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MEASURING AND ANALYZING THE IMPACT OF SOME MONETARY INDICATORS ON ACHIEVING ECONOMIC STABILITY IN IRAQ FOR THE PERIOD (2010-2024)

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Abstract:
The research aims to measure and analyze the impact of some monetary indicators in achieving economic stability and the monetary indicators that have been focused on are the nominal interest rate, the real interest rate, the parallel exchange rate and the consumer price index. Either achieving economic stability, focusing on both the gross domestic product and the percentage of economic activities contributing to the Iraqi economy at constant prices. Spatial boundaries were represented in the data published by the Central Bank - Directorate General of Statistics and Research. The time limits of the search were a continuous time series of fifteen years from (2010-2024) due to the availability of information and data on the variables of searching for the studied variables. The research reached several conclusions, the most important of which was that the reality of the Iraqi economy cannot control the growth of the money supply through its various tools, but pointed to the opposite, as growth rates were taken in some monetary indicators with increasing growth rates of public spending, which confirms the strength of the impact of the government demand function on money affected by government income from oil resources.

Keywords: Monetary indicators, achieving economic stability

INTRODUCTION:

In order to maintain price stability and public trust in the value and stability of the national currency, the financial authority of a nation uses monetary policy to control the money supply or the profit rate that covers short-term borrowing, such as interbank borrowing to meet its short-term needs. Monetary policy typically aims to lower inflation or interest rates. Where the subject of monetary policy is one of the important and renewable topics with the change of economic factors that affect the various economic variables, which can be done by loading the impact of each of them on economic activity, loading the effects of the two policies is an overlapping and complex topic in terms of goals and tools, and they are related to the variables or one of them is an economic cause, so they become in the changes in economic activity It goes without saying that monetary and financial policies have a pivotal role in establishing the basic foundations for viable economic growth, The key objective of policy adoption is to achieve monetary stability and combat high unemployment rates by stimulating protected investments and attracting foreign investments, which represent the main engine of economic activity.

PART ONE: RESEARCH METHODOLOGY

1-1 Research problem:

Since the monetary economy provides information that aids in the formulation of the best monetary policy, the research's issue is the lack of coordination of monetary policy, which can have a detrimental impact on the accomplishment of economic stability. Monetary policy is typically developed separately from fiscal policy in developed nations. Contributing to GDP stability, achieving and maintaining low unemployment rates, and maintaining expected exchange rates between the government currency and other currencies are typically longer-term monetary policy goals.

1-2 The importance of research:

Since monetary indicators are linked to the state's monetary policy—which involves reducing the money supply by altering interest rates or eliminating excess reserves—the significance of the study stemmed from the significance of

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monetary indicators and attaining economic stability. A country's financial system that exhibits only slight variations in production growth and a continuously low rate of inflation is said to be in a state of economic stabilization. Growth rates in a few monetary indicators were compared to rising public expenditure growth rates, confirming the magnitude of the government demand function's influence on the amount of money impacted by government revenue from oil resources. A developed nation's economic stability is typically viewed as desirable and is frequently promoted by the central bank's policies and actions.

1-3 Research Objectives:

The research aims to measure and analyze the impact of some monetary indicators in achieving economic stability and the monetary indicators that have been focused on are the insignificant attention rate, the real attention rate, the parallel exchange rate and the consumer price index. Either achieving economic stability, focusing on both the gross domestic product and the percentage of economic activities contributing to the Iraqi economy at constant prices.

1-4 Research hypothesis:

The research is based on the basic hypothesis that there is a statistically significant impact relationship between monetary indicators and economic stability in Iraq for the period (2010-2024).

1-5 Research Limits:

Spatial boundaries were represented in the data published by the Central Bank - Directorate General of Statistics and Research. The time limits of the research were a continuous time series of fifteen years from (2010-2024) due to the availability of information and data on the variables of searching for the studied variables.

PART TWO: THE THEORETICAL ASPECT OF THE RESEARCH

2.1 The concept, importance and objectives of monetary policy:

In order to achieve economic stability and preserve the stability of exchange rates, the coherence of prices—that is, their reasonableness—and the control of interest rates in order to prevent inflation or the country's economy from entering a state of recession or deflation, central banks around the world implement monetary policy. Increasing growth rates of public spending demonstrate the strength of the influence of the government demand function on money impacted by government income from oil resources. In order to maintain price stability and public trust in the value and stability of the national currency, attempts were usually made to reduce inflation or interest rates in order to fulfill their immediate demands or with the money supply (Levy, et.al., 2010: 81).

Monetary strategy is one of the components of the overall financial policy used by the state, and it exercises its work by controlling the volume of money supply and changing it according to what suits and is commensurate with the economic conditions in the country, and the Central Bank undertakes the tasks of designing and implementing monetary policy, as monetary policy is one of the constituent parts of the economic policy approved by its monetary authority. Due to the existence of international trade and economic ties, each nation has its own currency, which has resulted in the creation of price exchanges where transactions involving creditors and debtors take place. Additionally, many nations have a tendency to float their currencies, which has led to the creation of foreign exchange markets where currencies are bought and sold (Jahan,2021:118).

Monetary policy aims to achieve and sustain low unemployment rates, maintain expected exchange rates between the government currency and other currencies, and support GDP stability because the monetary economy offers data that helps formulate the best possible monetary policy. In industrialized countries, monetary policy and fiscal policy are usually developed independently. The following can help to clarify the goals of monetary policy: (Bernanke,2016:22)

1. Economic and social price stability or mild inflation.
2. Because financial strategy must aim to adjust the currency source to the level of financial activity, achieving monetary and economic stability is essential.
3. Reaching full employment and a suitable level of employment and production in order to balance the balance of payments.
4. Expanding job prospects increasing the production of economic commodities and services over time in order to achieve economic growth.

2.2 Monetary indicators or monetary policy indicators:

Since the main objective of financial policy is to attain financial stability, combat unemployment rates, stimulate domestic investments and attract foreign investments, which represent the main engine of economic activity, there are some monetary indicators that can be followed, namely the nominal interest rate, the real attention rate, the parallel exchange rate and the consumer price index, which can be clarified as follows: (Angelopoulou, et.al., 2014: 293).

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1- Nominal interest rate: Usually represented as a percentage, the nominal interest rate is the rate at which money increases during a specific time period. Without accounting for the effects of inflation, it shows the return on investment. The interest rate on a loan or investment that is stated without taking inflation into account is known as the nominal interest rate. It stands for the cost of borrowing money or the first rate of return on investment. Nominal interest rates are usually expressed as an annual percentage. Comprehending To make wise financial decisions, it is essential to define and compute nominal interest rates. You can gain a better grasp of the actual cost or return by examining the compound period, inflation, and fees related to loans or investments. We shall examine real interest rates and their distinctions from nominal interest rates in the following section (Banco,2015:28).

2- Real interest rate: The interest rate that a lender, saver, or investor receives or expects to receive after taking inflation into consideration is known as the real interest rate. A more accurate explanation of the real interest rate can be found in Fisher's equation, which states that it is approximately equal to the nominal interest rate less the rate of inflation. Only after the conclusion of the loan period, based on the inflation rate realized during that time—known as the Interest realized in the name of the preceding real interest rate—is the real interest rate known in contracts that were created using the nominal interest rate. Since the introduction of inflation-coupled bonds in different countries, previous real interest rates have become observable (Josef, 2013:12).

3- Parallel exchange rate: The financial price in a dual system or the black market rate in a black market system are both referred to as parallel exchange rates. The price in one of the two parallel markets—which is known as the "parallel rate"—will typically be significantly higher if the black market and a dual system coexist. In a world where all commodities are traded and where they operate, a balanced exchange rate is the long-term exchange rate that is equivalent to the purchasing power parity of a currency. Markets are ideally efficient and effective. While the exchange control system is called the achieved argument rate scheme because it allows the government to intervene directly in controlling the supply of foreign exchange in a way that leads to a state of balance between the request for distant exchange and the source of it (Gertler, et.al., 2019:216).

4- Consumer Price Index: The Consumer Price Index is a statistical means of measuring changes in the prices of consumer goods and services from time to time. The CPI is also widely used as an accurate indicator to measure inflation and economic downturn trends. This figure is used as a measure of changes in the purchasing power of a currency. An index is a relative figure that quantifies the shift in one or more phenomena. It is derived by dividing the value of the phenomenon in the base period by its value in the comparative era. Prices of a constant market basket of goods and services fluctuating (Canzoneri, et.al., 2015:385).

2-3 The concept and importance of economic stability:

The meaning of economic stability can be summed up in a sentence, which is the state of a good financial system of the state where there are no excessive fluctuations that negatively affect its economic growth, such as high inflation or recurrent recessions. There is no doubt that countries are still suffering from economic problems and it has been emphasized that they have a direct impact on the economic activity of the state, and therefore many policies have been used to influence economic activity, regulate its growth and reduce the state's economic expenditures. growth rates were taken in some monetary indicators with increasing growth rates of public spending, which confirms the strength of the impact of the government demand function on money affected. Monetary policy is a type of Policies that help maintain the stability of the economy by changing monetary conditions, such as raising or lowering interest rates, expanding or reducing the money supply, so that the economy can be controlled and maintained stable by the review of monetary policy by most national economies (Fiorentini, et.al., 2018:75).

The term stability refers to the description of a good financial system of the state so that economists see it as a desirable state in the economy in which there are no excessive fluctuations that negatively affect economic growth, so that the stabilization economy enjoys fairly stable growth in production and low or economically stable inflation; The effects of economic instability include: (Garciga,et.al.,2016:319)

1- Unemployment.
2- Economic recession.
3- Low production.
4- Increasing poverty rates.
5- Low consumer spending.
6- Many companies stop working.

The importance of economic stability lies in the availability of financial resources, the provision of income, ensuring equitable access to resources, achieving macroeconomic goals, price stability, achieving stable and sustainable growth, creating an appropriate environment for balance of payments adjustment, encouraging investment in

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technology, stimulating and developing investment in human capital, alleviating poverty and having access to resources necessary for life, including quality food. Health, education, affordable housing, providing appropriate jobs, access to transportation, as it requires the flexibility of labor markets, which means the extent to which companies respond to changes that occur in the external market by making certain adjustments to their employees, so that the inflexible labor market may cause the dismissal of employees, which will contribute to a decrease in their spending, which leads to the economy reaching a state of economic recession, so to avoid this happening, the policy of flexibility of labor markets is used to enhance stability Economist Hartmann & Frank,2018:44).

2-4 The relationship between monetary policy indicators and economic stability:

As one of the primary pillars of the national economy's growth and development, monetary policy gains significant importance in the economic system and helps to improve financial and economic stability. For this reason, the Central Bank of Iraq is eager to surround it with a sophisticated and efficient supervisory and control system on monetary indicators in the nation, where the role of monetary policy channels that impact banking institutions emerges. growth rates were taken in some monetary indicators with increasing growth rates of public spending, which confirms the strength of the impact of the government demand. Monetary policy is one of the branches of economic policy entrusted with managing the money supply in line with the need of economic (Verona,et.al.,2017:188).

One of the most crucial tools available to the state for managing the national economy, whether in developed or developing nations, is monetary policy. This is because it is used to achieve economic growth and stability, specifically the ultimate goals of economic policy, which include achieving price stability, employment, economic growth, and external balance in a way that promotes economic stability (Stehn, et.al., 2019:259).

The goal of stabilization policy is to either limit the money supply to avoid hyperinflation or boost the economy out of recession. Taxes collected to fund government expenditures and revenue throughout all branches of government By reducing the money supply to curb inflation and increasing it to promote economic expansion, monetary policy manages a currency's value. Because it is more predictable and transparent, rules-based politics may have greater credibility. Rules and fixed exchange rates are two instances of rules-based policies. Interest rates as well as growth and stability agreement whereby external entities may enforce certain policy regulations, such as the currency exchange rate mechanism (Petronevich & Jean-Guillaume,2019:4).

Economic stability in an economy is among the goals that are directed and controlled macroeconomic policies to achieve, and financial rule is one of the significant tools of macroeconomic policy that is very reliable to control economic stability, but what prevents this is often economic factors that serve as challenges to monetary policy and it is related to the time slowdown, the correct and wrong coupling of policies and the conflict in goals in addition to the independence of the central bank. Through this study, we aim to study the course of monetary policy It was concluded that monetary policy in Algeria was ineffective in a way that guarantees economic stability, which was manifested in weak economic growth rates and financial and monetary instability as a result of the weakness of the productive apparatus, which was offset by demand-side support under development programs (Krippner, 2013:138).

PART THIRD: THE APPLIED SIDE OF THE RESEARCH

3-1 Measurement and analysis of monetary indicators in Iraq for the period (2010-2024):

The impact of monetary policy on economic activity is one of the important topics in macroeconomic analysis that is still debated, as monetary policy is most effective by emphasizing the importance of fiscal policy in achieving economic growth. The measures taken by the state to influence the gross domestic product and achieve a number of economic goals, the most important of which are raising growth rates, reaching full employment and price stability, and working to study the interaction between monetary and fiscal policy in terms of monetary and financial goals, tools and means in both the monetary and commodity market and the extent of their impact on achieving economic growth. The contract for difference is a cash index, which tracks the performance of some of the biggest corporations in the world. Through the tracking of these securities' price changes relative to one another, these indices evaluate the performance of these securities over time. These indices have become more common in recent years and are frequently included into successful trading plans. For the years 2010–2024, Iraq's monetary indicators are shown in the following table:

Table (1)
Monetary indicators in Iraq for the period (2010-2024)

Years	Nominal interest rate	Real interest rate	Parallel exchange rate	Consumer Price Index
2010	0.060	0.040	11850	125.10

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2011	0.060	0.000	11850	132.10
2012	0.060	0.000	11960	140.10
2013	0.060	0.040	12330	142.70
2014	0.060	0.040	12320	145.90
2015	0.060	0.050	12140	148.10
2016	0.040	0.340	12470	104.10
2017	0.040	0.040	12 120	104.30
2018	0.040	0.040	12090	104.70
2019	0.040	0.040	11960	104.50
2020	0.030	0.030	12340	105.10
2021	0.030	0.030	14740	111.50
2022	0.030	0.030	14820	117.00
2023	0.040	0.040	12 180	104.90
2024	0.040	0.040	13110	116.70
Average	0.046	0.053	12933.6	120.45

The table above shows that the average nominal interest rate for the period (2010-2024) was (0.046), the average real interest rate was (0.053), the average parallel exchange rate was (12933.6), and the average consumer price index was (120.45). The total deposits with banks operating in Iraq recorded a growth of (4.2%) in the third quarter of 2024, reaching (127.6) trillion dinars, compared to its value of (122.4) trillion dinars in the third quarter of 2023, in contrast, the cash credit granted by public banks recorded a growth of (11.6%) in the third quarter of 2024, reaching (72.7) trillion dinars, compared to its value of (65.1) trillion dinars per year. The third semester of 2023. And that deposits with private banks operating in Iraq recorded a growth of (14%) in the third quarter of 2024, reaching (18.7) trillion dinars, compared to its value of (16.4) trillion dinars in the third quarter of 2023, on the other hand, the cash credit granted by private banks achieved a growth of (15.1%) in the third quarter of 2024, reaching (12.2) trillion dinars, compared to its value of (10.6) trillion dinars. In the third quarter of 2023, pointing out that these percentages reflect the increased confidence of economic units in private banks operating in Iraq. Private sector deposits with banks operating in Iraq also recorded a growth of (3%) in the third quarter of 2024, reaching (56.1) trillion dinars, compared to its value of (54.4) trillion dinars in the third quarter of 2023, indicating that the cash credit decided to the secluded subdivision by banks operating in Iraq achieved a growth of (8.6%) in the third quarter of 2024, reaching (42.8) trillion dinars, compared to its value Language (39.4) trillion dinars in the third quarter of 2023, stressing that this increase reflects the increased confidence of the private sector in banks operating in Iraq. The Central Bank of Iraq revealed that the cash supply in the narrow sense in Iraq recorded a growth of (4.1%) in the third quarter of 2024, as its value reached (158.6) trillion dinars, compared to its value of (152.4) trillion dinars in the third quarter of 2023, in contrast, the money source in the comprehensive sense in Iraq recorded a growth of (3.3%) in the third quarter of 2024, as its value reached (179.8) trillion dinars, compared to its value of (173.9) trillion debts R in the third quarter of 2023. And that the gold reserves of the Central Bank of Iraq recorded a significant growth of (57%) in the third quarter of 2024, as their value reached (16.8) trillion dinars, compared to their value of (10.7) trillion dinars in the third quarter of 2023, confirming that the annual inflation rates in Iraq are among the lowest annual inflation rates in the countries of the region for the months of August and September of 2024, as the rest of the percentage is acceptable at (3.7%) and (3.1%) respectively, and this reflects price stability and the success of financial rule in Iraq.

3-2 Measuring and analyzing indicators of economic stability in Iraq for the period (2010-2024):

Iraq's economy encountered severe difficulties as a result of the 2015 and 2016 oil price declines, which caused economic activity to drastically worsen and the fiscal and current account deficits to grow more quickly. Iraq's exposure to the volatility of the oil market keeps macroeconomic risks high, although the medium-term picture appears to be improving. These crises have had a severe impact on growth, diverting resources away from investments. The International Monetary Fund provided a detailed assessment of the Iraqi economy, noting the challenges and opportunities that await Iraq in the future. According to the IMF, Iraq's economy contracted by 2.2% in 2022, but the outlook for 2024 and 2025 is more optimistic. The IMF expects the economy to grow by 1.4% in 2024 and 5.3% in 2025. The year 2024 witnessed important economic developments in relations with international institutions. Starting with the International Monetary Fund, which on May 16 predicted that Iraq's economy would grow by 1.4 percent in 2024 and 5.3 percent in 2025. The Fund also pointed to the widening of the Iraqi budget deficit to 7.6% in 2024 compared to 1.3% in 2023.The value of total revenues until September 2024 amounted to

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114 trillion Iraqi dinars, an increase of 19% compared to the same period of 2023, which was worth 95.85 trillion Iraqi dinars. Economic stability indicators in Iraq for the period (2010-2024) can be illustrated through the following table:

Table (2)
Economic Stability Indicators in Iraq for the Period (2010-2024)

Years	GDP at constant prices	Output growth rate at constant prices	Percentage of merchandise activities	Percentage of distributional activities	Percentage of service activities
2010	132687.00	6.400	58.120	22.930	18.940
2011	142700.20	7.550	59.350	22.160	18.490
2012	162587.50	13.940	59.990	22.600	17.410
2013	174990.20	7.630	60.370	22.040	17.590
2014	178951.40	2.260	61.690	22.210	16.100
2015	183616.30	2.610	66.800	16.700	16.400
2016	208932.10	13.790	71.400	13.600	15.000
2017	201059.40	-3.770	71.000	15.700	13.300
2018	202776.30	0.850	70.300	16.400	13.300
2019	211789.80	4.450	70.500	16.500	13.000
2020	189398.60	4.500	70.50	16.500	13.000
2021	198496.40	5.500	65.60	15.600	14.800
2022	212408.60	5.200	68.40	16.800	14.800
2023	210675.30	5.500	65.60	15.400	14.800
2024	227892.70	5.220	68.50	16.900	15.200
Average	189264.12	5.442	65.87	18.136	15.475

The above table shows that the average GDP at constant prices for the period (2010-2024) was (189264.12), the average growth rate of output at constant prices was (5.442), the average percentage of commodity activities was (65.87), the average percentage of distributional activities was (18.136), and the average percentage of service activities was (15.475). Whereas the GDP and per capita GDP exhibited comparable trends from 2005 to 2016, particularly in 2014 and 2015 and into 2016, what shows the wide range of data, including GDP, is that the International Monetary Fund's projections, including those for the years 3016–2020, which were predicated on predictions that oil prices would hover between $50 and $60, proved to be erroneous. Although prices dropped to $30, they really dropped considerably more in the first several months of 2016 and were typically in the $20–30 range, demonstrating the accuracy of the Fund's projections applied to GDP, revenues, expenses, and other statistics. Three indicators have been selected to show that the per capita GDP grew steadily from 2004 to 2013, reaching $6882 in 2013, before declining and hitting its lowest level in 2015 and 2016. It is anticipated to rise gradually in the upcoming years until 2020: GDP, GDP per capita and real annual growth rate in GDP, excluding year. T 2016 - 2020 The phenomenon was described according to a number of other indicators, and the above table indicated the large fluctuation in the three variables, as well as Table 2 indicates the standard deviation of the indicators, which represents a significant economic risk facing Iraq, in other words, an expected economic risk that the government did not anticipate and fell into a financial crisis. As the absence of financial resources to finance the economy with all its activities and activities except for oil led to the link of all economic activities and activities in Iraq with the price of oil, and since oil prices are a function of market variables and daily fluctuations, and may be annual changes or market cycles, this means the fluctuation of revenues and fluctuation in all short, medium and long terms, Thus, the importance of monetary policy channels that impact banking institutions becomes apparent as the Central Bank of Iraq seeks to surround it with a sophisticated and efficient supervisory and control system on monetary indicators in the nation. growth rates were taken in some monetary indicators with increasing growth rates of public spending, which confirms the strength of the impact of the government demand. Financial rule is one of the branches of financial policy which means that Iraq will be in front of two cases: The first case fluctuating revenues and obligations and fixed dues leads to a deficit in the budget and the second case the accumulation of the deficit to lead to a liquidity problem represented by Iraq's inability to pay its obligations and dues day by day and month by month and year by year, has been shown weak relationship between GDP and economic growth rates and effective supervisory and control system on monetary indicators in the country, and this is where the part that monetary policy channels play in influencing financial institutions. Growth rates in a few monetary variables were compared to rising public

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spending growth rates. The price of oil and monetary policy are two aspects of economic policy, and the constant rise in both was the cause of rising production volumes and rising oil prices.

3-3 Testing the research hypothesis and testing the correlation and impact between monetary indicators and achieving economic stability in Iraq for the period (2010-2024):

In order to test the research hypothesis, the correlation must be tested using the correlation coefficient (Pearson), which is one of the basics of statistical analysis, and it is used to measure the strength of the relationship between two variables in a set of data. This coefficient is one of the most common and used tools in various fields such as social sciences, as it helps to understand the relationships between phenomena and variables. The following table illustrates the value of the Pearson correlation coefficient (Pearson) between the research variables:

Table (3)
correlation matrix

Correlations			
Details		Monetary Indices	Economic stability
Monetary Indices	Pearson Correlation	1	.942*
	Sig. (2-tailed)		.000
	N	15	15
Economic stability	Pearson Correlation	.942*	1
	Sig. (2-tailed)	.000	
	N	15	15

Source: Prepared by the researcher.

The table above makes it evident that there is a strong direct association between the economic stability variable and the monetary indicators variable, with a correlation coefficient of 0.942. The Central Bank of Iraq is eager to surround it with a supervisory and supervisory system because monetary policy is one of the key pillars of the economic system and is crucial to the growth and development of the national economy. This helps to improve financial and economic stability. The following table illustrates how the effect association between the research variables can also be investigated:

Table (4)
Testing the impact relationship between research variables

Independent variable	Model Summary		Analysis of Variance (ANOVA)			Coefficients Transactions		
	R	R^2	F	Sig.F	Dependent variable	βi	T	Sig.T
Monetary Indices	0.942	0.887	9.214	0.05	Economic stability	5.436	6.057	0.05

Source: Prepared by the researcher.

The correlation coefficient R between the monetary indicators and economic stability factors has reached 0.942, as can be seen in the above table, indicating a direct association between the two variables, and the value of the coefficient of determination R^2 (0.887) and this explains the amount of (88.7%) of the variation in monetary indicators, as the value of F (9.214) at (0.05) This confirms the sentiment of the decline, and thus the improvement of monetary indicators by (1%) will lead to economic stability by (5.436%). As the reality of the Iraqi economy cannot control the growth of the money supply through its various tools, but pointed to the opposite, as the growth rates in the money supply took Tao Steady with the increasing growth rates of public spending, which confirms the strength of the impact of the function of government demand on money affected by government income from oil resources through the exchange of central bank money as liabilities with foreign exchange purchased from the government as assets within the balance sheet of the central bank. Thus, the research hypothesis has been proved, as it can be said that there is a statistically significant impact relationship between monetary indicators and economic stability in Iraq for the period (2010-2024).

PART FOURTH: CONCLUSIONS AND RECOMMENDATIONS

4.1 Conclusions:

1- One of the elements of the state's overall economic strategy is monetary policy, which is implemented by regulating the amount of money in circulation and altering it as necessary to reflect the nation's economic circumstances.

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2- Since the monetary economy offers data that aids in the formulation of the best monetary policy, monetary policy seeks to preserve expected exchange rates between the government currency and the other currencies, attain and sustain low unemployment rates, and contribute to GDP stability. Monetary policy is typically developed separately from fiscal policy in developed nations.
3- There are a few monetary indicators that can be monitored, including the nominal interest rate, real interest rate, parallel exchange rate, and consumer price index, since the primary goals of monetary policy are to attain monetary stability, lower unemployment rates, and encourage investments, which are the primary drivers of economic activity.
4- Economic stability is a desirable state in the economy in which there are no excessive fluctuations that negatively affect economic growth, so that the stabilizing economy enjoys fairly stable growth in production and low or economically stable inflation.
5- The goal of stabilization policy is to either limit the money supply to avoid hyperinflation or boost the economy out of recession. By reducing the money supply to control inflation and increasing it to promote economic growth, taxes that are used to raise money and fund government expenditures across the board regulate monetary policy and the value of the currency.

4.2 Recommendations:

1- The need to spend on investment projects and reduce spending on consumer spending, which leads to low inflation rates as well as low interest rates and thus increased investment, which leads to economic stability.
2- Attempts are being made to control the massive monetary mass by achieving a balanced proportion between the monetary mass and the Iraqi GDP in order to balance the real and monetary sectors.
3- In order to balance the balance of payments by achieving full employment and an appropriate level of output and employment, monetary policy must adapt the money supply to the level of economic activity. This is why monetary and economic stability is the goal.
4- The need to increase job opportunities Achieving economic growth by increasing the production of economic goods and services from one period of time to another.
5- Activating macroeconomic policy, especially monetary policy, by developing it on an objective and economic basis by specialists and experts or economists and financers, and the need for coordination between monetary and financial policies to achieve economic stability in general.

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