

# **DOES THE "PROGRAMS AND PERFORMANCE BUDGET" SOLVE THE PROBLEM OF THE GENERAL BUDGET DEFICIT OF THE GOVERNMENT IN IRAQ / EXPLORATORY STUDY?**

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## **Abstract**

The general government budget is one of the most important financial tools for achieving financial and economic balance in the country. Iraq, like many other countries, is facing huge financial challenges, as the general budget is witnessing a large deficit, which causes a negative impact on the stability of the national economy and the ability of the government to provide basic services to citizens. One of the main reasons behind this deficit is declining government revenues and increasing public expenditures. This exploratory study aims to analyze the role of the "Programs and Performance Budget" in addressing the problem of the general budget deficit of the Iraqi government. The researcher used the inductive approach with regard to the theoretical side, and used the questionnaire method to collect primary data from a random sample of experts and university professors with financial specializations. The research concluded with a number of recommendations.

## **1. INTRODUCTION**

The government's general budget is one of the most important economic tools that contribute to achieving the state's financial and economic balance. Fiscal deficits are one of the great challenges facing governments around the world, including the Iraqi government. The fiscal deficit in Iraq is linked to several factors, including low government revenues and high public expenditures, which negatively affects the stability of the national economy and its ability to provide basic services to citizens.

This exploratory study aims to analyze the role of the "Performance and Program Budget" as a potential means to address the problem of the general budget deficit of the government in Iraq. The program and performance budget is an administrative tool that aims to achieve preference for the development projects and programs implemented by the government by evaluating the performance of these projects and measuring their achievement of the desired results and the effectiveness in the use of financial resources.

The expected results of this study will be of great interest to government officials and decision makers in Iraq, as it will shed light on the effectiveness of the "Performance and Program Budget" as a tool to overcome financial challenges and achieve sustainable development. The study will also provide a new theoretical and practical contribution in the field of economics and financial policy, and may stimulate further research and studies in this field. The proposed research hopes that it will contribute to improving the management of public financial resources in Iraq and enhancing the country's economic stability, and thus, enhancing the quality of life for citizens and achieving sustainable development in Iraq.

**1.1. Research problem:** The deficit in the general budget of the government in Iraq is one of the main challenges that affect the stability of the national economy and its ability to meet the needs of citizens. High public expenditures and low financial revenues are the main reasons for this deficit, which negatively affects the government's ability to provide public services and development programs in a sustainable manner. Hence, the need to identify the appropriate tools and policies to address this problem and achieve a financial balance for the government varies.

**1.2. Research importance:** The importance of this research is evident in several aspects, the most important of which are:

- Enhancing the stability of the national economy: Solving the problem of the general budget deficit in Iraq contributes to achieving the stability of the national economy and avoiding the effects of financial crises that may result from the current financial challenges.
- Improving the quality of life for citizens: By reforming the financial system and the budget, the availability of public services and development programs can be improved, thus enhancing the quality of life for citizens in Iraq.
- Providing a theoretical and applied contribution: This research represents a theoretical and practical addition in the field of economics and fiscal policy, which contributes to improving the general understanding of the challenges of managing government financial resources.
- Directing economic policies: Through its recommendations and results, the research may be used as a tool to guide economic policies and make informed government decisions to achieve sustainable financial balance.
- Supporting the decision-making process: The research will be an important reference for decision-makers and government officials to understand the financial and economic challenges they face and how to address them.

**1.3. Research objective:** The aim of this research is to study and explore the role of the "programs and performance budget" as a potential means to solve the problem of the general budget deficit of the government in Iraq. The research aims to analyze and evaluate the effectiveness of this tool in achieving financial balance and improving the management of the government's financial resources by identifying the most important development programs and projects and measuring their results and effectiveness in the use of resources.

**1.4. Research hypotheses:** For the purpose of achieving the goal of the research, and by referring to previous studies and literature on the subject, the research hypothesized the following:

- First hypothesis: There are no statistically significant differences between the opinions of the study sample that the general budget in Iraq suffers from many negatives and deficiencies, the most important of which is the deficit of the state's general budget.
- Second hypothesis: There is no statistically significant effect between the application of the program budget, performance, and the state budget deficit in Iraq.
- Third hypothesis: There is no statistically significant effect between the application of program budget and performance and increasing the efficiency of government spending in Iraq.
- The fourth hypothesis: There is no statistically significant effect of the proposed approach represented by balancing programs and performance on the structure of government spending in Iraq.

**1.5. Methodology:** The researcher relied on two approaches: (1) the inductive approach, with regard to presenting the research problem, previous studies, and presenting theoretical topics related to the research. (2) As for the practical part, it relied on an exploratory and analytical methodology to achieve its goal and answer the research questions, and details of that will come in the practical part.

## 2. THEORETICAL FRAMEWORK

**2.1. Definition of the state's general budget:** The state's general budget is a basic financial tool that is prepared for planning and organizing government revenues and expenditures over a specific period of time, usually one fiscal year. The general budget aims to achieve a financial balance between the financial revenues that the government earns from its various sources and the expenditures that it plans to spend on various activities and programs (Al-Barkiy, 2022: 166).

The state's general budget is a vital tool for ensuring the sustainability of the economy, achieving development, and providing public services to citizens. The general budget includes many items and paragraphs that determine government revenues from various sources such as taxes, fees, and other revenues, and determine expenditures allocated to various sectors and programs such as education, health, infrastructure, security, defense, and others.

The general budget is a political and economic tool that reflects the government's priorities, directives and plans for economic and social development. The budget relies on estimates and probabilities for revenues and expenditures, and thus reflects the reality of the state's financial situation and requires careful control to ensure the achievement of financial balance and avoid fiscal deficits that may lead to serious economic problems (Al-Barkiy, 2022: 170).

**2.2. The importance of the state's general budget:** The importance of the state's general budget is evident in many vital aspects and the positive effects it has on the government, economy and society levels. Among the importance of the state's general budget: (1) Achieving financial balance: The general budget works to achieve a balance between revenues and expenditures for the government. This means that the government will not spend more than it collects in revenues, thus limiting its tendency towards fiscal deficits and avoiding sustainable debts (Thomas, 2019: 40). (2) Achieving financial sustainability: The general budget contributes to achieving the financial sustainability of the state, as it enables the government to better plan for the future and direct resources appropriately to meet current and future needs. (3) Supporting investment and development: The general budget helps direct investment and economic development towards vital sectors, such as education, health and infrastructure, which contributes to enhancing economic growth and improving the quality of life for citizens (Thomas, 2019: 45). (4) Providing public services: The general budget contributes to providing public services to citizens, such as education, health, security and infrastructure, by directing financial resources to these sectors. (5) Supporting economic and social stability: The general budget is considered an important tool to support the economic and social stability of the country, as it helps in achieving a balance between financial requirements and the economic and social needs of citizens. (6) Public debt management: The public budget contributes to determining the volume of public debt and managing it effectively, which contributes to avoiding excessive debt and easing financial burdens on the future (Lazarou. 2018:50).

In general, the general budget plays a vital role in achieving economic and financial stability for the state and improving the quality of life for citizens. Managing financial resources effectively and directing them to development priorities contributes to the promotion of sustainable development and economic sustainability of the country.

**2.3. Steps for preparing the state's general budget:** preparing the state's general budget is a comprehensive and complex process that includes several steps and methods to ensure achieving financial balance and directing financial resources effectively. Here are some of the basic methods used in preparing the state's general budget:

**Defining goals and priorities:** The budget preparation process begins with defining government goals and priorities. Determining the general financial and economic goals of the state is the basis on which the rest of the budget preparation process is built.

**Revenue Estimation:** The government's expected revenues are estimated from various sources, such as taxes, customs, and other revenues. Revenue estimation depends on factors such as economic growth, tax rates, and the performance of various economic sectors (Al-Barkiy, 2022: 164).

**Determining expenditures:** It determines the expected expenditures of the government and divides them into different categories, such as education, health, infrastructure, security, defense, and others. Determining expenditures depends on government priorities and the social and economic needs of citizens.

Budget balance: Budget balance aims to ensure that revenues are sufficient to cover proposed expenditures. In the event of a surplus in revenue, it can be used to pay off debts or reserves, while in the event of a deficit, measures must be taken to achieve balance (Al-Barkiy, 2022: 166).

- Review and approval: The general budget is reviewed by the concerned authorities in the government, and then it is submitted to parliament or the legislative body for approval. The budget must be in compliance with applicable financial laws and regulations.
- Implementation and follow-up: After approval of the budget, it is implemented within the specified period (usually a fiscal year). The implementation of the budget is monitored and followed up throughout the year to ensure the achievement of objectives and adherence to financial standards (Thomas, 2019: 30).

Preparing the state's general budget requires coordination between many governmental and economic agencies and taking into account the changing economic and social factors. Budget success depends on accurate estimates and its effective implementation in accordance with established objectives.

**2.4. Methods of preparing the state's general budget:** The methods of preparing the general budget have evolved according to the developments of the idea of the state and the tasks it performs. One of the reasons for the development of the methods of preparation was also the development of all administrative sciences such as economics, statistics, and others. And the oldest method is: (1) Item balancing, also called traditional balancing. Then came (2) balancing programs and performance. Then (3) balancing planning and programming. Then (4) the zero-based budget. You will take a look at the first and second method, for this research.

**2.4.1. Items budget:** item budget is an approach to preparing the state's general budget based on allocating a budget for each of the items included in the budget. These items are identified specifically and in detail to determine the proposed expenditure and expected revenues in each area (Thomas, 2019: 33).

Item balancing differs from the traditional approach to preparing the general budget, where in the traditional general budget some major categories such as education, health and infrastructure are identified, and then financial resources are distributed among these major categories. As for balancing items, items are accurately identified and separated accurately to ensure better control of spending and follow-up of performance in each item (Thomas, 2019: 36).

With item balancing, revenue and expenditure are broken down into the smallest possible components, such as the expenditure items for each program, project, or government department. This enables the government to make more specific financial decisions and focus on the most important priorities and projects. Balancing items contributes to increasing the transparency and inclusiveness of the state's financial planning and management process, as spending can be tracked and monitored in each item separately and the efficiency of resource use can be assessed in every aspect of government work (Lazarou, 2018: 55).

However, the application of item balancing requires improving the government's financial and administrative procedures and mechanisms to be able to identify, track and implement items efficiently and effectively. There must also be mechanisms for monitoring performance and evaluating the results to ensure the achievement of the set goals and improve the financial performance and the state's general budget.

**2.4.2. Programs and Performance Budgeting:** Program and performance budgeting, also known as "performance budgeting" or "results-based budgeting," is a modern budgeting approach aimed at improving the financial and administrative performance of governments and public institutions. This budget focuses on identifying and allocating financial resources based on the programs and projects that are implemented, measuring their results, and achieving the desired goals (Shkarlet, 2019: 45).

Software and performance balancing includes the following elements:

**Defining programs and projects:** The developmental and service programs and projects that the government aims to implement to achieve certain goals are identified. These programs are precisely defined and detailed and financial resources allocated to support them.

**Measuring performance and setting standards:** Standard standards and specific objectives are set for each program or project, in order to evaluate its performance over the period specified for the budget.

**Allocation of financial resources:** After defining programs and setting criteria, financial resources are allocated based on government priorities and the importance of each program or project.

**Performance follow-up:** The performance of programs and projects is monitored and followed up periodically and continuously to ensure that the goals are achieved and the desired results are achieved.

The program and performance budget aims to improve transparency and accountability in the process of preparing budgets and using financial resources effectively in accordance with the priorities and objectives set. This approach contributes to enhancing the financial and administrative performance of governments, achieving sustainable development, and improving the quality of public services provided to citizens. Implementing this approach requires strong and accurate accounting and financial systems, in addition to the ability to effectively measure and evaluate performance to achieve the desired results (Shkarlet, 2019: 69).

**2.4.3. Comparison between items budget and programs budget:** Item budget and program budget and performance are two different approaches to preparing the state's general budget, and they differ in how to identify and allocate financial resources and focus on goals and results. Here is a comparison between them, summarized in the table below.

items	Items Budget	Programs and Performance Budget
Define items and programmes	In this approach, financial items are identified separately and in detail, such as allocating resources to each ministry or government agency and identifying expenditures in each category (such as salaries, expenses, and investments).	Here, development and service programs and projects are defined in detail and accurately, and financial resources are allocated for each program based on its importance and the government's priorities.
Focus on performance	This approach mainly focuses on financial control and resource allocation based on the financial needs of each government entity without focusing too much on measuring performance or achieving results.	This approach mainly focuses on measuring the performance of programs and projects and achieving the desired results. Standard criteria and specific objectives are set for each program, and its performance is evaluated over the period specified for the budget.
Transparency and accountability	This approach may be less transparent and accountable, as it may be difficult to track separately how resources are used on each item.	This approach encourages increased transparency and accountability, as program performance can be accurately tracked and monitored and the achievement of desired results measured. This helps to improve the effective use of resources and achieve development goals.
Implementation and evaluation	In this approach, the budget is executed according to the allocation of resources to each line, but it can be difficult to comprehensively assess the performance of the government or government agencies.	This approach facilitates the process of evaluating and monitoring the performance of programs and projects separately, which helps in making financial decisions based on performance and results.

In short, item balancing mainly focuses on financial control and detailed allocation of public resources, while program and performance balancing focuses on measuring performance and achieving desired results. Choosing the appropriate approach depends on the goals and needs of the government and the extent of control and accountability required (Prastyawati, 2023: 122).

**2.5. Definition of the state's general budget deficit:** The state's general budget deficit is the negative difference between total expenditures and total revenues in the state's general budget during a specified period of time (usually one fiscal year). When expenditures are greater than revenues, there is a fiscal deficit, meaning that the government spends more than it earns from its financial resources (Muhammadshoevich, 2023: 56). The fiscal deficit may result from several reasons, such as increased government spending on public programs and services without increasing fiscal revenues in return. The deficit may be a result of a decrease in government revenue from taxes, customs, or other economic activities, or it may be a result of the government incurring large investment expenditures in development or infrastructure projects (Muhammadshoevich, 2023: 77).

It should be noted that periodic or temporary fiscal deficits can be acceptable in some cases, especially if the government is investing in long-term development or infrastructure projects aimed at promoting economic growth and improving the infrastructure and quality of life for citizens. However, the fiscal deficit must be managed with caution to avoid negative impacts on the economy and public finances of the state. Persistent and unsustainable fiscal deficits can lead to debt buildup, higher interest costs, commodity price inflation, and lower confidence in the economy, making it difficult for the government to sustainably fund its programs and deliver public services (Muhammadshoevich, 2023: 90).

**2.6. Reasons for the state's general budget deficit:** There are several reasons that can lead to the state's general budget deficit, and these reasons differ from one country to another and from time to time. Among the common causes of public budget deficit:

- Decreased revenues: One of the reasons for the fiscal deficit could be a lack of revenues, when the volume of revenues that the government receives from taxes, customs, and other incomes declines. These decreases may result from a slowdown in the economy, lower prices of the main commodities on which the state relies, or tax and customs evasion (Saadulaeva, 2022: 57).
- Increased expenditures: Increased expenditures can cause fiscal deficit. When the government increases elements of public spending, such as employee salaries, spending on public services, and social welfare programs, without increasing fiscal revenues, this leads to incurring a deficit (al-Rubaie, 2023: 3154).
- Economic turmoil: Difficult economic conditions, such as economic recession or financial crises, may lead to a decrease in economic growth and a decline in government financial revenues, which increases the possibility of a budget deficit (Yunusovich, 2021: 128).
- Incurring unexpected expenses: Sometimes unexpected expenses occur, such as natural disasters or health crises, that require the use of additional financial resources, affecting the balance of the budget and causing a deficit.
- Political and social tensions: Political unrest or social tensions can disrupt the process of implementing economic reforms necessary to achieve fiscal balance and avoid deficits.
- Repercussions of public debt: In some cases, the increasing costs of public debt or interest payments on government debt can cause fiscal deficits (Talib, 2022: 459).

These and other reasons combine to lead to a deficit in the state's general budget. In order to overcome this crisis, governments may resort to austerity measures or structural reforms, or to enhance tax collection, or to improve the management of financial resources and economic reforms to achieve a sustainable financial and economic balance.



### 3. PRACTICAL PART

**3.1. Study population and sample:** The study population consists of a group of employees (middle management and senior management) working in the budget division of some ministries and directorates affiliated to them that are centrally funded from the state's general budget, as well as university professors specializing in public finance and accounting. The random sampling method was used to select the study sample.

169 questionnaires were distributed to those who were randomly selected, and 22 questionnaires were excluded for not matching the correct conditions. The number of questionnaires that were analyzed became 147.

**3.2. Statistical methods used:** A number of statistical tools were used to analyze the field questionnaire using SPSS, V.24 statistical analysis program.

The following table summarizes the statistical methods used.

Items	Purpose of use
Percentage	Measure the percentage of repetitions of the study sample's responses to each of the paragraphs of the questionnaire.
Arithmetic mean	to measure the average of the study sample's responses to each of the paragraphs of the questionnaire
Standard deviation	Measuring the homogeneity (or dispersion) of responses to a paragraph of the questionnaire
Relative weight	Measure the relative importance of the study sample responses.
Cronbach's alpha coefficient	measure the stability level of the questionnaire items
Pearson correlations	measure the level of internal validity of the paragraphs of the questionnaire form
Simple linear regression	Test the validity of hypotheses.

### 3.3. Elements of bibliographic features

The descriptive statistics of the questionnaire included analyzing the study sample's opinions about the personal data of the study sample (6) questions that dealt with (sex, age, academic qualification, job title, number of years of service, and academic specialization), and the results were as follows:

#### 3.3.1. Adjective gender

**Table 1: Distribution of the study sample by gender**

Gender	repetition	percentage	SMA	standard deviation
Male	120	81.6	1.18	0.38
Feminine	27	18.4		
the total	147	%100		

Table No. (1) Shows the gender of the study sample, as the number of males was (120) at a rate of (81.6%), and the number of females was (27) at a rate of (18.4%). The arithmetic mean was (1.18), and the standard deviation was (0.38), which indicates the homogeneity of the responses of the study sample.

### 3.3.2. Age Adjective

**Table 2: Age group table**

Age group	Repetition	Percentage	SMA	standard deviation
Less than 30 years old	7	4.8	2.1	0.47
31-40 years old	119	81		
41-50 years old	19	12.9		
51 years and over	2	1.4		
the total	147	%100		

Table No. (2) shows the age groups according to the study sample, where the age group of (31-40 years) ranked first with (119) individuals with a rate of (81%), the second ranked with the age group (41-50 years) with (19) individuals with a rate of (12.9%), and the third with the age group (less than 30 years) with (7) individuals with a rate of (4.8%), and the fourth with the age group (51 years or so impact) by (2) individuals with a rate of (1.4%). The mean was (2.10), and the standard deviation was (0.47), which indicates the Homogeneity of answers

### 3.3.3. Academic qualification status

**Table 3: Table of specialization Academic certificates**

Qualification	Repetition	Percentage	SMA	standard deviation
Bachelor's degree	62	42.2	2.41	1.28
Higher Diploma	3	2		
Master's	41	27.9		
PhD	41	27.9		
The Total	147	%100		

From the data of Table No. (3) the academic qualification according to the study sample came in the first rank with a bachelor's degree, with (62) individuals at a rate of (42.2%), in the second place a master's degree with (41) people at a rate of (27.9%), in the third place a doctorate with (41) people at a rate of (27.9%), and in the fourth place a high diploma(3) people at a rate of (2.0), and the mean was (2.41) and the standard deviation was ( 1.28), which indicates the dispersion of the study sample responses.

### 3.3.4. Job title adjective

**Table 4: Job category table**

Career Title	Repetition	Percentage	SMA	standard deviation
Accountant	100	68	1.7	1.11
Senior accountant	8	5.4		
Assistant Accounts Manager	21	14.3		
Account Manager	18	12.2		
Other	0	0		
the total	147	%100		

It was clear from the data of Table No. (4) the job title according to the study sample that the accountant came in the first rank with (100) individuals at a rate of (68%), the second rank came as an assistant account manager with (21) individuals at a rate of (14.3%), the third rank

came as an account manager with (18) individuals at a rate of (12.2%), and the fourth rank came as a senior accountant with (8) individuals at a rate of (5.4%), and the arithmetic average reached (1.70), and now Standard deviation (1.11), which indicates the dispersion of the study sample responses.

### 3.3.5. Number of years of service

**Table 5: Table of categories of years of service**

The number of years	Repetition	Percentage	SMA	standard deviation
Less than 5 years old	10	6.8	2.78	0.64
From 5 - 10 years	20	13.6		
From 11 - 20 years old	109	74.1		
21 years and over	8	5.4		
the total	147	%100		

From the data of Table No. (5) the period of service according to the study sample, it appears that the first rank came with experience from 11-20 years, with a number of (109) individuals at a rate of (74.1%), and in the second rank with experience from 5-10 years, with (20) , individuals at a rate of (13.6%), and in the third rank with experience less than 5 years and their number reached (10) individuals at a rate of (6.8%), and in the fourth rank came 21 years and over with a number of They are (8), individuals with a rate of (5.4%), and the arithmetic mean was (2.78), and the standard deviation was (0.64), which indicates the Homogeneity of answers

### 3.3.6. Scientific specialization

**Table 6: Controversy Categories of Specialization (Scientific)**

Scientific specialization	Repetition	Percentage	SMA	standard deviation
Accounting	134	91.2	1.21	0.73
business management	4	2.7		
Economy	0	0		
Banking and Financial Sciences	9	6.1		
the total	147	%100		

It was clear from the data of Table No. (6) the scientific specialization according to the study sample that the accounting major came in first place, with a number of (134) individuals with a rate of (91.2%), the second with a banking and financial sciences major with a number of (9) individuals with a percentage of (6.1%), and the third with a business administration major with a number of (4) individuals with a rate of (2.7%), and the arithmetic mean was (1.21), and the standard deviation was (0.73), which indicates the homogeneity of the sample responses. study.

## 3.4. Hypothesis validity test

**3.4.1. The first hypothesis:** The respondents did not confirm that Iraq's budget suffers from a permanent deficit.

The t-test was used, and the results were (at a significant level of (0.05), as shown in the following table:-

**Table 7: Examination data table**

average	standard deviation	Standard error of the mean	t-test	%95confidence interval for a difference between the two means		The probability of p
				minimum	the highest rate	
3.38	0.429	0.035	95.5	3.31	3.45	0

Comment: Since the probability of importance p is less than the significance level (0.05), then the negation formula is rejected, and the affirmative formula is accepted, which is: (The respondents was confirm that Iraq's budget suffers from a permanent deficit).

**3.4.2. The second hypothesis:** The application of budget programs and performance does not affect the reduction of the budget deficit, the budget of the State of Iraq. The table below shows the results of the linear regression model test, in which the hypothesis was tested.

**Table 8: SPSS data for the linear regression relationship**

Items	Dimensions	Amount of regression (b)	Typical error S.E
Programs balancing application	Program and performance balancing application	1.060*	0.224
State budget deficit	State budget deficit	0.716	0.069
F Amount	((F)) amount	108.579	
level F calculated	(( F)) level	0	
coefficient (R)	(R) Correlation	0.654	
coefficient (R <sup>2</sup> )	(R <sup>2</sup> )	0.428	
	Typical error estimate	0.325	

\* Fixed slope.

The regression's relationship line was as follows:

$$Y = 1.060 + 0.716 x 1$$

Where: Y = accounting system

X1 = Deficiency of the general budget.

Comment: The results of Table 8 showed the following:

(1) The correlation coefficient (R) was (0.654), and the value of the explanatory estimate of the regression model represented in the coefficient of determination (R<sup>2</sup>) was (0.428). (2) The value of changes was (0.428). (3) The value of (F) calculated in the regression model of the hypothesis was 108.579 and at the level of statistical significance (sig = 0.000), which is less than the level of statistical significance adopted (0.05). (4) This leads to the rejection of the negation hypothesis, and the adoption of the positive formula: (The application of the program budget affects reducing the budget deficit of the State of Iraq).

**3.4.3. The third hypothesis:** The third hypothesis states: ((There is no relationship between applying the program budget and increasing the efficiency of government spending in Iraq)).

Using the linear regression method, the validity of the hypothesis was tested, as shown in the table below.

**Table 9: Data for testing the third hypothesis**

variants	Dimensions	Regression value (B)	standard error
The first variable	Program and performance balancing application	0.501*	0.576
The second variable	State budget deficit	1.163	0.143
Statistical values	((F)) amount	66.486	
	(( F)) level	0	
	(R) Correlation	0.561	
	(R <sup>2</sup> )	0.314	
	Typical error estimate	0.541	

\* Fixed slope.

The regression's relationship line was as follows:

$$Y = 0.501 + 1.163 x 1$$

Where: Y = Program and performance balancing application

X1 = efficiency of government spending

Comment: Dragon. Among the results of the above table are:

- (1) Correlation coefficient (R) (0.561).
- (2) The value of the explanatory ability of the regression model represented by the coefficient of determination (R<sup>2</sup>) (0.314).
- (3) 31% of the proposed changes can be explained by the efficiency of the programs. Regression model for Hypothesis 66,486).
- (4) The level of statistical significance (sig = 0.000), which is less than the level of statistical significance adopted (0.05).
- (5) All of this indicates the rejection of the hypothesis of negation and the affirmation of the hypothesis of proof, which is (there are two effects between applying the program budget and increasing the efficiency of government spending in Iraq).

**3.4.4. The fourth hypothesis:** There is no statistically significant effect of the proposed program and performance budgeting approach on the structure of government spending in Iraq. By simple linear regression method, the hypothesis was tested; the test data are shown in the table below.

**Table 10: Data for testing the fourth hypothesis**

variants	Dimensions	Regression value (B)	standard error
The first variable	government spending structure	0.342*	0.607
The second variable	The proposed approach to balancing programs and performance	1.208	0.153
Statistical values	((F)) amount	62.434	
	(( F) level	0	
	(R) Correlation	0.549	
	(R <sup>2</sup> )	0.301	
	Typical error estimate	0.52	

\* Fixed slope.

The relationship of the regression line was as follows:

$$Y = 0.342 + 1.208 x 1$$

Where: Y = government spending structure

X1 = The proposed entry in the program and performance budget.

Comment: The above table data shows the following results: (1) The correlation coefficient (R) was (0.549). (2) The value of the explanatory estimate of the regression model represented by the coefficient of determination (R<sup>2</sup>) (0.301), which indicates that the structure of the spending budget in the proposed performance programs in Iraq represents 30% of the spending value. (3) (F) Calculated in the hypothesis regression model (62.434) and the level of statistical significance (sig = 0.000), which is less than the approved level of statistical significance (0.05). (4) Therefore, we can present the negative formula, and prove the affirmative formula, which is (there is a statistically significant effect of the proposed approach represented in balancing programs and performance on the structure of government spending in Iraq).

#### 4. FINDINGS AND RECOMMENDATIONS

Based on the results of the statistical analysis and hypothesis testing that was presented in the previous paragraphs, the researcher can answer the main research question in the affirmative, saying: The application of budget programs and performance is considered a correct solution to the problem of the budget deficit in Iraq. As its application leads to follow-up of budget activities and programmes, analysis of deviations and knowledge of their causes, while using them as a means of evaluating performance. The program and performance budget is a necessary tool for controlling financial and administrative performance and reducing government spending and controlling it well.

The results of the statistical analysis revealed the following facts:

1. There are differences between the opinions of the study sample that the general budget in Iraq suffers from many negatives and shortcomings, the most important of which is the existence of a permanent deficit in the state's general budget.
2. There is a positive effect between the implementation of the program budget and performance and addressing the state budget deficit.
3. There is a positive effect between the proposal to apply the program budget and performance in increasing the efficiency of preparing and implementing the general budget in Iraq.
4. There is a positive effect between the implementation of the program budget and performance, and improving the structure of government spending in Iraq.

**Based on the foregoing, the researcher recommends the following:**

1. Adopting the application of the program and performance budget in preparing the general budget of the Iraqi state.
2. Training employees by holding courses and workshops for preparing and implementing the programs and performance budget.
3. Benefiting from the experiences in countries that applied balancing programs and performance, and keeping abreast of future developments to activate the role of programs and activities in achieving their goals.
4. Developing the government accounting system by shifting from the cash basis to the accrual basis to achieve more efficiency and effectiveness of the system and to provide appropriate information that helps in evaluating performance and making decisions.
5. Using the accrual basis in recording financial transactions because it is more accurate than the cash basis, especially with regard to financial performance in terms of expenditures and revenues and the preparation of general budget estimates.

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