



# ECONOMIC DECISION-MAKING AND ITS ROLE IN THE DEVELOPMENT PROCESS: THE ECONOMIES OF RWANDA AND IRAQ (A COMPARATIVE STUDY)

(1) Mohammed Kadhim Shamkhi

(2) EASEIN H. THJEIL

mohammed\_kadhim@ijsu.edu.iq

easein.h.thjeil@ijsu.edu.iq

Imam Sadiq University/ College of Administrative and Financial Sciences

Article history:		Abstract:
<b>Received:</b>	14 <sup>th</sup> December 2025	The process of economic decision-making is very important in drawing the economic map of every country, whether developed or developing, by identifying and diagnosing weaknesses and putting in place appropriate mechanisms to address them or reduce their repercussions and risks to the economy, Rwanda is one of the African countries that has become a model in the good making and formulation of economic decisions, especially since it was exposed in the mid-nineties to bloody and tragic events that left victims and destruction of the economic infrastructure, accompanied by the spread of diseases, ignorance, administrative corruption and the deterioration of services, However, in a short time and with limited local resources, Rwanda was able to implement its plans in various economic sectors and achieve significant progress and a major leap forward in its economic development. On the other hand, the research addressed the importance of decision-making in Iraq as a comparative study with Rwanda. Iraq, due to the recklessness of decision-makers, was subjected to several wars over three decades, culminating in a severe economic embargo that completely halted economic development and caused a significant decline in most economic activities, However, after 2003, due to the weakness of successive governments, decision-makers were unable to improve the economic situation, leaving behind a fragile economy suffering from persistent structural imbalances, large debt, financial and administrative corruption that led to the squandering and loss of resources and the decline of development opportunities, and a weak authority dominating the country's resources, sharing wealth, privileges and positions among themselves, which negatively affected the health, service and education situation.
<b>Accepted:</b>	11 <sup>th</sup> February 2026	

**Keywords:** Economic decision-making, the economy of Rwanda, the Hutu and Tutsi tribes, genocide, civil war, the Iraqi economy, sectarian war.

## INTRODUCTION

The world has witnessed several development experiences of developing countries that have succeeded to the point that the experience of these countries has become a model for the rest of the countries that aspire to follow the path of development , Most of these successful countries were suffering from critical and unstable political, social, and economic conditions, For example, Japan experienced a major development boom after emerging defeated from World War II, having suffered enormous losses in lives, equipment, and resources, the effects of which are still visible today , But in record time, it was able to build a strong economic base and move from the cycle of poverty and underdevelopment to the ranks of major industrial nations, There were also other development experiences in some East Asian countries, as these countries were able to reach the level of developed countries in various fields of economic development and raise the competitive advantage of their products in the markets, It is worth noting the successful development experiences of African countries that have followed in the footsteps of Japan and East Asian countries. Among them, and most notably, is the Rwandan experience, as this country, with its meager resources, was able to achieve a leap in economic growth rates and a rapid democratic transition after suffering from bloody events, backwardness, and deterioration in the health and cultural aspects, to the point that some described it as the "Singapore of Africa". On the other hand, the Iraqi economy was characterized by rapid growth, recovery and prosperity in the early seventies of the last century, and this was reflected in an increase in the level of welfare through the increase in



the per capita share of the gross domestic product, and a great improvement in the health, cultural, service and social level. Iraq even seemed to be on par with the East Asian countries then known as the Tigers, due to the clear success and significant progress these countries had made in economic development. Until the beginning of the 1980s, when the country entered into a military conflict with Iran for eight years, which led to its transformation after the end of the war from a creditor country to a country burdened with debt due to spending on the military establishment and the requirements of the war. Among the remnants of wars and their calamities, in addition to the loss of lives, the halting of the development process, significant neglect in the health and service sectors, and the deterioration and obsolescence of infrastructure, Until the beginning of the nineties, when it began with a tragic event that affected all aspects of life in the country , The economy entered a deep slumber when economic sanctions were imposed following the ruling authority's adventure of occupying Kuwait and plundering its resources and assets. The tragedy continued with the deterioration of the general situation and the exodus of scientists, thinkers, and intellectuals abroad, fleeing the hardships of life and the tyranny of the regime. Which seized power, confiscated individual freedoms, and persecuted and eliminated opponents. Until 2003, Iraq entered a dark tunnel under foreign occupation that sought to dominate its most important natural resources and confiscate its wealth. He disrupted the economic machine by halting energy projects, and consequently halting industrial, agricultural, and service projects. He also deliberately tore apart the social fabric and unraveled its bonds, creating strife and conflicts between sects and religions, and interfering to impose weak and corrupt governments with absolute loyalty to foreign powers.

### **First: An introduction to the Rwandan economy**

Rwanda is located in Central/East Africa, with Kigali as its capital. It is bordered by Uganda to the north, Burundi to the south, Tanzania to the east, and the Democratic Republic of Congo to the west. Rwanda has a population of 14.26 million according to 2024 statistics, and its population is predominantly composed of the Hutu and Tutsi ethnic groups, Its area is 26,338 square kilometers. Christianity is the most widespread religion in Rwanda, as it is the main religion, with its followers making up 94% of the population. Catholics make up 57%, Protestants 26%, and Muslims 4.6% of the population, Eleven percent of the population identifies as Seventh-day Adventists (a Protestant Christian denomination that believes in the imminent Second Coming of Christ and observes Saturday as the day of worship, rather than Sunday), while the remaining percentage has no religion. According to some reports and studies, Islam arrived in Rwanda relatively recently through Arab traders from Zanzibar, The Muslims built their first mosque in the capital, Kigali, in 1913, named Al-Fath Mosque, which still stands today. **[1]**

When examining the economic realities and variables of Rwanda, we divide the period into two phases: the first, the period before the events of 1994, and the second, the period of economic development that followed 1994.

The Rwandan economy before 1994 relied heavily on agriculture, livestock farming, and animal husbandry as its mainstays, in addition to mining. Coffee and tea were among the most important agricultural crops. This reliance on these crops meant that the country's economy was highly susceptible to fluctuations in global prices for these agricultural commodities. Consequently, growth was sustained by these activities, supplemented by foreign aid, However, this growth slowed and became erratic in the 1980s due to the decline in coffee prices. The annual GDP growth rate was 6.5% for the period 1973–1980, then fell to 2.9% for the period 1980–1990. The crisis then reached its peak with a rapid decline in GDP of 40% during the years of the civil war, despite the implementation of IMF programs (structural adjustment programs) that included two devaluations of the local currency. **[2]**

### **Second: The causes and consequences of the Rwandan civil war**

It is a conflict between the Hutu and Tutsi tribes, and this conflict has its beginnings dating back to the 1959-1962 revolution that replaced the monarchy with a republican system led by the Hutu, which prompted more than 330,000 Rwandan citizens from the Tutsi to leave the country, specifically to Uganda, for fear of the Hutu tribe's oppression. The refugees there established what is known as the (Rwandan Patriotic Front), Which later established an army under the leadership of (Paul Kagame) in the late 1980s. Initially, the war declared by the Patriotic Front against the Rwandan government broke out at the end of 1990 and succeeded in penetrating approximately 60 kilometers into Rwanda at the beginning and considered this achievement to be one of the first steps towards victory over the government, But France's intervention at this time in support of the Rwandan army with weapons, supplies and paratroopers as a key factor, and the killing of the most prominent leaders of the Front as another factor, led to a major setback for it and the balance of power shifted in favor of the Rwandan army, ending with the withdrawal of the Patriotic Front fighters to Uganda once again. From within, the Rwandan government was subjected to great pressures demanding that peace negotiations be conducted with the Patriotic Front and that a state of social peace be reached, A peace treaty called the Arusha Agreement was indeed signed between the two parties in 1993, and the terms of the agreement were subsequently implemented, and peacekeeping forces were deployed. However, the Hutu Power Movement, a popular movement from the Hutu tribe that had great influence in Rwanda, was planning to eliminate the Tutsi tribe, and the



plan was put into action after the assassination of Rwandan President Habyarimana in 1994, Over the course of one hundred days of conflict between the two tribes, more than a million innocent people were killed in a tragic event now known as genocide. The Rwandan Patriotic Front (RPF) resumed the civil war, cutting off supply routes to the capital, Kigali, after besieging and seizing control of it. This forced the government and war criminals to flee the country and seek refuge in Zaire. Following this, the RPF assumed power in Rwanda and initiated a program to rebuild the country's infrastructure and reform the economy. **[3]**

### **Third: The Rwandan economy after the civil war and the development renaissance**

After the war, Rwanda achieved a developmental renaissance by pursuing a policy focused on social reconciliation and national unity under the leadership of the new government, implementing programs to reform and rebuild infrastructure, combat corruption, and fight poverty and illiteracy. However, the path to development and recovery was not easy, as the new government faced several challenges, The first challenge facing the government is the social memory, which is charged with hatred and hostility, and how to avoid this bloody legacy. The other challenge is the flight of investors and capital owners abroad for fear of the ravages of war and its consequences, as well as the emigration of intellectuals, young people, and advanced human resources in search of safety and security, Another issue is that the country faces a scarcity of resources; it has no oil fields, mines, or access to the sea, hence its designation as a landlocked country. Furthermore, it is a small country with a high population density relative to its size, characterized by numerous hills and volcanic terrain. Despite these challenges, the government has achieved a significant economic leap, with GDP growing at an annual rate of 7.5% between 2000 and 2022. This rapid increase is attributed to the government's adoption of several economic programs and reforms, most notably encouraging the return of refugees from abroad and providing them with suitable job opportunities, as well as addressing the unemployment problem, Likewise, improving the business and investment environment, creating a suitable investment environment, paying attention to the reality of education, and enrolling a large percentage of those of pre-university education age in educational institutions, as a five-year plan was adopted to confront the phenomenon of dropping out of education, and succeeded in reaching a percentage of students in education of 85%, Accordingly, Rwanda has become one of the top three countries in the experience of advancing education, according to the 2014 Global Education Quality Report issued by UNESCO. There is a serious study to make secondary and university education free. In the field of combating illiteracy, the government adopted an electronic system as a means of education after concluding an agreement with Microsoft. Attention is also being paid to the health aspect and the decrease in the mortality rate among newborns, All these factors are important indicators of social and economic development. In the area of combating corruption, the government has taken a firm stance against corruption, illicit enrichment, money laundering, and the transfer of funds abroad. In this regard, it launched a national anti-corruption initiative in 2012, which has indeed borne fruit, with Rwanda ranking third on the list of least corrupt countries in Africa, as stated in Transparency International's 2018 report. **[4]**

The government has sought to establish pioneering economic development by adopting a middle ground between the free capitalist market model and the application of the principle of "laissez-faire" and the non-free market model in which the government intervenes. This strategy has enabled the government to deal in a balanced way with internal and external variables, The first model was adopted in the business and mining sectors, and the second model was used in the agricultural sector and rural areas. In this way, the government was able to control and dominate those areas far from the center of decision-making, The state has increased its efforts to encourage local and foreign private investment and facilitate the entry and circulation of capital in productive projects, as it has approved procedures for registering an economic project that do not exceed six hours only, and this step is similar to the Singaporean experience in attracting foreign investment, To prevent corruption and extortion of businessmen, modern procedures were introduced into the tax system, making tax collection electronic. These investments have led to increased demand for labor, creating 56,000 and 66,000 jobs in 2016 and 2017 respectively. **[5]**

Under the aforementioned measures, Rwanda was able to achieve many accomplishments. It maintained high growth rates in output, and it jumped in the World Bank's 2018 Ease of Doing Business Index to 29th place globally and second in Africa, after being ranked 41st in 2017, This indicator is intended to guide foreign investors in investing their capital. An example of this is the German car company Volkswagen's decision to choose Rwanda as a center for manufacturing and distributing cars in Africa, and indeed a production line has been successfully launched, Rwanda has achieved another accomplishment that distinguishes it from other countries as a young nation after the calamities it has suffered. In 2019, Rwanda launched its first satellite, designed by a British company, with the aim of connecting its schools and rural and urban areas to free internet. This distinguished project came as an integrated step to develop the internet network and strive to be a center for technological innovation, The government's focus on diversifying income sources has increased, and one of the sectors it has prioritized is tourism. Rwanda has capitalized on its stunning natural beauty as a tourist destination, along with its attractions such as forests, jungles, and gorillas, for which Rwanda is one of the last remaining habitats. It has become a magnet for tourists, with Kigali being ranked the most beautiful city in Africa in 2015 according to the United Nations' list of the most beautiful cities, In the field of investment, the government also



turned to investing in the field of sports through partnerships with the English football club Arsenal and Paris Saint-Germain, and the establishment of the World Road Cycling Championship in 2025. [6]

Table No. (1) Key Economic Indicators for the State of Rwanda in the period 1980-2023 (billion dollars)

year	Gross Domestic Product (GDP) According to Purchasing Power Parity	GDP per capita According to purchasing power parity	gross domestic product	GDP growth % (real)	Inflation %	Government debt Percentage of GDP
1995	2.96	541	1.47	24.5	56.0	120
2000	5.00	667	2.05	8.4	3.9	103
2005	8.28	938	2.94	9.4	9.1	67
2006	9.32	1,036	3.32	9.2	8.8	24
2007	10.30	1,120	4.07	7.6	9.1	24
2008	11.68	1,229	5.18	11.2	15.4	19
2009	12.50	1,289	5.68	6.3	10.3	20
2010	13.58	1,356	6.12	7.3	2.3	20
2011	14.94	1,465	6.89	8.0	5.7	20
2012	15.71	1,499	7.65	8.6	6.3	20
2013	16.70	1,555	7.82	4.7	4.2	27
2014	18.93	1,721	8.24	6.2	1.8	29
2015	20.53	1,823	8.55	8.9	2.5	33
2016	21.98	1,905	8.70	6.0	5.7	37
2017	23.67	2,004	9.25	3.9	4.8	41
2018	26.30	2,176	9.64	8.5	1.4	45
2019	29.31	2,369	10.35	9.5	2.4	50
2020	28.69	2,265	10.17	-3.4	7.7	66
2021	33.24	2,566	11.05	10.9	0.8	67
2022	38.47	2,904	13.31	8.2	13.9	61
2023	42.34	3,137	13.93	6.2	14.5	63

International Financial Statistics, International Monetary Fund (IMF) [7]

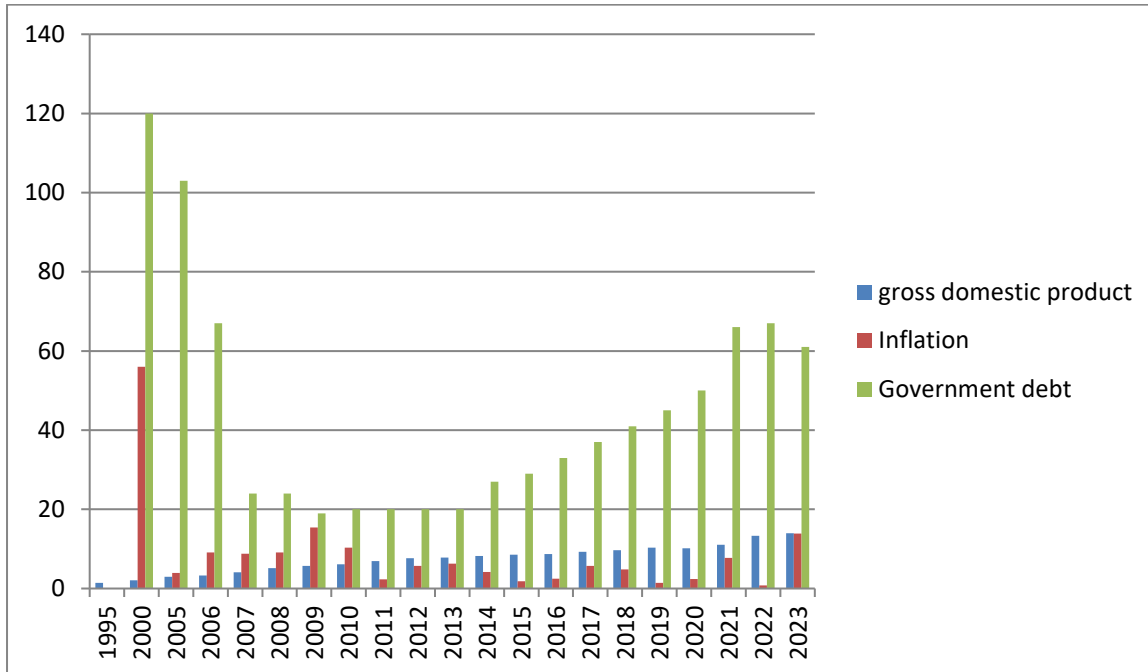


Figure No. (1), created by the researcher based on Table No. (1)

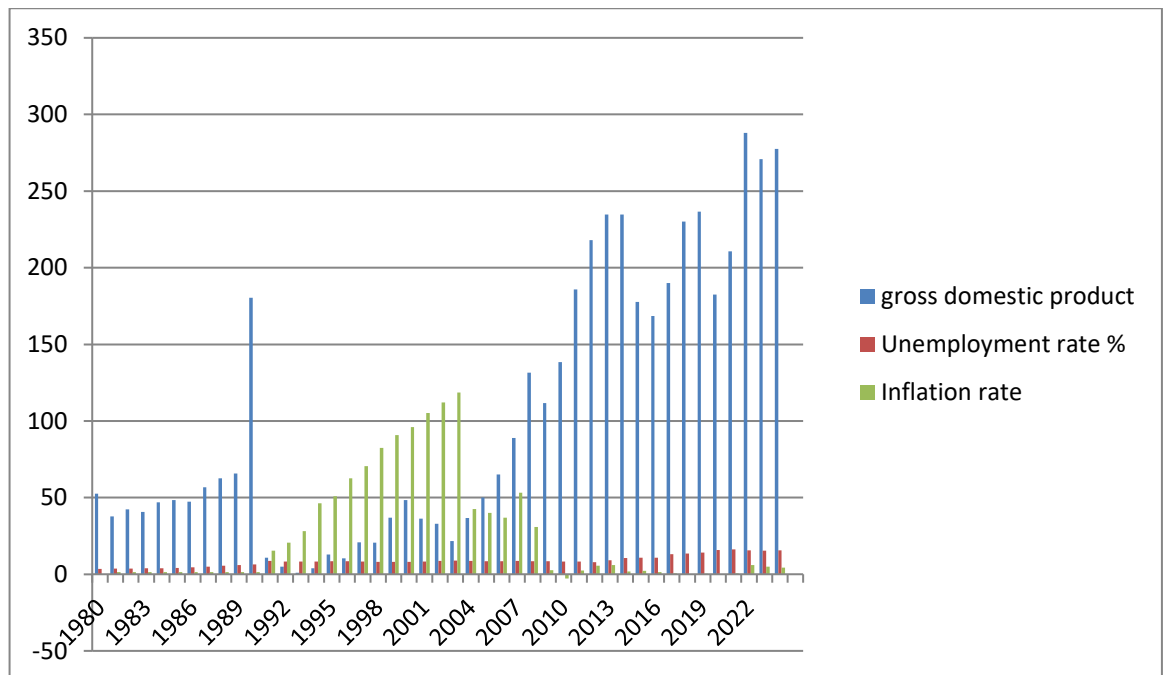
Table No. (2) Individual share and contribution to the gross domestic product

year	Individual contribution to output	per capita share of the output
1980	292	419
1981	320	454
1982	329	453
1983	339	481



1984	317	550
1985	364	572
1986	399	596
1987	428	588
1988	442	590
1989	447	559
1990	417	569
1991	298	546
1992	317	595
1993	325	582
1994	223	372
1995	245	501
1996	268	576
1997	345	643
1998	338	646
1999	284	611
2000	266	659
2001	248	713
2002	242	800
2003	257	813
2004	277	866
2005	334	955
2006	368	1051
2007	442	1137
2008	545	1247
2009	585	1306
2010	612	1376
2011	674	1487
2012	730	1601
2013	728	1665
2014	749	1756
2015	758	1884
2016	753	1968
2017	783	2033
2018	797	2195
2019	836	2412
2020	803	2357
2021	854	2815
2022	1005	3190
2023	1061	3510
2024	1028	3814
2025	1042	4103

**International Financial Statistics, International Monetary Fund (IMF) [7]**



**Figure No. (2), created by the researcher based on Table No. (2)**

From the previous data and the graph, it is clear that the individual's contribution to the gross domestic product and his share of the output. The evaluation of this data regarding the individual's share of the output can be divided into two periods, the first from 1980 - 1994, as this period was fluctuating, as is clear in the graph, This fluctuation is due to the fragile political situation and the security climate, which portends bad events and changes for the country, in addition to sectarian tension and the high level of poverty due to unemployment, The deteriorating state of services, health and culture, and the reliance on agriculture as a primary source of income, in light of the phenomenon of poor land distribution among landowners, where the feudal class has spread widely, and the reluctance of investors to invest their capital domestically due to the high level of uncertainty, The high level of ignorance and illiteracy, all these factors combined to negatively affect the performance of the economy, and consequently the decrease in output and the lack of recovery in the per capita share of it. This period was very critical for the economy, as it threatened to lead the country into a dark tunnel and economic decline due to the civil war that was looming on the horizon at that time, As for the second period, extending from 1995 to 2024, it witnessed a rapid and remarkable economic recovery and development. The new government at that time implemented numerous reforms, including promoting social reconciliation, rejecting sectarianism and tribalism, raising the level of healthcare and public services, creating a promising and suitable investment environment, and diversifying income sources by focusing on the agriculture, mining, and tourism sectors. All these factors led to an increase in the gross domestic product, which was reflected in a rise in per capita income and the standard of living. [8]

#### **Fourth: The radical changes that led to the development renaissance in Rwanda**

One of the most important factors that led to the transformation of Rwanda, as it was called (from genocide to leadership):

- 1- Achieving social peace between the warring sects and tribes, and conducting a genuine national reconciliation, To achieve political stability, the government enacted laws criminalizing all forms of sectarianism and tribalism. Among the important reforms was the elimination of the Hutu and Tutsi classifications on identity cards, replacing them with simply "Rwandan." The government also worked to rehabilitate and resettle refugees. [9]
- 2- Implementing structural reforms in the public and private sectors, giving the private sector an opportunity to be the engine of development, enhancing the business environment, rehabilitating infrastructure including roads and communications, and moving towards diversifying the economy.
- 3- The government focused on building strong, corruption-free institutions that promoted integrity and good governance, high performance in line with global institutions that operate with modern technology.



4. The Rwandan government has developed a comprehensive long-term development plan for the period 2020–2050, focusing on transforming the country from an agricultural to a knowledge-based economy, with an emphasis on sustainable development and the avoidance of depleting natural resources. [10]

5- Creating a suitable investment environment by improving the business environment and carrying out regulatory reforms, streamlining company registration procedures through what is called (the one-stop shop), and developing the banking system to serve and promote procedures for investors and members of society.

6- The government worked to support the agricultural sector as the active sector in the economy, adopting modern technology in the production process, organizing farmers under cooperative groups, and moving from subsistence farming to market-oriented agriculture, After the war, the state also moved towards redistributing agricultural lands and including women in obtaining agricultural lands, after the distribution of lands in the previous government had been limited to men only.

7- The government turned to developing education and health, and introduced modern programs to teach students how to establish small economic projects, methods of production, and to instill a culture of saving in them .

8- Granting government institutions broad powers to implement development plans according to their assigned tasks, thus saving time, effort, and expenses. [11]

9- The government has increased its interest in the tourism sector due to its natural beauty, forests and animal wealth, and Kigali has occupied an advanced position as one of the most beautiful African capitals according to a United Nations report on the most beautiful cities in Africa, It has become a tourist destination frequented by tourists from all over the world, who also come to explore the museums and centers that preserve the history of Rwanda and the events it has witnessed over the decades. [12]

10- In a bold and distinctive move, Rwanda turned to investing in sports and entering into partnerships with international clubs such as Arsenal and Paris Saint-Germain football clubs, and organizing tournaments and sporting events such as road cycling races and other sporting activities. [13]

#### **Fifth: The nature of the Iraqi economy**

Iraq is located in the northeast of the Arab world in Asia. It is bordered to the north by Turkey, to the south by the Arabian Gulf, Kuwait and Saudi Arabia, to the east by Iran, and to the west by Syria and Jordan. According to the latest statistics, Iraq's population is 44 million and its area is 435,052 square kilometers. Iraq is characterized by an abundance of water due to the Tigris and Euphrates rivers, which originate in Turkey and flow south into the Shatt al-Arab. For this reason, Iraq's soil is characterized by high fertility.

When reviewing the stages that the history of the Iraqi economy has gone through, we see that the prominent sector as an important source of income in the 1950s was the agricultural sector. This was aided by the abundance of water, the fertility of the soil, the suitable climate, and the diversity of crops according to the terrain from north to south, The 1970s witnessed a major economic recovery in Iraq, a qualitative leap in development, due to the increase in oil revenues following the decision to nationalize oil in 1972, This led to increased attention to infrastructure, the development of five-year development plans encompassing the advancement of all economic sectors, and a greater focus on education, health, and services, resulting in improved economic development indicators through increased productivity among members of society. [14]

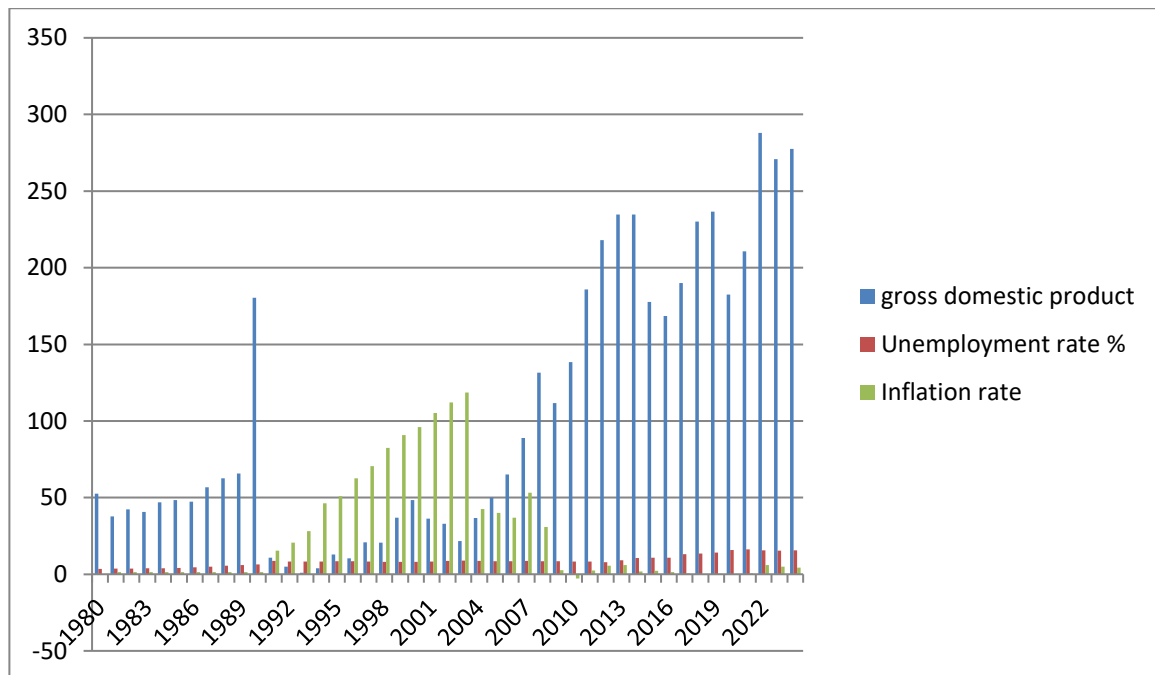
The 1980s were a critical period for the Iraqi economy, which had been a centrally planned economy. Although it relied on the oil sector, it was subject to state control. Nevertheless, it faced many challenges due to the burden of debts imposed on it after the war with Iran and the destruction of infrastructure, Inflation rates increased as a result of the decline and erosion of the local currency's value, and a significant deviation in the course of economic development, with many planned economic projects halted or left incomplete. War expenses began to erode the financial surpluses Iraq had accumulated previously, This was evident in the gradual decline in GDP for two main reasons: first, directing all savings to serve the war aims, and second, the decrease in oil imports due to the closure of the Arabian Gulf port to ships transporting oil exports. In 1986, the government anticipated the continuation of the war for a long period and resorted to long-term borrowing to rebuild the infrastructure, After 1988, the tragedy of the war, with all its suffering and economic problems, did not end. Instead, it foreshadowed a new crisis with many contributing factors, most notably the sharp decline in oil prices, creditors demanding repayment with interest, and the entry of many military personnel into the job market seeking alternative livelihoods. Therefore, many observers believe that the invasion of Kuwait was an export of an internal economic and political crisis within the country. [15]

**Table No. (3) Some Economic Indicators for Iraq (billion dollars)**



Year	gross domestic product	GDP growth %	GDP per capita % growth	Unemployment % rate	Inflation rate %
1980	52.57	24.8	20.9	3.5	1.307
1981	37.82	- 0.7	-3.7	3.6	1.307
1982	42.38	3.4	0.6	3.7	1.307
1983	40.71	- 13.1	-15.6	3.8	1.307
1984	46.94	-1.5	-4.5	4.0	1.307
1985	48.43	1.5	-1	4.2	1.307
1986	47.26	4.6	2.1	4.5	1.307
1987	56.77	9.3	6.3	5.0	1.307
1988	62.68	0	-2.3	5.5	1.307
1989	65.83	- 3.1	-5.7	6.0	1.307
1990	180.41	57.8	55.9	6.5	15.4
1991	10.82	- 64	-64.4	8.65	20.6
1992	4.9	32.6	28.7	8.37	28.2
1993	1.03	30.3	24.2	8.38	46.3
1994	3.99	3.9	-1	8.24	50.8
1995	12.89	2.1	-1.2	8.45	62.7
1996	10.43	11	7.5	8.53	70.6
1997	20.76	21.2	17.5	8.29	82.4
1998	20.62	35	30.8	8.09	90.8
1999	36.88	17.6	13.8	8.00	96.0
2000	48.36	16.8	13	8.06	105.3
2001	36.18	1.8	-1.4	8.26	112.2
2002	32.93	- 8.2	-11.1	8.62	118.5
2003	21.62	-36.66	-36.7	8.96	42.45
2004	36.64	53.39	53.4	8.72	40.02
2005	50.07	1.68	1.7	8.58	36.96
2006	65.14	5.64	5.6	8.42	53.23
2007	88.83	1.89	1.9	8.65	30.84
2008	131.61	8.23	8.2	8.47	2.67
2009	111.66	3.38	3.4	8.41	-2.8
2010	138.52	6.4	6.4	8.27	2.43
2011	185.75	7.55	7.5	8.19	5.6
2012	218.03	13.94	13.9	7.97	6.09
2013	234.64	7.63	7.6	9.21	1.88
2014	234.65	0.74	2.3	10.59	2.24
2015	177.63	2.54	2.6	10.84	1.39
2016	168.43	16.17	13.8	10.82	0.46
2017	190.05	-1.51	-1.8	13.02	0.2
2018	230.19	2.63	2.6	13.49	0.35
2019	236.68	5.59	5.5	14.11	-0.2
2020	182.58	-12.41	-12	15.78	0.57
2021	210.75	1.43	1.5	16.17	6.04
2022	288.06	7.71	8	15.51	4.99
2023	270.8	0.92	0.5	15.45	4.42
2024	277.48	0.34	-1.5	15.52	2.58

**International Financial Statistics, International Monetary Fund (IMF) [16], [17], [18]**



**Figure No. (3), created by the researcher based on Table No. (3)**

In the comparative study between the Rwandan economy and the Iraqi economy, we review what the two sides achieved over a period of time, especially since the two countries were exposed to almost similar political and security conditions, Here, the following question arises, based on the available economic and social indicators for the two countries: Why did this remarkable rise occur in Rwanda, to the point that it became a model for the rest of the developing countries, and was considered one of the countries that are characterized by rapid growth, while in reality it is one of the countries that are poor in resources compared to Iraq?, While the Iraqi economy declined and became an example among nations of widespread corruption, backwardness, plundering of resources, neglect of the industrial sector, the disappearance of local industries, and the loss of the competitive advantage of local products due to opening the door wide to imports to the outside world without oversight or accountability, Imports also affected the performance of the agricultural sector, which suffered neglect due to the decline in water levels in the rivers, poor management of this important file, and the failure to take any precautionary measures such as the construction of dams, reservoirs, and bridges. The parties' control over the country's resources and the distribution of positions and administrations were based on favoritism and to appease the conflicting parties vying for power, regardless of competence, integrity, and credibility, The disruption of legal controls and legislation in pursuing and holding accountable those who steal public funds belonging to political parties and movements, while all these laws are applied and enforced on all other members of society from other classes, and the weakness of the state's representation in foreign fields due to the low loyalty of those in charge of these departments to their homeland and their lack of seriousness in work, The phenomenon of emigration abroad by skilled workers, young people, and those with expertise in the workplace is increasing for many reasons, primarily unemployment, insecurity, the search for a better future, and the spread of poverty and extreme poverty among a wide segment of society, Likewise, the high rate of ignorance and school dropout, and the low health level due to poor health services, outdated health institutions, the spread of diseases and epidemics, and the lack of appropriate medicine and treatment, The failure of the state and relevant institutions to address the issue of providing adequate housing, as stipulated in the state's constitution, has led to the proliferation of encroachments on green spaces, transforming them into unregulated residential complexes. This has been accompanied by a decline in the availability of services, an increase in crime and divorce rates, the spread of drugs, and certain forms of moral decay that target the ethical fabric of society. [19]

By examining economic data from Rwanda and Iraq, we can compare their performance, especially given their many similarities, such as political and security conditions. However, economically, Iraq is richer in natural and human resources and has a more strategic geographic location compared to Rwanda. Furthermore, Rwanda is characterized by its religious diversity, although Christianity is the majority religion, Likewise, there is competition in the administration of the country between the Tutsi and Hutu tribes, which are the main components of the population. It is also one of the countries that does not have a sea outlet, so it is called a landlocked country. Geographically, it has many hills and terrains. As for sources of income, it depends heavily on agriculture, the tourism sector, and some minerals, In the mid-



1990s, it was subjected to a civil tribal war that lasted almost a full year, draining and claiming the lives of more than one million people. The government and the people still remember these tragic events as a harsh lesson for future generations through museums, monuments, and scenes that indicate the horror of the events, These museums, monuments, and memorials depicting the events have become a popular tourist attraction, drawing visitors from around the world. They vividly portray the massacres and tragedies that occurred in the country between the Tutsi and Hutu tribes. However, after the end of the civil war and the establishment of a national government, the country was able to rebuild and achieve economic development in record time, Implementing reforms in the health, education, and service systems, and addressing unemployment by opening the door to local and foreign investment, which in turn leads to job creation and a high standard of living. **[20]**

On the other hand, Iraq was exposed to political and economic conditions almost identical to those that Rwanda was exposed to. After 2003, which coincided with the entry of foreign forces into the country under numerous pretexts, this event led to a major turning point in Iraq's political, economic and social history, After the wars of the 1980s and 1990s left negative impacts on all aspects of life, the period of economic sanctions played a role in hindering the country's progress and development. However, the new era after 2003 changed nothing in reality except the political facade. In fact, all assessments of the general situation recorded a significant decline in performance. The most important reasons for the decline of the Iraqi economy can be summarized as follows:

1- Repeated wars and the depletion of economic and human resources, coupled with the neglect of all state institutions, had disastrous repercussions on the Iraqi economy for the past three decades, Because of the spending and waste of resources that were spent on military institutions, armament costs, destruction of infrastructure, disruption of investment due to poor security and instability, high unemployment and inflation, and the decline in health, education and service standards.

2- Administrative and financial corruption and mismanagement. Corruption is a serious phenomenon that almost destroys the local economy. This phenomenon has become deeply entrenched and widespread after 2003 under weak and feeble governments, and it has taken on large dimensions that are almost comprehensive in all aspects of life, Corruption takes many forms, including bribery and the resulting illicit enrichment, the exploitation of administrative positions for personal, tribal, and sectarian gain, the illegal awarding of economic projects to incompetent companies for illicit profit, and the complex and tedious bureaucracy that burdens individuals. **[21]**

3- Dependence on oil: After decades of political change, Iraq still suffers from a major rentier phenomenon by relying on oil for 95% of its income, which means that stopping oil exports will lead to a severe financial crisis that threatens the state's ability to pay salaries and finance projects and basic services, The most important problem is that the government has not put in place any precautionary measures to confront this hypothetical scenario and move towards diversifying sources of income, According to agreements concluded after 2003, oil revenues do not go to the state treasury but are deposited with the US Federal Reserve in a special account called (Development of Iraq), However, this measure provides full protection for Iraq's funds from international claims and compensations, and allows part of these funds to be converted into currency auctions and another part into treasury bonds and gold purchases.

4- Inefficiency and poor performance of the banking system

The circumstances after 2003 contributed to the opening of many banks until the number reached 74 banks, including seven government banks, and the others belong to foreign countries and others are local. The goal of establishing these banks is to benefit through the currency auction, specifically from the difference in exchange rates, It did not focus on providing its services to companies and individuals, which led to a large segment of society refraining from depositing their money with these banks, and the phenomenon of hoarding became clearly and significantly apparent. The reason is the weak confidence of society in the banking system on the one hand, and on the other hand, the weak regulatory systems by the central bank over the rest of the banks, This led some of them to deviate from their proper course of action and engage in suspicious activities related to money laundering and currency smuggling, ultimately resulting in sanctions being imposed on them. This is because limiting the functions and operations of banks to the aforementioned activities significantly contributed to the weakness of banking systems and their deviation from their role in providing banking credit. **[22]**

5- Neglect and deterioration of non-oil sectors

The economic sectors also suffered from the neglect that plagued the Iraqi economy, These sectors have fallen into a deep slumber and have become a burden on the economy for several reasons, the most important of which, in general, is the excessive reliance on oil imports, and the increased economic exposure through the state's chaotic policy of importing various types of goods from different origins, regardless of efficiency and quality, While we had an active industrial sector before 2003, compared to the current circumstances, it was able to employ a lot of manpower despite the siege and isolation from the world, as many goods were produced locally, such as food industries, dairy, rubber, clothing, petrochemicals, fertilizers, textile industries, clothing, paper, cars, bicycles, and others, The role of the private sector is not hidden, as it is like the public sector in production, employment and preserving hard currency through small



and medium enterprises. In addition, industrial units have become backward in terms of production methods, management and modern mechanization, especially in the field of manufacturing industries, Furthermore, most industrial facilities were subjected to looting and vandalism, and the governments did not take the initiative to repair them and restore them to service. Consequently, local goods lost their competitive advantage over foreign goods in light of excessive openness to the outside world. As for the agricultural sector, after it had been an important pillar of the economy and full of diverse activities, it gradually lost its luster until it became a burden on the economy for several reasons, most notably the scarcity of water and the clear failure in the field of building dams and reservoirs and reclaiming land, Neglecting livestock and food industry activities, and failing to encourage farmers to raise domestic animals by providing healthy feed and introducing new breeds of animals to improve and increase production of milk derivatives, eggs, and other food items, Similarly, there has been a slowdown in improving the field work environment by introducing modern machinery and advanced harvesting techniques, which would facilitate work and save time. More importantly, agricultural lands are shrinking, being bulldozed, and converted into investment housing complexes, some of which are not properly planned, or converted to other projects unrelated to agricultural activity. [23]

## CONCLUSIONS

Among the most prominent conclusions reached by the study are:

- 1-** Both countries under study were victims of violent events, wars, and tribal and sectarian crises. Rwanda was subjected to a brutal tribal war in 1994 between the Tutsi and Hutu tribes, which led to the killing of about one million people from both sides. Iraq was also subjected to wars and military operations for three decades, culminating in 2006-2007 with sectarian events that claimed thousands of victims from Iraqi society.
- 2-** After the events of 1994, Rwanda was able to reorganize its ranks behind its new leadership and work hard to unite the ranks, reject tribalism and criminalize it legally. It also worked to consolidate the national conscience among individuals and to move towards repairing what the war had destroyed. Meanwhile, Iraq did not benefit from the crises and wars, as it remained torn apart by sectarian, national and partisan divisions to the point that it seemed incapable of mending and restoring the social fabric.
- 3-** Rwanda, with local efforts and simple resources, was able to establish solid infrastructure for the industrial and agricultural sectors, pave roads, build bridges and agricultural projects. In Iraq, however, the decline in infrastructure was evident, as the state did not take the initiative to pay attention to infrastructure projects for the industrial and agricultural sectors, and the results were dire for the economy, as the degree of economic exposure to the outside world increased and was accompanied by a drain on hard currency.
- 4-** Rwanda has placed at the forefront of its priorities the elimination of financial and administrative corruption and the prosecution and legal pursuit of the corrupt, as it has realized the harms of corruption to the proper building of the state, such as the squandering of resources and the concentration of positions in a certain segment that lacks the qualifications for leadership and responsibility. As for Iraq, according to global indicators of transparency and corruption, the data indicates the spread of corruption in most parts of the state, the protection of the corrupt, and the granting of positions and distribution of responsibilities as if to appease and compensate some influential people.
- 5-** Rwanda has worked hard to provide a safe and suitable environment to attract foreign and local investments by facilitating procedures and regulations, while providing a modern and organized banking system, in recognition of the importance of investment in bringing in capital and employing it in productive projects, absorbing unemployment from the labor market, introducing modern technology and increasing expertise, While investors were clearly reluctant to bring in capital and establish projects inside Iraq due to the unsafe political environment, the complex and tedious procedures for registering projects, the extortion to which investors are exposed, as well as the weak infrastructure and the government's lack of seriousness in establishing projects in the industrial or agricultural sector, most investment projects are for unproductive projects and are granted to those with privileges, parties, and cronyism.
- 6-** Rwanda turned its attention to the health, cultural and service sectors. In the health sector, it has been building modern hospitals and laboratories, equipping them with the latest equipment and providing treatment to individuals free of charge or for nominal fees, Regarding the educational reality, education in Rwanda has achieved advanced rankings according to global indicators through free education, addressing school dropout rates, using modern methods, as well as paying attention to university education and sending missions abroad at the state's expense to increase expertise, In Iraq, however, there is a clear deficiency in attention to the health sector. Despite the population explosion and rapid increase, the state has not taken the initiative to build hospitals capable of providing healthcare and appropriate medicine for members of society, especially with the spread of diseases and epidemics. Consequently, individuals are forced to seek treatment in private hospitals at their own expense.
- 7-** Rwanda has focused on diversifying its sources of income despite the scarcity of natural resources, its geographical nature, and its lack of water. It has worked on developing other sectors as sources of income in addition to its active sectors. For example, it has worked on developing the tourism sector, paying attention to tourist facilities, establishing



nature reserves, and creating a safe tourist environment, Indeed, the tourism sector has made a significant contribution to the gross domestic product, while Iraq has remained dependent on the oil sector as a primary source of income, which constitutes 95% of income sources, and has neglected the rest of the other sectors despite the abundance of resources, As for the tourism sector, it is one of the sectors that has witnessed a significant decline over the last three decades, despite the fact that all the elements for the advancement of this important sector are available. Iraq is one of the countries that has a deep civilizational history, and the traces and evidence of these ancient civilizations remain to this day in various geographical areas, Regarding religious tourism, which is a ritual almost throughout the year with the abundance of holy sites and the large number of local and foreign tourists, it still suffers from neglect and weak organization and management. This is evident in the process of managing the flow of visitors and facilitating their entry and exit.

### SOURCES

1- <http://studies.aljazeera.net/ar/article/6057>

2- <https://qiraatafrican.com/encyclopedia/rwanda/rw-econom/>

<https://sydialogue.org/%D9%86%D9%87%D8%B6%D8%A9-%D8%B1%D9%88%D8%A7%D9%86%D8%AF%D8%A7-%D8%A7%D9%84%D8%A7%D9%82%D8%AA%D8%B5%D8%A7%D8%AF%D9%8A%D8%A9-%D8%A8%D8%B9%D8%AF-30-%D8%B9%D8%A7%D9%85%D8%A7%D9%8B-%D9%85%D9%86-%D8%A7/>

4-<https://www.harmoon.org/researches/%D8%B1%D9%88%D8%A7%D9%86%D8%AF%D8%A7-%D9%85%D9%86-%D8%A7%D9%84%D8%AD%D8%B1%D8%A8-%D8%A7%D9%84%D8%A3%D9%87%D9%84%D9%8A%D8%A9-%D8%A5%D9%84%D9%89-%D8%A7%D9%84%D8%AA%D9%86%D9%85%D9%8A%D8%A9-%D8%A7%D9%84/>

5- <https://detafour.com/%D8%B1%D9%88%D8%A7%D9%86%D8%AF%D8%A7-%D9%85%D9%86-%D8%AC%D8%B1%D8%A7%D8%AD-%D8%A7%D9%84%D9%85%D8%A7%D8%B6%D9%8A-%D8%A5%D9%84%D9%89-%D8%A2%D9%81%D8%A7%D9%82-%D8%A7%D9%84%D8%AA%D9%86%D9%85%D9%8A%D8%A9/>

6- <https://www.altaghyeer.info/ar/2021/06/21/%D8%A7%D9%84%D8%AA%D8%AD%D9%88%D9%84-%D8%A7%D9%84%D8%A7%D9%82%D8%AA%D8%B5%D8%A7%D8%AF%D9%8A-%D9%84%D8%B1%D9%88%D8%A7%D9%86%D8%AF%D8%A7-%D8%A8%D8%B9%D8%AF-%D8%A7%D9%84%D8%A5%D8%A8%D8%A7%D8%AF%D8%A9/>

7- <https://qiraatafrican.com/encyclopedia/rwanda/rw-econom>

8- <https://sydialogue.org/%D9%86%D9%87%D8%B6%D8%A9-%D8%B1%D9%88%D8%A7%D9%86%D8%AF%D8%A7-%D8%A8%D8%B9%D8%AF-%D8%A7%D9%84%D8%A5%D8%A8%D8%A7%D8%AF%D8%A9/>

9- <https://www.aa.com.tr/ar/%D8%A3%D9%81%D8%B1%D9%8A%D9%82%D9%8A%D8%A7/%D8%B1%D9%88%D8%A7%D9%86%D8%AF%D8%A7-%D8%A7%D9%82%D8%AA%D8%B5%D8%A7%D8%AF-%D9%86%D8%A7%D9%87%D8%B6-%D8%A8%D8%B9%D8%AF-%D8%B9%D9%82%D8%AF%D9%8A%D9%86-%D9%85%D9%86-%D8%A7%D9%84%D8%A5%D8%A8%D8%A7%D8%AF%D8%A9-%D8%A7%D9%84%D8%AC%D9%85%D8%A7%D8%B9%D9%8A%D8%A9-/819164>

10- <https://www.worldatlas.com/articles/what-are-the-major-natural-resources-of-rwanda.html>

<https://www.alkhaleej.ae/2018-12-02/%D8%B1%D9%88%D8%A7%D9%86%D8%AF%D8%A7-%D8%B7%D9%81%D8%B1%D8%A9-%D8%AA%D9%86%D9%85%D9%88%D9%8A%D8%A9-%D8%AA%D9%82%D9%87%D8%B1-%D8%B3%D9%86%D9%88%D8%A7%D8%AA-%D8%A7%D9%84%D9%85%D8%B9%D8%A7%D9%86%D8%A7%D8%A9/%D8%B9%D8%B1%D8%A8%D9%8A-%D9%88%D8%AF%D9%88%D9%84%D9%8A>

<https://fred.stlouisfed.org/series/IRQPCPIPCHPT>

12- <https://kids.nationalgeographic.com/geography/countries/article/rwanda>

13- <https://www.argaam.com/ar/article/articledetail/id/597673>

<https://www.worldatlas.com/articles/what-are-the-major-natural-resources-of-rwanda.html>

14- Mohammed Kadhim Shamkhi, Dawood Abduljabbar Ahmed & Omar Hameed Majeed, The effectiveness of the manufacturing industry in Iraq, Materials Today: Proceedings, volume 60, 2022, p1223-1228.

15- <https://www.aljazeera.net/ebusiness/2024/5/27/%D8%A7%D9%84%D8%A7%D9%82%D8%AA%D8%B5%D8%A7%D8%AF-%D8%A7%D9%84%D8%B9%D8%B1%D8%A7%D9%82%D9%8A-%D8%B1%D8%AD%D9%84%D8%A9-%D8%A7%D9%84%D8%AA%D8%B9%D8%A7%D9%81%D9%8A-%D9%81%D9%8A-%D8%B2%D9%85%D9%86>



16- <https://fred.stlouisfed.org/series/DDOE02IQA086NWDB>

17- <https://data.worldbank.org/indicator/FP.CPI.TOTL.ZG?locations=IQ>

18- <https://tradingeconomics.com/iraq/government-debt-to-gdp>

19- \_Mohammed Kadhim Shamkhi , Ghufran Hatem Alwan , and Murad Fallih Murad , THE EFFECTIVENESS OF MONETARY POLICY IN CURBING INFLATION IN IRAQ FOR THE PERIOD 1990-2016, Central European Management, Vol. 30 Iss. 3 (2022).

<https://kitab.com/%D8%A3%D8%B3%D8%A8%D8%A7%D8%A8-%D8%AA%D8%AF%D9%87%D9%88%D8%B1-%D8%A7%D9%84%D8%A3%D9%82%D8%AA%D8%B5%D8%A7%D8%AF-%D8%A7%D9%84%D8%B9%D8%B1%D8%A7%D9%82%D9%8A/>

<https://www.washingtoninstitute.org/ar/policy-analysis/dwlt-tthawy-thdyd-mshaki-alraq-alaqtsadyt>

<https://www.washingtoninstitute.org/ar/policy-analysis/dwlt-tthawy-thdyd-mshaki-alraq-alaqtsadyt>

<https://www.washingtoninstitute.org/ar/policy-analysis/dwlt-tthawy-thdyd-mshaki-alraq-alaqtsadyt>

21- <https://www.washingtoninstitute.org/ar/policy-analysis/dwlt-tthawy-thdyd-mshaki-alraq-alaqtsadyt>

22-

<https://rawabetcenter.com/archives/37133#:~:text=%D9%88%D9%81%D9%8A%20%D8%A7%D9%84%D9%88%D9%82%D8%AA%20%D8%A7%D9%84%D8%AD%D8%A7%D9%84%D9%8A%20%D9%8A%D8%AA%D9%83%D9%88%D9%86%20%D8%A7%D9%84%D8%AC%D9%87%D8%A7%D8%B2%20%D8%A7%D9%84%D9%85%D8%B5%D8%B1%D9%81%D9%8A%20%D8%A7%D9%84%D8%B9%D8%B1%D8%A7%D9%82%D9%8A,%D8%A7%D8%B6%D8%A7%D9%81%D8%A9%20%D8%A7%D9%84%D9%89%20%D9%85%D9%83%D8%AA%D8%A8%20%D8%AA%D9%85%D8%AB%D9%8A%D9%84%20%D9%84%D9%85%D8%B5%D8%B1%D9%81%20%D8%A7%D8%AC%D9%86%D8%A8%D9%8A%20%D9%88%D8%A7%D8%AD%D8%AF.>

23- <https://economy-news.net/content.php?id=63941>