

The Effect of Economic Globalization Indicators on the Human Development Index: A Case Study of Iraq for the Period (2004-2019)

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ABSTRACT

This research aims to measure and analyze the impact of economic globalization on the human development index in Iraq for the period (2004-2019) through the use of modern econometric methods represented by the error correction model for distributed slowdown periods (ARDL), so this research came for the purpose of knowing to what extent it can contribute Economic globalization in achieving the human development index in the Iraqi economy, especially since the Iraqi economy began applying the market mechanism and economic freedom after 2003, So this research came for the purpose of knowing these tools to apply them to the Iraqi economy in the future to reduce dependence on the oil sector, and the results of the research showed a positive and moral relationship between the human development index and the variables of economic globalization during the study period, and this matter indicates that Iraq is moving in the right direction that contributes In achieving the requirements of human development despite the fluctuation of the results of this sector.

KEYWORDS: (Economic globalization, Human Development, direct foreign investment, financial liberalization.

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Introduction

Globalization is not a new phenomenon or a product of the last century, but rather an old phenomenon that gained its importance and spread during the last decades of the twentieth century, as global ideas and trends increased in the context of a rapid and unprecedented movement in the opening up of world markets to each other and the increase in international trade movement. One of the developmental issues and challenges mainly related to how to improve the quality of an individual's life, which is expressed in the term human development, as interest in this term has become one of the priorities of the plans drawn up by decision-makers in many countries, organizations and international bodies. The increasing interest in human development came in conjunction with the emergence of many Economic crises , Whereas Iraq was like other countries that sought the need to achieve human development during the previous decades, Iraq has achieved remarkable progress in the field of human development at the beginning of the nineties of the last century, but soon human development indicators declined due to wars and the economic blockade that ended with the American occupation of Iraq in the year 2003, in addition to what happened to Iraq after that date in

terms of looting and terrorist operations that burdened the Iraqi economy, which negatively affected most indicators such as health, education and income, despite the fact that Iraq possesses human and material wealth that is not a few. If proper exploitation is exploited, it can be achieved tangible successes in this aspect.

Research importance:

The importance of the research lies in the fact that it sheds light on the economic reality in Iraq in light of the shift towards a market mechanism within the framework of an analytical study to find out the opportunities that economic globalization can provide in the field of ensuring a decent life and improving the quality of an individual's life. Building a strong and stable economic system that contributes to achieving human development in its various dimensions (education, health and income), especially after the changes and laws that were applied in Iraq after 2003.

Research problem:

Although Iraq possesses material and human resources and scientific competencies, it has not been used in a

rational manner, especially since the economic mechanism that was followed after 2003 focuses on the necessity of commercial and financial openness, and as a result, human development has not received sufficient attention that qualifies it to exercise its pioneering role in building skills And capabilities of individuals.

Research hypothesis:

The research starts from the hypothesis that there is a long-term positive equilibrium relationship that shows the positive effect between economic globalization indicators and the human development index in Iraq during the study period.

Research objectives:

The research aims at the following

1. Knowing the reality of the Iraqi economy and its most important variables after 2004 through the philosophy of the free market economy, especially with regard to openness and commercial and financial liberalization.
2. Study and analysis of some indicators of economic globalization and the evidence for human development in Iraq during the study period.
3. Measuring and analyzing the relationship between economic globalization and the human development index in the Iraqi economy during the study period.

Research Structure:

In order to prove the research hypothesis and achieve the goals it seeks, the research has been divided into three axes. The first axis included the theoretical aspect of economic globalization and human development and the relationship between them, while the second axis dealt with the development of some indicators of economic

Previous studies

- ❖ a study (Singh , 2011)((**Financial Globalization & Human Development**) The aim of this study is that financial globalization contributes to developing the performance of the banking sector in most countries that encourage the policy of financial liberalization, and this study has concluded that there is a positive impact of financial globalization on achieving human development, and this study recommended the need to pay attention and focus on financial globalization as it is It clearly contributes to achieving human
- development by increasing state revenues, which contributes to increasing individual incomes, as well as increasing spending on the educational and health sector, which contributes to providing a decent life for the individual and thus achieving human development.
- ❖ a study (Azeez &Olanrewaju , 2012) (Effect of Financial Liberalization on the Performance of Informal Capital Market) This study aims to know the effect of financial liberalization on deposits and bank credit in the informal market of Ras al-Kall in Nigeria for the period (2001-2010) through the use of modern standard methods represented by the method (OLS). Bank deposits and bank credit in Nigeria during the study period. It also concluded that financial liberalization had no effect on its net surplus. This study recommended the necessity of supervising the market and formulating policies that would improve the performance of the informal financial sector in Nigeria as well as reduce The gap between lending and savings rates in banks, which will contribute to the development of the banking sector, which will positively affect the achievement of human development.
- ❖ a study (Ioannis & constantinos , 2012 ((Finance,institutions & human development : Evidence from developing countries) Entitled (Finance and Human Development Institutions: For Some Developing Countries) This study aims to study financing institutions in light of the financial liberalization policy of (52) developing countries in order to know the role of these institutions in achieving human development for the period (1985-2008), and this study concluded Until the development of banking institutions will clearly contribute to achieving human development for the country through increasing revenues, and this study recommended the necessity of training workers in banking institutions in order to develop their skills for the purpose of preparing banking cadres at a high level of quality, which will contribute to the development of the banking sector. It reflects positively on achieving human development.

1- : The concept of economic globalization

The International Monetary Fund defines economic globalization as the increase in economic dependence among countries of the world through the increase in the volume and diversity of cross-border transactions of goods and services and international capital flows as well as through the rapid spread of technology, as it describes the processes through which decisions, events and activities that occur in the capitalist part are performed. The progress of the world to important results for individuals and societies in the rest of the world (Abdel-Hamid, 2006: 18) , Therefore, economic globalization is the basis for all other types of globalization as it broadly affects the increasing trend towards freedom from restrictions and the removal of regulatory and legislative obstacles to market forces.

Based on the foregoing, economic globalization is facilitating the movement of manpower, goods and capital between different countries of the world by crossing the regional borders of these countries, especially in the economic, financial and commercial side, through the merging of markets in the field of trade and investments , The basic elements of this phenomenon are based on the increase in mutual relations between nations, whether in the exchange of goods and services or in relation to the transfer of capital or in the spread of information, ideas and cultures, and what all these interactions carry of the possibility of mutual influence between nations and peoples with the values and customs of each other on each other.

1-2: The concept of human development :

Human development is one of the developmental concepts that are widely used with the concepts of economic development, and it is an important part of it, as it focuses on providing a decent econometric of living for individuals. The human element makes it the main engine of development through refining and formulating the development of human capabilities and competencies in its various scientific, practical, technical and behavioral aspects (Mansour, 1976: 195) , Human development can be defined according to the report issued in 1990 as an expansion of people's choices, and in principle, these options can be absolute, and may change over time, and we can explain the options referred to by the report through the following: (Hamdaoui, 2017 : 20)

1- **Living a long and healthy life** : or what is called longevity or average life span, and it is measured by life expectancy at birth. The minimum value is 25 years and the maximum value is 85 years.

2- **Acquisition of knowledge** : This knowledge is measured by combining the literacy rate of adults from fifteen years and over and the average percentage of study among children under the age of fifteen years. The smallest value of the adult literacy rate is zero percent, while it is The greatest value is in one hundred percent, and these econometric values also apply to the general percentage of study, and accordingly, human development can only be achieved by developing education in the various stages of study.

3- **Availability of materials necessary for a decent econometric of living** : This means the existence of a decent individual income that contributes to maintaining a decent econometric of living for the citizen, and it is measured by the level of purchasing power based on the per capita gross domestic product, and the minimum value of per capita income is \$ 100, while the maximum value is At 40 thousand dollars.

However, the above options do not end there, as there are additional options represented in political, economic and social freedom, enjoyment of opportunities for creation and creativity, the enjoyment of human rights, participation in the development process and other options included in the concept of human development, and Paul Strain's definition comes close to the above concept. He believes that human development is the development of human capabilities and the provision of opportunity for humans in an equal manner , As a right guaranteed to the human race and an effective element in the development of society, as it is represented in the availability of a decent and decent life, opposition to social and economic differences, integration between individual initiative and public policy, human security and poverty reduction (Thorbecke, 2005: 59) , This definition refers to improving living conditions and improving people's choices. And seeing human beings as ends in themselves.

1-3: Human Development Index:

The Human Development Index can be defined as a composite tool that aims to measure human development by studying the relationship between the level of economic growth and the level of social development using a scale between the two values (0.1) by defining the capabilities provided by the state. Clarify them in the following: (Hamad, 2011: 115)

A- A high level of human development (0.800-1.00).

B- An average level of human development (0.500-0.799).

C- Low level of human development (0-0.500)

2-: The evolution of some indicators of economic globalization in Iraq for the period (2004-2019)

Some indicators of economic globalization can be illustrated through the following:

2-1: Economic and Financial Integration Index:

As discussed above, this indicator aims to know the role of international trade and foreign investments, and the size of global financial flows in the integration and interdependence of countries within the framework of global economic liberalization, and this index includes the following :

2-1-1: Net foreign direct investment:

Net foreign investment represents a form of capital flows and this indicator refers to the progress in economic development, and this indicator represents an important element in the process of economic development in most countries of the world, because it aims to increase their partnership in the global economy, so it can be said that foreign direct investment It represents an influx of capital between two states of whatever form in order to establish new companies or contribute to the capital of existing companies or develop them to produce goods or services (Unctad, 2000: 10) , As a result of what Iraq went through after 2003 of the change in the philosophy of the economy that focuses on the necessity of economic liberalization, the issuance of the Investment Law No. (39) of 2004, and the Iraqi Investment Law No. (13) of 2006, which was enacted in order to advance economic and social development forward. And when referring to Table (1), from which it is clear that foreign direct investment flows and its ratio to the

gross domestic product, as it is noted from the table that the amount of foreign direct investment in 2004 amounted to about (453900) million dinars, and this is due to the economic liberalization that Iraq witnessed and the end of economic sanctions Then, foreign direct investment flows increased to reach (758080) million dinars in 2005, with a growth rate of (67%) compared to 2004 , In 2006, the flow of investment decreased to about (564925) million dinars, at a negative growth rate of (25%), due to the deterioration of security that Iraq witnessed in that year, while investment in 2007 increased to about (1231524) million dinars. With a growth rate of (117%) from last year, and this is due to the legislation of the Iraqi Investment Law No. (13) for the year (2006) and the start of its implementation, but in 2008, foreign direct investment amounted to about (2214281) million dinars, to decrease after that in In 2009, it reached (1888836) million dinars, at a negative growth rate of (14%). This is due to the global crisis that afflicted all world economies, which occurred at the end of 2008 , Then the investments in Iraq began to increase again, until foreign direct investment in Iraq in 2014 reached about (12353664) million dinars, and the reason for this increase is due to the licensing rounds and the increase in oil investments, then it decreased in 2015 to (9408615) million dinars due to bad The security and economic conditions that the country witnessed, while thereafter it continued to fluctuate, up and down, until it reached in 2019 about (3891300) million dinars as a result of the country's economic and security conditions.

Table (1) The ratio of foreign direct investment values to gross domestic product in Iraq at current pricesTerm (2004-2019)

years	Values of foreign direct investment Million dollars	Values of foreign direct investment Million dinars	Growth rate of foreign direct investment %	Ratio of investment values to GDP %
2004	300	453900	-	0.85
2005	515	758080	67.01	1.03
2006	383	564925	-25.47	0.59
2007	972	1231524	117.9	1.11
2008	1856	2214208	79.79	1.41
2009	1598	1888836	-14.69	1.45
2010	1396	1655656	-12.35	1.02
2011	2082	2490072	50.40	1.15
2012	3400	4192200	68.35	1.65
2013	3120	3843840	- 8.31	1.40
2014	10176	12353664	221.4	4.64

2015	7545	9408615	-23.84	4.83
2016	6256	7976400	-15.22	4.05
2017	5032	6330256	-20.63	2.86
2018	4851	5860008	-7.43	2.30
2019	3270	3891300	33.60-	1.48

Source: Prepared by researchers based on UNCTAD data, World Investment Report, 2004-2018, the investment values were converted into the Iraqi currency by the researcher according to the exchange rates for each year, the percentages were calculated by the researcher.

2-1-2: Trade Exposure Index:

The trade exposure index represents the extent to which the economic activity of any country depends on the conditions prevailing in the export and import markets of this country, and the importance of this indicator is evident in that it shows us the extent of the contribution of foreign trade in its two parts (exports and imports) to the formation of the gross domestic product, and this indicator is calculated by total The value of foreign trade (exports + imports) divided by GDP multiplied by (100) (Al-Shabibi, 2008: 55) , If this indicator is high, this indicates that the country is largely dependent on the outside world, which makes its economy more vulnerable to global economic fluctuations and makes it in a state of dependency (exposure) to the outside world, as this indicator reflects the degree of the country's economic openness to the outside world. A country's economy is open to the outside world if the ratio of foreign trade to GDP exceeds (45%) (Maaleh, 2014: 10) , With reference to Table (2), it is noticed that the percentages of foreign trade contribution to GDP (trade exposure) during the study period witnessed a

clear fluctuation of those ratios as that fluctuation represents a reflection of the structure of the Iraqi economy, which is highly controlled by crude oil exports. That the degree of trade exposure reached in 2004 (120.23%), which is its highest value during the study period, then this percentage decreased after 2004 due to the increase in GDP rates at levels far exceeding the rates of increase in foreign trade, as that percentage decreased to reach (74.09%). In 2007, it decreased after that, but it decreased slightly for the years 2009, 2010 and 2011 , And then, in 2014, an increase to (68.96%) of the gross domestic product, and then that percentage began to fluctuate, up and down, depending on the price of oil, as mentioned above, and despite the relative importance of Iraq's foreign trade in the gross domestic product, the Iraqi economy remained It suffers from imbalances in its foreign trade, which leads to the absence of commodity diversity for exports, while its imports constitute a wide range of consumer and investment goods, and what reflects this is the degree of trade exposure during the study period that exceeded (45%), which indicates the exposure of the Iraqi economy commercially. To the outside world , Based on the above, it can be said that the trade exposure index in Iraq gives a clearer picture of the degree of weak internal interdependence of the sectors of GDP, and this calls for the need to strengthen the economic base, which requires work to strengthen the Iraqi economy by diversifying sources of income and working to compete in the markets. External

Table (2) The degree of commercial exposure in Iraq for the period (2004-2019)
(million dinars)

years	Foreign trade values	GDP	Degree of commercial exposure%
2004	64006989.0	53235358.7	120.23
2005	85109655.0	73533598.6	115.74
2006	85695098.4	95587954.8	89.65
2007	82580792.1	111455813.4	74.09
2008	127278327.3	157026061.6	81.05
2009	102799710.0	130643200.4	78.68
2010	119113371.0	162064565.5	73.49
2011	156847860.0	217327107.4	72.17

2012	187130299.1	254225490.7	73.60
2013	184425403.8	273587529.2	67.41
2014	183722888.8	266332655.1	68.98
2015	135481931.4	194680971.8	69.59
2016	107497581.0	196924141.7	54.58
2017	132513783.6	221665708.5	59.78
2018	176953437.6	254870184.6	69.42
2019	155893332.0	262917150.0	59.29

Source: Prepared by the researcher based on the data of the Ministry of Planning, the Central Bureau of Statistics, the Directorate of National Accounts, annual bulletins for the period (2004-2019), the percentages were calculated by the researcher.

2-2: Banking and Financial Liberalization Index :

This indicator witnessed a remarkable development during the study period, and in order to know what this indicator has achieved in terms of the Iraqi economy, it is necessary to know its most important sub-indicators, which can be represented by the following :

2-2-1: Development of Banking Assets and Capital:

Thanks to banking liberalization, the banking sector witnessed a remarkable development in banking operations during the period of the study . The indicators of banking assets and banking capital achieved a clear development, as the total banking assets indicate a clear increase for the period (2004-2008) , which indicates that banking liberalization is proceeding in the right direction thanks to the laws issued. After 2004, the most important of which is the Banking Law, because as it is known, banking assets represent an important pillar of financial stability, and Table (3) indicates that bank assets have witnessed a decline during 2009 at a negative rate of change, and this is due to the global financial crisis that afflicted the sector Banking end of 2008 , This negatively affected the banking assets of most countries of the world, and Iraq is one of those countries, while the total assets increased again after 2010, as bank assets increased from (70863167) million dinars in 2010 to (133705595) million dinars in 2015 and this is a good indicator that reflects The development in private banks, and the

reason for the increase in the assets of private banks is due to the entry of new commercial banks into the Iraqi banking sector, but the banking assets returned and decreased again, and the reason for this is due to the security conditions that Iraq witnessed during that period due to the control of armed groups over three Iraqi governorates , In addition to the financial crisis that the Iraqi economy was exposed to at the end of 2014 due to the global drop in oil prices, it had a major role in the decline of the assets of the Iraqi banking sector, and this decline in assets continued until it reached (103011522) million dinars in 2017, which negatively affected performance. The banker of Iraq in general, which contributed to the decline in assets as a result of financial hardship due to these conditions, while bank assets increased again after 2017 until they reached in 2019 to (120091270) million dinars, which indicates the improvement in banking operations as a result of bank liberalization operations. In addition to the improvement in the security situation in Iraq, and the matter did not differ from it in the size of bank capital , As a continuous increase in bank capital is observed throughout the study period, and this increase in the volume of banking capital is considered one of the positive indicators that contribute to enhancing banking stability, as it increases financial leverage and enhances their ability to face risks, in addition to ensuring the safety and durability of banks and constitutes greater protection For depositors, as noted from the same table, an increase in the size of bank capital, as it increased from (89626) million dinars in 2004 to (3352531) million dinars in 2011 and then to (15182962) million dinars in 2019 .

Table (3) Total bank assets and banking capital for the period (2004-2019) million dinars

years	Total banking assets	Annual percentage change %	Bank Capital	Annual percentage change %	Total banking asRatio of total assets to GDP %
2004	28582461	—	89626	—	53.69
2005	36822801	28.83	376287	319.84	50.08
2006	45194364	22.73	773658	105.60	47.28
2007	48867748	8.13	1065942	37.78	43.85

2008	67401023	37.93	1352571	26.89	42.92
2009	63394853	-5.94	2077355	53.28	48.53
2010	70863617	11.78	2534005	21.98	43.73
2011	78742611	11.12	3352531	32.30	36.23
2012	87918625	11.65	4604522	37.35	35.29
2013	97154384	10.51	6619059	43.75	35.51
2014	83737936	-13.81	8540450	29.03	31.44
2015	133705595	59.67	9667480	13.20	68.68
2016	129169091	-3.39	10674258	10.41	65.59
2017	103011522	-20.25	13282311	24.43	46.47
2018	108003321	4.85	14782498	11.30	42.38
2019	120091270	11.19	15182962	2.71	45.68

Source: Prepared by researchers, depending on the data of the Central Bank of Iraq, annual statistical bulletins for the period (2004-2019), the percentages and the annual amount of change were calculated by the researcher.

2-2-2: Bank Deposits Index:

This indicator measures the ability of banks to mobilize domestic savings in the form of deposits, and it also measures the ability of banks to mobilize deposits in their various forms, such as demand deposits, savings deposits, and time deposits. This indicator is often used in the developing country, and the reason for this is that the large part of the currency is outside The banking system (Demirguc-Kunt & Levine, 1996: 309), and accordingly, this indicator is one of the important indicators that express the degree of banking transactions, so banks are keen to develop them by developing savings awareness in the economy and not complicating the procedures of dealing in terms of depositing money or Withdrawn, so it is one of the most important sources of financing for commercial banks , When referring to Table (4), it is noticed that the total bank deposits fluctuated, up and down during the study period. However, the general trend was positive, as the total bank deposits increased from (8115) billion dinars in 2004 to (26188) billion dinars in 2007, and it returns This is due to the issuance of banking laws and the

issuance of the investment law, then it increased after that to reach (47947) billion dinars in 2010, due to the relative improvement in the security and economic situation of the country, as well as the improvement in confidence in the banking system, which led to an increase in the number of banks and the number of branches, while After that, it decreased to reach (64344) billion dinars in 2015, due to the deterioration of the security situation and the invasion of terrorist groups in some Iraqi governorates, which led to an increase in war expenses and support for the displaced , This negatively affected the percentage of government deposits in banks, in addition to the increase in depositors 'withdrawals due to the migration of most of them to outside the country as a result of poor security conditions, in addition to the decrease in bank branches due to their merging with each other or because of their closure because they are located within the governorates controlled by terrorist groups Which led to a decrease in the monetary mass, all these things worked together to decrease the total of bank deposits in Iraq, while they increased again to reach in 2019 to (81010) billion dinars as a result of the relative improvement in the security situation, as well as the increase in the number of banks and their branches. Which clearly contributed to the increase in the total bank deposits in Iraq .

Table (4) Total bank deposits and their percentage to GDP in Iraq for the period (2004-2019) billion dinars

Years	Deposits of state banks	Deposits of private banks	Total deposits	Ratio of total deposits to GDP %
2004	5111	3004	8115	15.24
2005	7080	3689	10796	14.68
2006	12177	4751	16928	17.71
2007	16786	9402	26188	23.50
2008	22909	11615	34524	21.99
2009	25896	12686	38582	29.53

2010	42461	5486	47947	29.59
2011	49802	6348	56150	25.84
2012	53382	8623	62005	24.39
2013	58891	9964	68855	25.17
2014	64376	9697	74073	27.81
2015	55231	9113	64344	33.05
2016	53806	8592	62398	31.69
2017	55036	8748	63784	28.77
2018	66095	10798	76893	30.17
2019	69528	11482	81010	30.81

Source: prepared by researchers depending on the data of the Central Bank of Iraq, annual statistical bulletins for the period (2004-2019), the General Directorate of Statistics and Research, the percentages were calculated by the researcher.

2-2-3: Bank Credit Index :

This indicator is considered one of the important indicators through which it is possible to measure the development and efficiency of the banking sector and the level of banking intermediation in any economy, because of its role in financing projects, and this indicator also measures the actual amount directed to the private sector more than any other measure, because the ratio of bank credit On the one hand, the size and importance of the private sector's participation in this banking system increases, and on the other hand, bank credit works to increase the volume of financing provided by the private banking sector in private sector investments, especially commodities (Odeh, 2012: 23). Whoever believes that the increase in credit provided to the private sector will be responsible for the increase in economic activity, which will raise the rate of economic growth , Because the increase in the volume of credit will increase the volume of loans provided to the private sector and thus the volume of investment will increase, which contributes to raising the rate of economic growth (Mabrouk, 2015: 35), and in order to assess the efficiency of banking institutions in Iraq during the study period, the percentage index will be

adopted Bank credit to GDP, and as shown in Table (5), from which it is evident that the total cash credit provided by the banking sector witnessed a remarkable increase during the study period, as the total cash credit reached (1717) billion dinars in 2005, forming its ratio to output The gross domestic product for the same year was about (2.34%), and this percentage increased to reach (7.23%) in 2010 against a cash credit estimated at (11721) billion Iraqi dinars , The percentage of credit granted by government banks represented (75.30%), while the percentage of credit granted by private banks represented (24.61%) for the same year, and this increase is due to the relative importance of the role of banks in granting credit, as well as the policies followed by the Central Bank in The expansion of granting loans and advances, and the cash credit continued to rise until it reached (28438) billion dinars in 2012, and this increase is due to the increase in the credit granted by government banks, where its ratio to the cash credit reached (82.07%) The reason for this rise is attributed to the agricultural initiative launched by the state to support a large segment of farmers and farmers by giving them loans in order to advance the economic reality of Iraq, regardless of the procedures involved in granting these loans, and the volume of cash credit continued to increase until it reached (42052) in 2019. One billion dinars, to constitute (15.99%) of the gross domestic product, as indicated in the table below .

Table (5) The evolution of net bank credit and its ratio to the gross domestic product in Iraq for the period (2005-2019) one billion dinars

years	Credit granted by government banks (1)	Credit granted by private banks (2)	Cash credit (3)	GDP (4)	(1)/ (3) %	(2)/ (3) %	(3)/ (4) %
2004	250	600	850	53235	29.41	70.59	1.60
2005	553	1164	1717	73533	32.20	67.80	2.34
2006	964	1700	2664	95587	36.19	63.81	2.79
2007	1601	2354	3955	11145	40.48	59.52	3.55

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2008	3436	1151	4587	15702 6	74.91	25.09	2.92
2009	3762	1928	5690	13064 3	66.12	33.88	4.36
2010	8837	2884	11721	16206 4	75.39	24.61	7.23
2011	16568	3776	20344	21732 7	81.44	18.56	9.36
2012	23340	5098	28438	25422 5	82.07	17.93	11.19
2013	23387	6565	29952	27358 7	78.08	21.92	10.95
2014	26878	7245	34123	26633 2	78.77	21.23	12.81
2015	29077	7675	36752	19468 0	79.12	20.88	18.87
2016	29850	7330	37180	19692 4	80.29	19.71	18.88
2017	30621	7331	37952	22166 5	80.68	19.32	17.12
2018	31440	7510	38950	25487 0	80.72	19.28	15.67
2019	33560	8492	42052	26291 7	79.81	20.19	15.99

Source: Prepared by researchers, depending on the data of the Central Bank of Iraq, annual bulletins for the period (2004-2019), the percentages were calculated by the researcher.

2-2-4: Prevalence Index:

This indicator expresses the degree of spread, which is measured by (finding the difference between the interest rate on credit and the interest rate on the deposit). Besides the deposit and borrowing side, because the high degree of spread will make banks afraid to provide loans to customers, in addition to that customers will prefer to keep cash without presenting it to banks in the form of deposits (Al-Fahdawi, 2019: 136) , Because as it is known that when the depositor wants to deposit his savings in banks, he will compare the benefits he would get if his money remained in the form of liquid cash and the interest that he could get from depositing money in banks. This is on the one hand, and on the other hand the borrower will compare between The profits that are expected to be obtained through taking the loan and investing it in a project and the interest that the borrower can pay to the bank as a result of taking the loan (Ali, 2018: 28) , Based on the foregoing, it can be said that the lower the degree of spread, the more deposits increase, which leads to an increase in the ability to invest and thus achieve

economic development, and when referring to Table (6) which shows the exchange rate and the rate of the gap between the interest rate on credit and the interest rate On the deposit, it is noticed that the exchange rate began to decline during the first years, as it decreased from (1453) in 2004 to (1182) in 2009, which indicates the rise in the value of the local currency against the US dollar, then it rose again, but in small proportions, then took after This fluctuated, up and down, until it reached (1190) in 2019, and this indicates the effectiveness of the monetary and financial policy adopted in the country , It is also noted from the table that the interest rate set by the monetary authority has also fluctuated according to the requirements of economic stability, as for the rate of monetary policy, it witnessed a remarkable increase during the first years, as it rose from (6) in 2004 to (20) in 2007, and that rise came. In order to withdraw the largest possible amount of money from the public in order to reduce inflation, as well as to regulate the limits of credits and investments in most areas in which investment is permitted, for the purpose of carrying out banking operations completely, then it decreased in 2010 to (6.25) as a result of a decrease Inflation rates, and this decline was based on the rules of economic stability adopted by the monetary policy in order to achieve the desired development , Then it

started to decline until it reached (4) in 2019 as a result of the policy adopted by the Central Bank to advance the reality of the Iraqi economy to achieve the process of economic development, as it is noted from the table that the interest rate is gradually increasing, as the interest rate on credit rose from (12, 7) in 2004 to (14.48) in 2006 and then to (19.49) in 2008, while the interest rate decreased after that, in line with the government's directives aimed at implementing the

policy of financial liberalization , As it decreased from (15.62) in 2009 to (13) in 2012 until it reached (12) in 2019, but despite this decrease it is still high compared to the interest on deposit, and from the above it can be said that the rise in interest rates This is reflected in the volume of credit provided to the public by commercial banks, and what reflects this is the low rates of the volume of credit provided to the public compared to the capital owned by commercial banks.

Table (6) the evolution of interest rates and the spread rate in Iraq for the period (2004-2019)

Years	Deposits of state banks	Deposits of private banks	Total deposits	Ratio of total deposits to GDP %
2004	6	12.7	6.50	6.2
2005	7	13.65	7.26	6.39
2006	16	14.48	7.29	7.19
2007	20	19.46	11.3	8.16
2008	16.75	19.49	11.87	7.62
2009	8.83	15.62	8.82	6.8
2010	6.25	13.32	7.17	6.15
2011	6	13.56	6.9	6.66
2012	6	13.00	6.77	6.23
2013	6	13.12	6.6	6.52
2014	6	12.37	6.01	6.36
2015	6	12.27	5.75	6.52
2016	4.33	12.3	5.65	6.65
2017	4	12.3	6.14	6.16
2018	4	12.9	5.90	7.00
2019	4	12.0	5.80	6.20

Source: Prepared by the researcher based on the data of the Central Bank of Iraq, annual bulletins for the period (2004-2019).

2-2-5: The index of trading volume for foreigners in the financial market:

This indicator expresses the value of the securities traded at different prices during a certain period of time, i.e. it represents the liquidity of the economy in general, and this indicator also reflects the total value of the securities traded during the year, so it is considered one of the important indicators for the financial markets (Sawan, 2016: 403), and by referring to table (7), it is noticed that the index of trading volume has increased from (127) billion dinars in 2004 to (366) billion dinars in 2005, and the reason for this is due to the issuance of the Iraq Stock Exchange Law, which worked to increase trading volume as a result To increase the number of shares, while the volume of trading subsequently decreased to reach (146) billion dinars in 2006 despite the increase in the number of shares, due

to the poor security conditions that Iraq witnessed during that year, In addition to the high rates of unemployment and inflation rates during that year, according to the reports of the Ministry of Planning and the Central Bank of Iraq, which show that inflation rates reached during that year about (53%), then the volume of trading rose to (427) billion dinars in 2007, and this is due to the circulation of Securities for non-Iraqis in the Iraq Stock Exchange starting from 2007, as the volume of trading for non-Iraqis during this year reached (17) billion dinars, forming its ratio to the total trading volume (4%), then the volume of credit after that increased until it reached in the year 2011, about (941) billion dinars, and the reason for this is due to the implementation of the electronic trading activity and the successful holding of its sessions, and then it began to fluctuate as a result of the situation in the country , And the security that Iraq went through during the study period, as was previously mentioned, as the percentage of non-Iraqi circulation increased to the total volume of

trading until it reached in 2019 to (57.75%) and this percentage indicates that Iraq is heading in the right direction even if those percentages are modest. Because increasing the volume of circulation is the cornerstone of the development and development of the Iraqi economy, it is also noted from the table that the ratio of the market value to the gross domestic product, or what is known as the financial depth, it represents the size of the financial market to the economy, and it reflects the extent of the market's contribution to the gross domestic product through Market value , The higher the percentage, this indicates the higher liquidity enjoyed by the market, and when looking at the table we notice this may be due to the increase in people's awareness of the importance of this market, which contributed to the increase in the number of shares and thus the increase in the market value of them, which was reflected in the increase in financial depth, except It decreased in 2014 to reach (3.6%) as a result of the events that Iraq went through during that year, which reflected negatively on the performance of the Iraq Stock Exchange , Because the deterioration of the security situation clearly affects

that the financial depth index has witnessed a fluctuation, rise and fall during the period (2004-2008), and the reason for this is the deterioration of the security conditions that Iraq witnessed during that period. Which led to an increase in investor's fear of investing in the financial market, which was reflected in the modest performance of the market value, as well as an increase in the value of the gross domestic product resulting from the increase in oil prices, which is the main commodity that Iraq depends on in the formation of the gross domestic product , Then it rose again after 2008 until it reached (4.2%) in 2013, and

the number of shares and the market value of the share, and then affects the financial depth, while after that the financial depth percentage increased as a result of the relative improvement of the conditions the country is going through in addition to the increased awareness of the importance of the Iraqi market in advancing economic development Forward through the financial revenues provided by this market that contribute to correcting the work of the banking sector .

Table (7) Trading volume for Iraqis and non-Iraqis for the period (2004-2019) billion dinars

years	Volume (1)	Trading volume for the Iraqis (2)	(2) / (1)	Trading volume for foreigners (3)	(3) / (1)	Financial depth
2004	127	127	100	—	—	3.2
2005	366	366	100	—	—	4.3
2006	146	146	100	—	—	2.0
2007	427	405	96	17	4	1.9
2008	301	276.3	91.8	24.7	8.2	1.5
2009	411	306	74.45	105	25.55	2.4
2010	400	311	77.75	89	22.25	2.1
2011	941	893	94.9	48	5.1	2.3
2012	893	837	93.73	56	6.27	2.2
2013	284	268	94.44	16	5.6	4.2
2014	898	816	90.87	82	9.13	3.6
2015	456	343	75.22	113	24.78	6.4
2016	426	388	91.1	38	8.9	6.2
2017	386	340	88.1	46	11.9	4.8
2018	466	234	50.21	232	49.79	4.7
2019	284	120	42.25	164	57.75	4.3

Source: Prepared by researchers, depending on the data of the Iraq Stock Exchange, the annual reports of the trading movement for the period (2004-2019), the ratios and financial depth were calculated by the researchers.

2-3: Indicators of technological link

2-3-1: Indicator of the number of mobile phone users:

This indicator is one of the information and communication technology indicators, which can be considered the main driver of change in societies in the current era, and the most important characteristic of the information and communication technology system is

the speed of significant change in the equipment and programs used and the speed of spread in all economic sectors, and information technology is one of the important factors. To accelerate the pace of innovation, and form a collective and interactive pillar for more knowledge, information and communication technology has played an important role in bringing about clear changes in the economic and social reality and the volume of production by relying on investment in the human capital of many countries, especially the developed ones , The information and communication technology sector has contributed to building knowledge-based economies that contribute to advancing development forward, as the availability of knowledge and its transformation into digital information makes it transform into a commodity whose types increase day by day, and this depends on the stages of information generation, transmission, dissemination and investment (Al-Amiri, 2015: 445), and thanks to the spread of the technological revolution around the world, the information and communication technology sector has developed significantly after 2004, especially in the field of mobile phones, and the

number of Internet users has increased dramatically, and when referring to Table (8) it is noticed that the Iraqi economy has witnessed A remarkable development in the increase in the number of mobile phone users during the study period , The reason for this increase is due to the citizen's desire to acquire a mobile phone and use it as a cultural phenomenon and benefit from its advantages, and this matter reflects the extent of development that the Iraqi economy witnessed during the period of study, as it is noticed through the table that the number of mobile phone users is increasing, which indicates the extent of the widespread And the speed of interaction with the indicators of information and communication technology by its users, as well as showing the extent of participation and interaction of members of society, especially in light of the modern information age that made the Iraqi citizen keep pace with those developments that are taking place and that the developed world uses in this field, especially the modern scientific field, in order to benefit from them in all fields Whether it is economic, engineering, or other fields that contribute to achieving economic growth .

Table (8): Number of mobile phone users for the period (2004-2019)

Years	The number of mobile phone users	growth rate	Total population	Teledensity per 100 people for mobile phone users%
2004	2531089	—	27139585	9.33
2005	6387123	152.35	27962968	22.84
2006	9134373	43.01	28810441	31.71
2007	11600916	27.00	29682080	39.08
2008	17545860	51.23	30577798	57.38
2009	19921698	13.54	31664466	62.91
2010	23014071	15.52	32400205	71.03
2011	25363595	10.21	33088782	76.65
2012	29763880	17.35	33725178	88.25
2013	34256788	15.10	34304693	99.86
2014	35846824	4.64	34819301	102.9
2015	33470916	6.63-	35212600	95.05
2016	34957526	4.44	36169123	96.65
2017	40001723	14.43	37139519	107.7
2018	39150741	2.13-	38124182	102.7
2019	42971757	9.80	39127889	109.8

Source: Prepared by researchers based on data from the Ministry of Planning, Transport and Communications Statistics Directorate, various annual bulletins.

2-3-2: Indicator of the number of Internet users:

This indicator is also considered one of the most important indicators of information and communication technology, being one of the dimensions of economic globalization, because this index contributes to accelerating economic growth rates, through the expansion of the e-commerce sector between companies

and consumers through the purchase and sale of products, whether within the borders of the state or beyond National borders, because there are scientific studies that have proven that the high rates of Internet use contribute significantly to the development and expansion of electronic commerce through the interplay between knowledge, trade and electronic institutions. Therefore, the impact that the use of information technology leaves on the trade sector has significant implications for policies. National Concerning Investment in this Sector (Al Shawabkeh, 2011: 170) , When referring to Table (9), it is noted that the Iraqi economy has witnessed a remarkable development in the number of Internet users during the study period, as it is noticed through the table that the number of Internet users is increasing throughout the study period, if their number increased from (244,251) thousand people in 2004 To (1819440) million people in 2010,

with a growth rate of (27%) compared to 2009, then it continued to rise until it reached (20362013) million people in 2019, which indicates the extent of the wide spread and the speed of interaction with the information and communication technology indicators before Its users, being a catalyst in the economic globalization project, as a result of the communication network provided by information and communication technology that facilitates the access of goods, ideas and resources to all individuals and countries regardless of their geographical location , It is also noted from the table that the index of the number of internet users per 100 people has been increasing during the study period if it increased from (1.5%) in 2004 to (6%) in 2011, then those percentages continued to rise until it reached (52%) in 2019. This indicates the wide spread of information and communication technology indicators by its users .

Table (9): number of Internet users in Iraq for the period (2004-2019)

Years	Number of internet users	growth rate	Total population	Internet user index per 100%
2004	244251	—	27139585	1.15
2005	251667	3.04	27962968	0.90
2006	288100	14.48	28810441	1.00
2007	563958	95.75	29682080	2.00
2008	1180115	109.3	30577798	3.90
2009	1424880	20.74	31664466	5.00
2010	1819440	27.69	32400205	5.62
2011	1966900	8.11	33088782	6.00
2012	2428768	23.48	33725178	7.20
2013	2828832	16.47	34304693	8.30
2014	3233400	1.43	34819301	9.30
2015	5672134	72.56	35212600	16.11
2016	9053783	59.62	36169123	25.03
2017	19169217	69.28	37139519	51.57
2018	15297411	20.20-	38124182	40.13
2019	20362013	33.11	39127889	52.04

Source: Prepared by researchers based on data from the Ministry of Planning, Transport and Communications Statistics Directorate, various annual bulletins.

2-4: Indicators of Individual Correlation:

2-4-1: Indicator of the ratio of workers' remittances to the gross domestic product:

This indicator is one of the important indicators in the economy as it works to inject the Iraqi economy with hard currency through the citizens working abroad transferring their money into the country, which clearly

contributes to increasing the gross domestic product. The gross domestic product during the study period through Table (10) , From which it is noticed that remittances of workers abroad were fluctuating up and down, but the positive feature is that in most years it was high and this is a positive feature because it works to increase the country's revenues, but despite its rise during most years, its ratio to the gross domestic product, has not It reaches (1%) and the reason for this is due to the increase in the gross domestic product due to the high revenues of the oil sector.

Table (10): The ratio of remittances of workers abroad to the gross domestic product in Iraq for the period (2004-2019)
billion dinars

Years	Workers remittances abroad	GDP	Ratio of workers' remittances to GDP%
2004	341	53235	0.64
2005	614	73533	0.83
2006	419	95587	0.43
2007	122	111455	0.11
2008	194	157026	0.12
2009	275	130643	0.21
2010	170	162064	0.10
2011	885	217327	0.40
2012	169	254225	0.66
2013	405	273587	0.15
2014	500	266332	0.19
2015	240	194680	0.12
2016	572	196924	0.29
2017	697	221665	0.31
2018	1553	254870	0.60
2019	1454	262917	0.55

Source: Prepared by researchers, depending on the data of the Central Bank of Iraq, annual bulletins for the period (2004-2019), the percentages were calculated by the researcher.

2-5: The Human Development Index Index in Iraq for the period (2004-2019)

There are many indicators that are used to know the econometric of living of the people of a country, as the average per capita gross domestic product and national income constitute two basic elements in achieving economic growth for the individual and thus achieving human development, and increasing the average per capita share of them will reduce unemployment and poverty rates, Because as it is known that the spread of unemployment will increase the problem of poverty, and among the measures taken by the state is to increase government transfers that are provided to people with low incomes without retrieving those transfers, and based on this vision, these indicators will be addressed as they are in contact with the individual's income and achieve their well-being. , But before that, it is necessary to know the human development classifications of countries according to the Human Development Index, as the Human Development Index prepared by the United Nations classified the countries of the world into four groups, as stated in the 2019

Human Development Report, as the first section of which refers to the very high human development which is The value of the evidence in it exceeds (0,800), while the second section refers to high human development in which the value of the index ranges between (0,700) and (0,799), while the third section refers to medium human development in which the value of the index ranges between (0,555). And (0.699) , As for the fourth section, it refers to low human development in which the index value is less than (0,555) (**United Nations Development Program, 2019: 20**), and based on the above, Iraq is classified within the countries of medium human development, especially after 2008, but before that year it is It is classified within the countries with low human development, as reflected in Table (11) , through which it is clear that there is a noticeable improvement in the human development index, as a result of improvement in some indicators throughout the study period despite its decrease in some years, as a result of the security and economic conditions that it has gone through. Iraq during those years, which led to a decrease in the human development indicators in Iraq, especially the income index , which is one of the most important human development indicators .

Table (11) Human Development Index in Iraq for the period (2004-2019)

Years	Human Development Index	Years	Human Development

			Index
2004	0.521	2004	0.654
2005	0.552	2005	0.657
2006	0.515	2006	0.654
2007	0.512	2007	0.649
2008	0.512	2008	0.668
2009	0.565	2009	0.685
2010	0.567	2010	0.689
2011	0.648	2011	0.692

Source: Prepared by researchers depending on the United Nations Development Program, Human Development Reports for the period (2004-2019).

3- Measuring and analyzing the impact of economic globalization on the human development index in Iraq for the period (2004-2019)

3-1: Test the relationship between the study variables

3-1-1: Study variables :

In order to test the research hypothesis and achieve its goals, the independent variable represented by the

variables of economic globalization and the dependent variable was identified as the Human Development Index in Iraq. Therefore, equation (1) can be adopted in estimating the model that will be determined by the stability of the time series.

$$Y = a + b_1 \log X_1 + b_2 \log X_2 + b_3 \log X_3 + b_4 \log X_4 + b_5 \log X_5 + b_6 \log X_6 + b_7 \log X_7 + b_8 \log X_8 + b_9 \log X_9 + b_{11} \log X_{11} + u_i$$

Table (12) shows a description of the study variables.

sequence	Variable name	Variable symbol	Variable type
1	direct foreign investment	X1	independent
2	Workers' remittances abroad	X11	independent
3	Foreign trade	X2	independent
4	Total banking assets	X3	independent
5	Volume	X4	independent
6	Total deposits	X5	independent
7	Cash credit	X6	independent
8	The degree of spread	X7	independent
9	The number of mobile phone users	X8	independent
10	Number of internet users	X9	independent
11	Human Development Index	Y	Dependent

Source: the table prepared by researchers

3-1-2: Stability test results for the study variables:

Before conducting any econometric study and determining the appropriate methodology, it is necessary to systematically study the stability of all study variables, as it is clear from Table (13) and (14)

that both (dependent variables and independent variables) are stable after taking the first difference using the Philips Piron (PP) method and also In the style of Dicky Fuller developed (ADF).

Table (13) PP test for independent and dependent variables

Rank	PP test for the first difference data						PP test for original level data						Variables
	Without intersection and general direction		General trend and intersection		With the intersection		Without intersection and general direction		General trend and intersection		With the intersection		
		Prob.		Prob.		Prob.		Prob.		Prob.		Prob.	
I (1)	***	0.000	***	0.003	***	0.001	No	0.341	No	0.844	No	0.4812	X1
I (1)	***	0.0001	**	0.0128	***	0.003	No	0.3615	No	0.8891	No	0.4709	X11
I (1)	***	0.001	**	0.044	**	0.0146	No	0.6798	No	0.6543	No	0.2311	X2
I (1)	***	0.000	***	0.002	***	0.0002	No	0.9122	No	0.257	No	0.6283	X3
I (1)	***	0.000	***	0.001	***	0.0001	No	0.3575	No	0.7465	No	0.2168	X4
I (1)	***	0.009	*	0.051	**	0.0158	No	0.9863	No	0.8622	No	0.6558	X5
I (1)	No	0.104	No	0.287	*	0.0984	No	0.9914	No	0.7126	No	0.9391	X6
I (1)	***	0.001	**	0.032	**	0.0104	No	0.5216	No	0.4933	No	0.3484	X7
I (1)	**	0.015	**	0.018	***	0.0031	No	0.9988	No	0.6189	No	0.6239	X8
I (1)	***	0.000	***	0.002	***	0.0027	No	0.9937	No	0.9634	No	0.9982	X9
I (1)	***	0.000	***	0.004	***	0.001	No	0.9752	No	0.6154	No	0.6696	Y

Notes: (*)Significant at the 10%; (**)Significant at the 5%; (***) Significant at the 1%. and (no) Not Significant
 Source: The table was prepared by researchers based on the outputs of Eviews 9

Table (14) ADF test for independent and dependent variables

Rank	ADF first-difference test for data						ADF test for original level data						Variables
	Without intersection and general direction		General trend and intersection		With the intersection		Without intersection and general direction		General trend and intersection		With the intersection		
		Prob.		Prob.		Prob.		Prob.		Prob.		Prob.	
I (1)	***	0.008	No	0.207	*	0.090	No	0.341	No	0.862	No	0.4638	X1
I (1)	**	0.018	No	0.346	no	0.161	No	0.274	No	0.681	No	0.3621	X11
I (1)	***	0.001	*	0.057	**	0.019	No	0.483	No	0.477	No	0.1762	X2

I (1)	**	0.025	No	0.126	**	0.045	No	0.950	No	0.469	No	0.6568	X3
I (1)	***	0.001	**	0.045	**	0.022	No	0.389	No	0.976	No	0.735	X4
I (1)	***	0.009	*	0.055	**	0.019	No	0.895	No	0.682	No	0.4596	X5
I (1)	*	0.08	No	0.286	*	0.097	No	0.918	No	0.416	No	0.8987	X6
I (1)	***	0.000	**	0.004	**	0.001	No	0.472	No	0.106	No	0.1603	X7
I (1)	No	0.392	No	0.59	no	0.275	No	0.931	No	0.689	No	0.7634	X8
I (1)	No	0.699	No	0.634	no	0.844	No	0.985	No	0.999	No	0.9991	X9
I (1)	***	0.008	No	0.185	*	0.054	No	0.916	No	0.264	No	0.8768	Y

Notes: (*)Significant at the 10%; (**)Significant at the 5%; (***) Significant at the 1%. and (no) Not Significant Source:The table was prepared by researchers based on the outputs of Eviews 9

Based on the above stability results, which showed that the variables are stable at the first difference, the method of self-regression with a slowed distribution can be used, and this methodology includes three stages, the

first stage is to determine the optimal slowdown periods for the study variables, while the second stage is the joint integration test Through the boundary test, and in the case of an integral relationship, the third stage is transferred, where the error correction vector method is applied.

3-1-3: Autoregressive Distributed Slowdown Period (ARDL) model:

In 2001, Pesaran & Shinand & Sun presented a new method known as the boundary test method, which does not require that time series be complementary to the same degree and uses this method to test the existence of a long-term equilibrium relationship between the dependent variable and the independent variables within the framework of the self-regression model. Distributed slowdown periods, which is one of the most important tests used to determine the common complementarity and long-term relationship of economic models, as it addresses the weakness that most previous tests suffered from, which required that the studied variables be of the same degree of complementarity, in addition to that most of the previous tests were producing results It is inaccurate and misleading in the event of a small sample size (Abd and Hussain, 2019: 409) , Pisaran believes that the boundary test can be applied within the framework of the (ARDL) model regardless of the characteristics of the time series if it is integrated from the degree (I0) or integral of the first degree (I1) or a combination of the two, and the only condition for applying this test is the incompleteness of the series. Second-order temporal variations (I2) (Awad and Assad, 2020: 15345), so this model is one of the

models used in time series analysis as it combines the slowdown variables in a time series as internal variables with another external variable affected by it in the autoregressive model The year is therefore called the Autoregressive Distributed Deceleration Model (ARDL). In addition to the above, the time series is a function of slowing down its values and the values of the current explanatory variables and slowing them down by one or more times.

3-1-4: Analyzing the results of assessing the relationship between economic globalization and some human development indicators :

After it was found that the study variables are stable at the level and at the first difference of the study variables, so the results of the evaluation of the relationship between the study variables will be represented by the following :

3-1-4-1: Analyzing the results of assessing the relationship between the variables of economic globalization and the human development index:

In the first stage, it was found that the optimal slowdown period is represented by ARDL (1, 4, 4, 4, 1, 4, 4, 4, 1, 2, 0), in the second stage the limits were tested, as the results of Table (15) indicate that The value of Fisher's test (152.32) is greater than the upper

limit of I1, which means that there is a correlation between the search variables.

Table (15) results of the boundary test for cointegration

Test Statistic	Value	K
F-statistic	152.3230	10
Critical Value Bounds		
Significance	I0 Bound	I1 Bound
10%	1.83	2.94
5%	2.06	3.24
2.5%	2.28	3.5
1%	2.54	3.86

Source: The table was prepared by researchers based on the outputs of Eviews 9

The results of the analysis of the econometric criteria shown in Table (16) also showed that the model exceeded the econometric problems, as it is noticed through the table below that the model does not suffer from the problem of inconsistency of variance nor from the problem of self-correlation, given that the probability value exceeds (5%) and this It supports the

validity and accuracy of the results of the used model, as it appears from the model that there is no linear multiplicity problem based on the Klein test, which indicates that the coefficient of R^2 is greater than the square of the coefficient of correlation between the independent variables, which means that there is no linear multiplicity problem (Bakhit and Fathallah, 2017: 325).

Table (16) Model Diagnostic Tests

The econometric problem	Test	Value	Prob.
Self-correlation	Breusch-Godfrey LM Test	0.854364	0.3669
Contrast instability	Arch Test	2.445128	0.1234
Diagnostic accuracy	Ramsey Reset Test	0.878772	0.3905

Source: The table was prepared by researchers based on the outputs of Eviews 9

Based on the foregoing, the existence of a joint complementarity relationship allows the transition to the second stage of conducting the error correction methodology (ECM), as Table (17) indicates that the error limit CointEq (-1) is negative and significant (-0.744369), which are the two basic conditions in these two conditions. The methodology, as the value of the error limit indicates that there is a correction from the

short term to the long term at a rate of (74%). Moreover, the short term parameters correspond to a large extent with the long term parameters in terms of signals, even if the values of the parameters vary in varying proportions, so Estimates of the long-term parameters measure the total effect, whether it is a direct or indirect effect of the change in the independent variables on the dependent variable, while the short-term parameters measure the direct effect only.

Table (17) results of the estimation of the error correction model (ECM)

Cointegrating Form				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
DLOG(X1)	-0.075322	0.006696	-11.248982	0.0000
DLOG(X1(-1))	0.001722	0.001541	1.117496	0.2770
DLOG(X1(-2))	0.001927	0.001488	1.295120	0.2100
DLOG(X1(-3))	0.041521	0.001699	24.438228	0.0000
DLOG(X2)	0.110300	0.007923	13.922260	0.0000
DLOG(X2(-1))	-0.008256	0.005019	-1.644907	0.1156

DLOG(X2(-2))	-0.004289	0.004687	-0.915166	0.3710
DLOG(X2(-3))	-0.037794	0.004559	-8.289415	0.0000
DLOG(X3)	0.043323	0.007579	5.715900	0.0000
DLOG(X3(-1))	0.013726	0.004372	3.139231	0.0052
DLOG(X3(-2))	0.011905	0.004414	2.697175	0.0139
DLOG(X3(-3))	-0.129203	0.009603	-13.453932	0.0000
DLOG(X4)	0.005725	0.001492	3.837914	0.0010
DLOG(X5)	-0.273209	0.020154	-13.555866	0.0000
DLOG(X5(-1))	0.001773	0.015557	0.113946	0.9104
DLOG(X5(-2))	-0.005464	0.014577	-0.374857	0.7117
DLOG(X5(-3))	-0.125860	0.014926	-8.432372	0.0000
DLOG(X6)	0.004873	0.006556	0.743219	0.4660
DLOG(X6(-1))	-0.002239	0.005564	-0.402444	0.6916
DLOG(X6(-2))	-0.004227	0.005347	-0.790449	0.4385
DLOG(X6(-3))	0.021556	0.005550	3.883604	0.0009
DLOG(X7)	0.162049	0.031127	5.206043	0.0000
DLOG(X7(-1))	0.006367	0.010227	0.622549	0.5406
DLOG(X7(-2))	-0.000500	0.009266	-0.053950	0.9575
DLOG(X7(-3))	0.184210	0.016946	10.870684	0.0000
DLOG(X8)	0.041352	0.024178	1.710305	0.1027
DLOG(X9)	0.050533	0.004195	12.046721	0.0000
DLOG(X9(-1))	0.003602	0.002812	1.281151	0.2148
DLOG(X11)	0.076408	0.006955	10.986127	0.0000
CointEq(-1)	-0.744369	0.077334	-9.625433	0.0000
Cointeq = Y - (-0.1719*LOG(X1) + 0.2408*LOG(X2) + 0.2050*LOG(X3) + 0.0036*LOG(X4) -0.0737*LOG(X5) -0.0108*LOG(X6) -0.2036*LOG(X7) -0.0250*LOG(X8) + 0.0503*LOG(X9) + 0.1026*LOG(X11) -4.1491)				
Long Run Coefficients				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
LOG(X1)	-0.171928	0.019147	-8.979371	0.0000
LOG(X2)	0.240755	0.013125	18.343918	0.0000
LOG(X3)	0.204998	0.014759	13.889642	0.0000
LOG(X4)	0.003561	0.001693	2.102966	0.0483
LOG(X5)	-0.073745	0.013776	-5.353324	0.0000
LOG(X6)	-0.010752	0.006234	-1.724566	0.1000
LOG(X7)	-0.203606	0.017980	-11.324302	0.0000
LOG(X8)	-0.025015	0.015485	-1.615485	0.1219
LOG(X9)	0.050271	0.001947	25.821890	0.0000
LOG(X11)	0.102648	0.014695	6.985266	0.0000
C	-4.149096	0.312318	-13.284850	0.0000

Source: The table was prepared by researchers based on the outputs of Eviews 9

On the other hand, the lower part of the same table shows the results of estimating the long-term equation, from which the following becomes clear:

- ❖ **Parameters with a direct effect** : The results of the long-term response indicate the existence of a long-term negative effect, as the variables (remittances of workers abroad, the volume of foreign trade, total bank assets,

trading volume, and number of Internet users) have a direct effect with the human development index and this is consistent And the logic of economic theory, as the increase in remittances of workers abroad clearly contributes to the achievement of human development, because its increase contributes to increasing the incomes of individuals, and thus the achievement of human development, as well as the case for foreign trade as

increasing its size contributes to achieving human development in Iraq , It was also found that there is a direct effect of the variable of total banking assets on the human development index, and the explanation for this is that the accumulation of banking assets contributes to the growth and prosperity of the banking sector, which directly affects the achievement of human development, as it was also found that the volume of circulation has a direct effect on the human development index because the increase The volume of securities circulation contributes to the improvement and growth of human development, and it has also been found that the variable of the number of Internet users showed a direct effect towards the variable of the Human Development Index due to the fact that the areas of using the Internet are wide, whether it is health or other areas that contribute to achieving human development.

- ❖ Parameters with the opposite effect: The results of the long-term response clearly show the existence of a long-term adverse effect, as the variables (foreign direct investment, total bank deposits, and the degree of spread) have an adverse effect with the human development index and this is contrary to the logic of economic theory, which states that the variables The aforementioned has a direct effect, and this is due to the fact that the cause of the adverse effect between foreign direct investment and the evidence for human development is justified by the deterioration of the security conditions during some years of study, which contributed to the low entry of

foreign investments into the country , As well as the case for total deposits, which is explained by the weak volume of deposits with commercial banks in Iraq due to the lack of confidence of individuals in the banking sector, and the opposite effect of the large difference between interest on loans and interest on deposit is due to the fact that it represents a cost, to the reluctance of individuals to deposit their financial deposits with banks and correspondingly weak Government and commercial banks provide credit to individuals that would revive their economic situation and contribute to achieving human development.

- ❖ **Parameters that did not show any effect :** The results of the long-term response showed that there was no effect, as it is noticed that the variables (cash credit and the number of mobile phone users) did not exert any effect with the HDI, which justifies this is that the size of cash credit was weak Which makes its impact in providing loans weak also, which reflects that is the cash credit ratios in relation to the GDP during the study period, which contributed to the weakness of the cash credit provided to individuals as a reason for the failure to achieve human development, and the absence of an effect of independent variables in relation The dependent variable is due to the statistically insignificance of the parameters, which in the event that the parameters are statistically insignificant, it does not lead to any effect on the dependent variable.

The following is a table showing the slope of the HDI equation parameters

Table (18) estimating the tendency to equate the human development index

Variable	Coefficient	Inclination
LOG(X1)	-0.171928	-0.00171928
LOG(X2)	0.240755	0.00240755
LOG(X3)	0.204998	0.00204998
LOG(X4)	0.003561	0.00003561
LOG(X5)	-0.073745	-0.00073745
LOG(X6)	-0.010752	-0.00010752
LOG(X7)	-0.203606	-0.00203606
LOG(X8)	-0.025015	-0.00025015
LOG(X9)	0.050271	0.00050271
LOG(X11)	0.102648	0.00102648
C	-4.149096	-0.04149096

Source: the table prepared by researchers

Conclusions

1- The results of the study proved the existence of a long-term direct equilibrium relationship that moves between the variables of economic globalization and the variables of human development in Iraq during the period of the study, and this proves the hypothesis of the research.

2- The banking sector was ineffective in Iraq as a result of the conditions and political and security instability that the country went through, which reflected negatively on the performance of this sector.

3- Despite the issuance of many legislations and laws that allow and encourage foreign direct investment, the legal environment is almost unable to provide an investment climate due to political and security instability and the state of administrative and financial corruption, in addition to the weakness of the banking sector.

The trade policy adopted by the state after 2004, which focuses on trade openness and the monetary policy adopted by the state represented by the Central Bank of Iraq, has made unremitting efforts aimed at supporting the Iraqi banking sector and the commercial sector in order to achieve the goals sought by the openness policy. Policies still suffer from deficiencies and failure to keep pace with the developments that stimulate the possibility of achieving human development, as a result of the circumstances that Iraq went through during some years of study, which prevented the achievement of the goals sought by the policies of economic openness.

The indicators of economic globalization were fluctuating, up and down during the study period, due to the country's economic conditions that prevented during some years from achieving the goals sought by the policy of trade openness. Despite what these indicators had achieved during some years, they did not rise to The level of trends that the state seeks to achieve human development.

6- The human development index in Iraq was below the level required to achieve the well-being of individuals, and this is due to the economic conditions that Iraq went through that prevented the achievement of human development, despite the high revenues of Iraq due to the high prices of oil products, and the reason for that is the circumstances. Which Iraq passed through during the study period.

Recommendations

1- The necessity of increasing interest in revitalizing and activating the banking sector and expanding it according to the available capabilities to serve the

building of a banking infrastructure that keeps pace with the development of regional and international banks, as well as seeking to join Iraq to international institutions and bodies, in order to benefit from the opportunities and facilities granted to member states, for the purpose of advancing the Forward economic and human development.

2- The necessity of setting up a mechanism that works to develop trade relations by concluding bilateral or multilateral agreements that may have positive effects in encouraging and stimulating exports, raising the competitiveness of local products in the exporting markets, and working on developing the commercial policies followed, with the aim of increasing state revenues. And then increase the national income and thus increase the average per capita share, which contributes to raising the level of human development performance in its three dimensions, which include the formation of human capabilities and human use of these capabilities and raising the level of human well-being, which is reflected in the achievement of human development.

3- The necessity of adopting a sound policy capable of providing an economic and political stable investment environment to attract foreign and local investments to the country and developing thoughtful economic plans that contribute to increasing the volume of investments entering the country and removing all obstacles that hinder the entry of those investments.

4- Iraq must face the challenges of globalization and technological developments by planning the human development process by setting strategies that fit the requirements of human development according to the available natural, human or financial resources, as well as implementing government measures in support of human development.

Increasing spending on the education sector of various types and levels and paying attention to educational institutions for all stages by providing the necessary educational supplies and modern educational technologies needed by students, in addition to increasing interest in research and development for the purpose of preparing scientific cadres that contribute to raising the level of productivity and increasing production rates and thus increasing the domestic product Total .

It is necessary to increase spending on the health sector and work to provide all its requirements that it needs as it is one of the important and economic sectors that contribute to achieving human development, by providing an appropriate healthy environment because

all other sectors depend on this sector. If the health of individuals is not healthy then it will not Society grows, so it is imperative to pay more attention to human health, because that will lead to an increase in his ability to work and produce and thus accelerate the process of human development.

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