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THE IMPACT OF FISCAL POLICY ON MONEY SUPPLY DURATION: EVIDENCE FROM IRAQ

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ABSTRACT. Iraqi economy has garnered the interest of several economists and scholars due to the variety of situations it has encountered. Its economy has been harmed by structural and economic imbalances, particularly in the twentieth century. It has resulted in a decline in economic performance overall, increased fiscal deficits, and elevated inflation and unemployment rates, necessitating a more effective policy capable of influencing monetary variables, as well as policy coordination with other policies, most notably monetary policy, in order to achieve the optimal solution for influencing macroeconomic variables. Fiscal policy, via its tools, is a system of economic stability that supports the implementation of this strategy and strengthens the Iraqi national economy in the face of significant domestic and foreign problems. The purpose of this study is to gain knowledge about the most significant advancements in fiscal policy in the Iraqi economy and to assess their descriptive and standard impacts on the variable cash offer to achieve economic and social stability. The findings demonstrate that fiscal policy in Iraq has an influence on monetary variables in general, including the variable of cash availability, and that this effect has varying effects on the economy as a whole, depending on the diverse circumstances in which the local economy is operating.

JEL Classification: E62,
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