ABSTRACT. The paper aims to extrapolate the nature of domestic credit in Iraq by focusing on the period 2011/14 and focusing on the study's core focus. It explores the overall effects on the variables of economic activity and the population's overall well-being. The results indicate that credit changes in Iraq have not played a clear role under the reality of banks and their work as they are still constrained by many restrictions of an economic and political nature. Nevertheless, domestic credit is critical for encouraging banking and stock market operations and recruiting FDI, which enhances the banking system's and stock market's competence, impacting economic activity and energy consumption. It also enables increased access to credit and financial services and the building of cash for future investment since providing credit is a critical component in economic development. Nevertheless, the results reveal unequivocally that industrialization and financial development are necessary components of Iraq's long-run economic success.

JEL Classification: E50, E51, E59

Keywords: Monetary Policy, Domestic Credit, Public Finance

Introduction

The introduction should situate the study within a broader context and emphasize its significance. It should define the work's purpose and importance. The present condition of the research area should be thoroughly evaluated, and significant publications should be acknowledged. When appropriate, please emphasize contentious and divergent hypotheses. Finally, briefly summarize the work's primary objective and critical conclusions. Please make your introduction as understandable as possible to scientists who are not specialists in your field of research.

1. Literature review

According to several non-economic metrics, these three nations are small and underdeveloped in terms of geography and population, geopolitical significance, market size and aggregate demand, production, investment, export, and technical potential. Political