

The impact of the legislation of the Reconstruction Council Law on the reality of development in Iraq

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Abstract

The issue of the Construction Council law is one of the most important laws due to the difficult reality that the various sectors of the Iraqi state suffer, and the government's ability to absorb the challenges of the development process, in light of the differences that are increasingly complex and intertwined every day about the nature of the parties that will contribute to the process of construction and reconstruction and providing services to the people rising up against bad performance. The political class of the wise class, accompanied by a lack of confidence in any measure or law that the government offers to the people, this law remains dependent on the actual ability to resolve the outstanding issues related to services, improve them, provide a safe environment for investors, return the areas devastated by terrorism and create job opportunities for the youth and the unemployed.

Keywords: Law of the reconstruction council, decision maker, economic development, investment, infrastructure.

INTRODUCTION

Iraq has suffered from the shortcomings of the political systems that ruled of a totalitarian nature and which squandered the entity of its state by dismantling its structural unity. In addition to the cumulative crises left by the previous regime, Iraq as a society and state lived through several other crises after 2003 that affected its political entity, national identity, social unity and political sovereignty, which made construction a necessity and a necessary reality in light of all these cumulative crises at all levels.

The extent of the suffering experienced by the Iraqi society is a direct proportion to the aggravating internal conflict for many reasons, including the failure of the process of building a new Iraqi economic system, and the resulting intractable crises, and that this process was and still is an attempt to restructure society and the economy and draw the nature of The new imposition of certain values of the liberal

economy is better than the previous ones in all respects.

Hence the problem of the study comes that each era has its own implications and developments in order to advance the reality in which it lives, and that the legislation of the Council of Reconstruction Law similar to the previous era may not be consistent with reality to a certain extent, but it is a step towards construction and prosperity provided that it builds correct foundations and is not guided by the interests External and internal parties, but the work should be purely in a patriotic spirit towards effective construction and reconstruction and the provision of services to build the country according to well-thought-out plans, because Iraq today is in a state of chaos and political, economic and social confusion.

Regarding the hypothesis of the research, the extent to which the Law of the Reconstruction Council is able to change the developmental reality in Iraq during a certain period of time

under exceptional circumstances experienced by the world, and not Iraq alone.

Will legislation such as this law reap its results despite the challenges, and what are the most prominent positive and negative effects, and will it follow the same path that the previous law followed in dealing with the economic problems that Iraq suffers from.

The aim of the study is to find out the most prominent points of disagreement between the Law of the Council of Reconstruction and the development and economic reality, and to provide scientific evaluation visions to Processing the imbalance in the law before its enactment, in order for the legislator and the decision maker to benefit from the observations mentioned in the research.

According to the foregoing, the research was divided into a group of axes, namely:

First: an overview of the experience of the previous reconstruction council

Second: The reality of development in Iraq

Third: The positive effects of the Council of Reconstruction Law

Fourth: The negative effects of the Council of Reconstruction Law

Fifth: Conclusions and recommendations

An overview of the experience of the previous reconstruction council

Iraq has not witnessed success in the field of reconstruction and construction since the establishment of the Iraqi state in 1921, except during the period of the Reconstruction Council between the years (1950-1958), Before this date, Iraq relied on government programs and ministries' curricula in following economic, industrial and construction policies, because Iraq is going through unstable political and economic conditions, in addition to permanent changes in ministries and various bodies, in addition to the lack of resources that the national treasury obtains from imports of imported oil. This is because of the monopoly

of foreign oil companies and the lack of other resources at that era, so we see that the total expenditures in the field of construction and reconstruction since 1932, when Iraq joined the League of Nations (United Nations) until 1950, amounted to 36 million Iraqi dinars (1).

This indicates the weak development in Iraq during the thirties and forties, but after the Second World War and its repercussions, the government made vigorous attempts to reform the situation and follow urban, development and economic policies that depend on centralization in planning and implementation, after the improvement of Iraq's oil revenues in 1952, as they increased Imports of exported oil from 3 million Iraqi dinars in 1949 to 50 million Iraqi dinars in 1953 (2).

This increase came after the Ministry of Nuri al-Saeed concluded profit-sharing agreements with foreign companies operating in the oil fields for the year 1951, but this treaty was not ratified by the Iraqi parliament until February 1952, and at that time interest in projects, reconstruction and construction and activating the work of the Reconstruction Council, which was established by Resolution No. (7) for the year 1950 (3).

The Council is chaired by the Prime Minister, with the membership of the Ministers of Finance and Construction, in addition to (6) membership in the Council's secretariat, and special committees related to the work of the Minister of Construction.

At the beginning of the work of the Council, (100%) of the oil revenues were allocated, then (70%) of the government financial resources were reduced, and the Council was founded on three basic principles: (4):

1. Focusing on economic development in one body instead of spreading it among ministries.
2. Emphasis on the quality of projects and services such as irrigation, drainage, transportation and dams.
3. Allocating part of the oil revenues to cover the costs of the project or to repay loans when external borrowing occurs.

One of the council's priorities is to make economic investments in infrastructure, improve the urban reality, mechanize agriculture, expand the development of the state and raise the level of per capita income. During the eight years of its work since its establishment in 1950, the council succeeded in completing large development and service projects such as the Tharthar Lake and Dam project, the Ramadi Dam and Lake Habbaniyah and the projects accomplished by the council include the construction of the University of Baghdad and the Ministry of Planning on the Tigris River, in addition to other projects that were completed later, such as the general downstream projects and the international link between Iraq, Syria and Jordan, and some projects were completed in the eighties of the last century, such as the Mosul and Haditha dam, and the dam Dukan, Derbent Khan Dam, as well as cement, sugar, textile and other factories, power and natural gas stations, road and railway construction and housing projects (5).

The Council of Reconstruction was dissolved after the revolution on July 14, 1958, and not all subsequent eras were able to achieve development and economic recovery, and all the projects that were completed later were planned by the Council, and the actions of successive Iraqi governments were characterized by a lack of transparency in the allocation and management of financial resources, the increase in military financing And wars brought disasters to Iraq and its people, and today, because of the huge budget, politicians are unable to implement a strategic project, and this is clear evidence of wasting public money and was not used for the reconstruction of Iraq.

The reality of development in Iraq

Iraq has adopted a set of economic and development policies and measures aimed at influencing development indicators and these measures accompany the political transition process after 2003, aiming at liberating the economy and integrating it into the global

economy by adopting programs and policies that called for the reconstruction of Iraq and what was destroyed by wars and to provide opportunities for all the people of the country and to expand participation Realizing their hopes for economic and social change and development.

The entry of Iraq into this transitional phase was accompanied by a number of imbalances, including the emergence of terrorism and the deteriorating security situation. At the same time, the Iraqi economy was not in better conditions due to the accumulation of the siege and the era of the eighties of the last loan, as well as the absence of programs and plans to achieve the goals of the transitional phase and dependence on a set of decisions and procedures To manage this stage and adopt the shock method in the transition process, as well as the ambiguity of economic policies and plans (6).

As there are many things that have imposed themselves as characteristics of the economic and developmental reality in Iraq, which must be taken into consideration, and they are (7):

- A. Considering that Iraq is experiencing an exceptional stage in the aspects of its economic, political, social and security life.
- B. b. Total subjection to the largest dumping of inferior consumer goods in the local market, from different origins.
- C. Lack of supervision and control over the entry of imported materials.
- D. The decline and contraction of the state's role in the commercial sector, and the lack of maturity of the private sector.
- E. The foggy conditions surrounding the methods of exporting oil, which constitutes almost all Iraqi exports.
- F. Absence of an accurate statistical database on important technical economic determinants.

It also suffers from a set of structural imbalances that affected the movement of

economic and development variables, which are (8):-

1. One-sided economy: oil production plays a percentage of about (96%) of the gross domestic product, and represents the main source in generating output and moving the wheel of the economy, and reliance on oil exports as a single and primary commodity.

2. The openness of the Iraqi economy towards the outside: the high level of import until the level of exposure of the Iraqi economy reached (89.7%), which is a very large percentage, and one of its most important results is a strong reflection of the global economic movement on the movement of economic variables.

3. The dependence of the level of demand and spending in the economy on government spending as a driver of the economy: spending in the government economy is the main driver of the market and the economy. Without it, stagnation occurs in Iraqi markets and the level of economic activity decreases, for two reasons:

The first: The huge government revenues from oil exports, which are included in the current spending and government investment spending.

The second: Government revenues from traditional resources such as taxes, fees, and others.

4. The low level of private and public investment compared to the economy's need for that.

5. The increase in the ratio of consumption to Gross domestic product.

6. Low level of saving.

7. The weakness of the banking system in accumulating savings and preparing them for investment with its failure to keep pace with the internal economic movement and its inability to keep pace with the development in the field of banking work in the developed world.

8. The contribution of industry to the Gross domestic product has decreased.

9. The decline in the contribution of agriculture to the composition of the Gross domestic product.

The positive effects of the Council of Reconstruction Law

The general trend of the Iraqi state represented by the three presidencies wants to reproduce the idea of the Reconstruction Council again to avoid several problems, including the overlap in the powers between many institutions and ministries, as well as also to overcome the problem of corruption spread in most institutions and here we will show the most important advantages of the Reconstruction Council Law for the year 2019.

1- The legislation of this law will turn Iraq into a productive workshop, and the problem of unemployment that accompanied decision-makers is on its way to a solution, because the Law of the Reconstruction Council is a law of production, not consumption (9).

2- Returning the government to the investment program by developing all sectors and ensuring fair and efficient performance in preparing and implementing public service projects.

3- The draft law aims to establish infrastructure and establish major projects such as roads, bridges, airports and ports, in addition to encouraging local and foreign investment, following up on strategic, industrial, transformational, health and housing projects, and sustaining their operation in accordance with global international standards and concepts.

4- The council's objective is mainly to determine the funds that will be used for development and to determine the financial and economic policies of the state to promote economic development, thus creating new job opportunities provided by the project and improving living standards for the individual (10).

5- Develop methodological plans and planning in order to make lists of resources,

start implementing projects according to their importance, develop extractive and manufacturing industries, and establish modern transportation and communication networks.

6- The adoption of this law is one of the most important inputs for developing the economy and raising the individual's standard of living.

7- Increasing efforts to make the local and foreign private sector the main source of financing for the project, without relying solely on the country's investment budget.

8- Finding solutions to strategic projects that are stalled and in which there are reluctance, despite allocating annual funds for their implementation (11).

The negative effects of the Council of Reconstruction Law

Since 2003, Iraq has suffered from major economic obstacles due to poor planning and the lack of clear strategic economic plans, which led to mismanagement of the realization and implementation of development projects.

Here we will show the most important negatives mentioned in the articles and paragraphs of the Law of the Reconstruction Council, which the legislator must remedy and benefit from previous experiences to be better, which is thus.

1- In Article (1), Paragraph (4), related to financing projects from the percentage of revenues in the public budget or from the private sector or both, and in subsequent articles, it provides for transferring the allocations of projects managed by him from the general budget to him (12), if the government wants Participation in projects with the private sector. How will you dispose of private sector funds? The government should organize this process and clarify it in the law in the form of percentages to facilitate cooperation between it and the private sector.

2- In Chapter Two, Article (3), Paragraph First the task of the Council is to prepare, design, implement, promote and manage the

Council's projects, supervise them, determine their priorities, sign contracts with them, and then transfer them to implementation, direct operation or coordination. In this text, the board of directors outperformed parallel financial institutions and became a parallel state, and what are its responsibilities after the completion of the project, will the board be directly responsible for operating power plants, refineries, petrochemical plants and industrial cities, and with reference to the fourth paragraph of Article (1), and how will it take responsibility for operating Private sector companies financed in the manner described above based on the projects included in its supposed budget for the Council.

3- In the second chapter, Article (3), the second paragraph to the ninth paragraph, all of them are duties imposed by the laws and the constitution in force on the presidency of the Council of Ministers, ministries and departments, why do these bodies not perform their role, it must be mentioned in what capacity the Reconstruction Council replaces the Council of Ministers or as an advisor to perform these tasks , If it replaces the Council of Ministers, why, and if it is an advisory body, then the planning and research departments, research centers, advisory agencies and other institutions are the most in Iraq.

4- In the third chapter, which is the nature of the formation of the Reconstruction Council, which was discussed in Article IV, paragraph (1_2), which indicated that the Chairman of the Council is the Prime Minister and Deputy Executive Director at the rank of Minister, and three members of the ministries, namely Finance, Oil and Planning, in addition to the Secretary of the Council of Ministers, and the membership of five of the private sector, and thus the total of the council becomes eleven members(13), and it is more appropriate to add the Minister of Construction and Housing among the ministers when it comes to the council's competence, as on any basis of custom, tradition and principles that the council have members from the private sector, and the council is the supreme authority, so how Individuals in the private sector can participate in this authority, and can the Prime Minister

manage a council consisting of half of the members of the private sector, and what does his decision mean in this case, as for calling them the private sector is definitely not permissible because of other problems, in addition to the necessity of making the council's composition free of political quotas To remove the political influence on the economic and development decisions of the Council (14).

5- With regard to the executive director at the rank of minister, he is usually headed by ministers. The minister is headed by the deputy prime minister, and if he is not a deputy prime minister, the minister can head other ministers by virtue of his competence. As for an employee with the rank of minister who heads ministers, it is wrong. The Executive Director is also appointed by the Cabinet and then issues a Republican decision approving the appointment, and this is another mistake in how to lead the position of a Minister unless approved by the Parliament.

6- The text of the law in Article (8) and the Council has the authority, tasks and competence of the National Investment Commission stipulated in Investment Law No. (13) of 2006 with regard to the Council's projects, including granting the investment license according to a system issued by the Council (15). Here, there will be an overlap between the powers of And the council's tasks are with the National Investment Commission, which means increasing government spending structures because the formation of a reconstruction council will increase spending rates, as well as increase bureaucratic departments and complicate investment for the private sector instead of the government facilitating the entry of companies and investment in Iraq.

7- Paragraph (6) of Article (10) which distributes the dividends owned by the Council in its projects to Iraqi citizens free of charge, within the period specified by the Council, according to the system issued by the Council, appears from the project. From the day of the successful commercial operation, and here the

annual percentage deduction for the citizen must be set (16).

8- Article (13) in the first paragraph refers to the formations of the executive body of the council, which consists of (8) offices, and here the number of offices is many, and they must be reduced to a maximum of two or three offices, which ensures the flow of work within the council.

9- Article (16) indicates that the council's funding sources consist of the following:

First: Financial allocations from the state's annual general federal budget to cover operational expenses (17).

Second: (5%) of the total revenues included in the annual federal general budget to finance the projects of the Council after deducting the necessary expenses payable.

Third: Allocations of projects of ministries, agencies not associated with a ministry, and regions and governorates that are not organized in a region that are included in the Council's projects in accordance with the provisions of this law.

Fourth: Profits, fees, and fees for services provided by the Council to others.

Fifth: The funds allocated to the Council stipulated in the legislation in force or supportive in special funds in accordance with the law.

Sixth: Any other resources accepted by the Council.

We present here the low percentage of the allocation of the general income allocated to the Reconstruction Council, which is (5%), and the percentage is supposed to increase (1%) for each year until it reaches (10%) of the public revenues, because the task assigned to the Reconstruction Committee is very arduous and requires A lot of financial resources, so a paragraph should be added to this article that does not allow the committee to borrow money from abroad or confine it to a very narrow range internally, due to the many negative effects of external borrowing and the resulting

dumping of the country with external debts that are already large.

10- In Article 31, Law No. (27) of 1953 of the Council of Construction and the Ministry of Construction is repealed. The Ministry of Construction was abolished in 1959 and the Ministry of Planning was created in its stead, and in Law No. (74) of Article (9) of 1959, the Planning Council was established instead. From the Council of Reconstruction, and a secretariat was transferred to the Planning Council, and later the Law of the Planning Council was issued, and many changes were made to it, and it can be seen from the text contained in the draft law that the Iraqi government has finished its work since 1953 and has now woken up to continue working (18).

Conclusions and Recommendations

1- The ways to implement the draft law are the people's faith and trust in the government on this one hand, and on the other hand, the government must have the real will for construction and reconstruction that we are currently missing and considered necessary in the implementation of projects, while providing a real cadre to implement the project characterized by efficiency, integrity and sincerity, and to ensure that they do not partisan To keep the council away from the hegemony of political blocs and influential parties, or to open a new door for political clamor and developmental speeches matches.

2- The establishment of the Reconstruction Council is an important step to achieve development in Iraq, but the establishment of this council requires an effective government with a unified economic vision and planning. For years, Iraq has not had any economic vision, and this delays investment and projects completion, and the reason for this is that economic institutions are not interactive With economic developments, they are also not aware of the size of the responsibility that should be upon them.

3- The formation of the Council for Reconstruction represents a basic link to launch the development effort, but it does not achieve its goals unless it is accompanied by the political and management reforms that must accompany its formation, and one of the most important measures required is to allocate a fixed percentage of the oil revenue for investment purposes. In the fifties more than (75%) was allocated resource revenues oil.

4- The council's goal is to establish a parallel structure to the Iraqi government that is not subject to it, enabling it to work independently and professionally, and is not linked to the government except under the supervision and follow-up by the Council of Ministers. As for the status of a number of ministers and members of the private sector, this is incorrect and it should be limited to the prime minister and one minister In addition to replacing the private sector with highly skilled experts, the work of the Reconstruction Council is technical and economic.

5- Determining the penalties that are imposed on a member of the council and that are detailed in the text of the law and not in the bylaw or instructions such as (committing a felony or misdemeanor immoral, or violating the provisions of the law, or frequent absence from council meetings, or if there are interests in the council's projects. ..etc

6- Article (14) Third refers to the need to give priority to giant strategic projects whose implementation leads to the creation and strengthening of the Iraqi economy significantly, such as accelerating the implementation of the great port of Faw, building oil refineries and building many industrial cities, airports, large residential areas and other important strategic projects, nor The Council may be flooded by submitting projects of medium size or of limited importance, such as building sports stadiums, and other projects mentioned in the provisions of the draft Law on the Council of Ages to the Council, and the projects to be implemented must be divided into two parts:

7- The first: major urban projects, for which the necessary amounts are allocated in the general curriculum under one chapter, and the Council works directly to implement them.

8- Second: Small urban projects, for which the necessary amounts are allocated in the general curriculum under another chapter, and the Council entrusts their implementation to government departments according to their competence, but under the supervision and direct follow-up by the Council.

9- Emphasis in the text of the law on the nationality of the council members and the absence of executive members who are foreigners or belong to foreign companies, because the problem of experts was one of the problems facing the Iraqi government in the fifties, when the council attracted many foreigners, which generated conflict and competition among the council's experts. It is represented by the conflict of interests between companies and the competition for contracts and undertakings.

10- With regard to the ratio of the income of the Council's budget and the budget allocated to it, this expresses many issues, including the general expenditures of the project and the investment approach, which is part of the budget, and its management is organized in accordance with the laws in force and the development and implementation of instructions, there is another way to assign. The Council of Reconstruction has a mission, which is the independent management of resources, and the transition from the current budget to the investment budget, which was in effect in the early fifties until 2003. As for deducting funds from the general budget and managing it in this mysterious way, this does not represent a step to consolidate the institutional building of the country, but rather evade the right of reconstruction from. During the establishment of a parallel fiscal authority.

11- Finding solutions and imbalances between the managements, departments and sections responsible for implementing the project contract, so it chose this method, and the truth is that the government must first hold

these parties accountable for wasting public money in the implementation of contracts and supply contracts projects, and re-assuming the responsibility of organizing and structuring all these sections, in order to ensure the continuation of projects correctly. And without hesitation.

12- Article (10), the sixth paragraph, came to the distribution of dividends from shares, and Article (19) emphasized it, but according to a system issued by the Council or finding a better economic solution that the profits be reinvested again and in greater proportions in order to enhance the activities of the Council, and this enhances and achieves greater benefit for the country and society. By diversifying the Iraqi economy, developing services, improving the efficiency of economic development, and providing more job opportunities for the unemployed.

13- The completed projects must be handed over to the competent ministries for management by the council. The council must monitor, supervise, follow-up and maintain the projects after completion. It is not the one who manages the project, and here it must be stated in the law.

14- In the third chapter, the nature of the council's formation, we suggest that government agencies such as ministries should not be included in the council's membership, and it is limited to the Prime Minister and one of the ministers who is a deputy and (5) members of experts who have experience and who enjoy good conduct and various specializations in line with the work the Council.

15- If the council is the one who implements the project, what are the penalties or measures taken in this regard, if the period prescribed for the completion of the general curriculum is not sufficient to complete one of the projects, then the council must implement the part that it decided to complete during the period of its curriculum and complete the remaining section of it in the following curriculum, and it must: This is included in the law to find out the mechanism that shows the

plan and timetable for the project that the council is carrying out.

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