN University, Moscow, Russia.

Поступила в редакцию
(Received) 28.03.2022

Доработана после рецензирования
(Revised) 24.05.2022

Принята к публикации
(Accepted) 05.0.2022