The Struggle for Political and Economic Development in a Petro-State: Making Strategic Budgetary Choices in Conflict-Ridden Iraq

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The Government of Iraq (GoI) faces major challenges in how it allocates its budget to meet the needs of its people. The country is at war with Desh, and it suffers from deficiencies in all forms of essential public services and infrastructure, including transportation, water and sewage, and electrical generation facilities. Iraq benefits from its vast oil resources, but there are real tradeoffs in how it allocates these funds. Should the GoI allocate its declining oil revenues to continue reconstructing its petroleum industry, or should more funding be spent to diversify the country’s economy? These decisions and their implementation are made within the institutional context of Iraq’s budgetary process. This study examines these investment decisions, as exemplified in the GoI’s formulation, adoption, and execution of its most recent budgets.