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Article

Public Budget Structure's Impact on Deficits and GDP Growth: Iraq, Jordan, Tunisia, Egypt

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Abstract: The have a look at aimed to have a look at the shape of the authorities's public price range and its position in budget deficits at some point of the duration from 1990 to 2020. This became carried out thru an financial version utilizing Autoregressive Distributed Lag (ARDL) fashions. The findings indicated a positive effect of tax sales on budget deficits, whilst no sizable effect of tax revenues on Gross Domestic Product (GDP) was observed. Conversely, public expenditure tested a fine affect on GDP. Additionally, the effects discovered no quick-term courting between non-tax revenues and GDP, but a high-quality long-term relationship was recognized. Furthermore, capital expenditure showed no impact on GDP in either the fast or long term. Based on those findings, the observe advocated enhancing the tax machine inside the selected international locations to align with their financial capacities, thereby facilitating a balance within the public budget and contributing to usual financial balance. In this context, the studies highlights the evaluation and size of public price range performance and its effect on financial boom inside the decided on international locations, reflecting the essence in their monetary and political philosophy.

Keywords: Structure of the Public Budget, Budget Deficit, Selected Countries, Iraq, Jordan, Tunisia, Egypt

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1. Introduction

The public price range serves as a crucial instrument for enforcing financial policy, used by nations to evaluate their economic reputation. It aims to achieve monetary stability, thereby fending off budget deficits, which constitute one of the maximum huge economic challenges confronted globally, in particular by means of developing nations [1]. In those international locations, public expenditures often exceed nearby sales, adversely affecting monetary growth and leading to an accumulation of public debt. Consequently, those economies strive to diversify their revenue assets and rationalize their expenses [2], [3].

Countries are striving to reduce price range deficits via a chain of financial reforms. The reduction of price range deficits has been a number one goal in monetary adjustment packages. Many Arab international locations effectively reduced their deficits on the onset of the reform period. The deficit has come to be a significant recognition because of its substantial implications for macroeconomic variables [4]. However, the reforms mentioned in the economic adjustment packages have confirmed insufficient to address the imbalance in price range deficits, in large part because of external pressures which includes the American invasion of Iraq and the financial repercussions of the Arab Spring, in addition to internal demanding situations like limited and non-assorted public sales [5], [6].

Given the various demanding situations confronted by means of monetary sectors in Arab nations, that have contributed to a deterioration in their economic situations and a decline in output ranges, main to decreased boom fees, the public finances continues to enjoy imbalances that adversely have an effect on the achievement of boom. This state of affairs is generally due to financial practices characterized by using a lack of coordination among contemporary and capital expenditures on one hand, and public sales on the opposite [7], [8]. These discrepancies have led to fluctuations in growth. Consequently, the subsequent studies hassle has been proposed: What is the function of the public budget structure inside the budget deficit in Iraq, Jordan, Tunisia, and Egypt?

2. Materials and Methods

The Autoregressive Distributed Lag (ARDL) method was employed to research the version of the public finances deficit, utilising a fixed of impartial variables that encompass tax revenues and non-tax sales.

The preliminary version goals to assess and analyze the structure of the general public finances and its role within the finances deficit in Iraq, Jordan, and Tunisia. The natural logarithm of all variables in the version became applied:

$$LNDEF_t = \beta_0 + \beta_1 LNTR_i + \beta_2 LNNTR_i + \beta_0 LNCA_i + \beta_0 LNCU_i + \varepsilon_0$$

$LNDEF_t$= The algorithm of budget deficit.

$LNTR_i$= The algorithm for tax revenue.

$LNNTR_i$= The algorithm for non-tax revenues.

$LNCU_i$= The algorithm for current expenses.

$LNCA_i$= Capital Expenditure Algorithm.

Literature Review

The budget is regarded as a crucial device of a nation's fiscal policy, aimed at accomplishing a stability between sales and expenses. It is increasingly viewed as a hallmark of the powerful utilization of public funds, that's critical for ensuring the monetary, monetary, and political stability of the state. Furthermore, the budget constitutes a element of the financial plan that the state employs to reap its political and economic targets.

The interest in the structure of the public budget emerged following the Great Depression of 1929, a pivotal moment in economic thought. Initially, there was a strong resistance to state intervention in economic activities; however, it became essential for governments to utilize public finance tools to address crises and guide economic activities toward the public good [9], [10]. Consequently, the significance of the public budget grew across various economies, particularly after World War II. As the role of governments in economic activities expanded, the budget deficits in many countries began to increase. This rise in deficits led to heightened concerns, especially as they surpassed reasonable limits and reached alarming levels that threatened the financial and monetary stability of nations [11].

The public budget is a financial instrument employed by the state to achieve a range of economic and social objectives. It also serves financial purposes that reflect the financial position of the state.

The structure of the state budget primarily consists of:

1. Public revenues encompass all resources acquired by the state in its sovereign capacity, whether in exchange for services rendered to individuals (such as fees) or without compensation (such as taxes). Additionally, it includes revenues generated from state-owned properties [12], [13].

2. Public expenditures encompass all financial outlays allocated in the national budget, whether they are recurrent or capital in nature. These expenditures primarily focus on the procurement of goods and services for various institutions, agencies, and public facilities. Additionally, they include various transfer payments aimed at enhancing living standards and social security to mitigate the impacts of economic fluctuations, particularly unemployment [14]. Public expenditures can be categorized into two sub-divisions based on their economic foundation.
    a. Current Expenditures refer to the ongoing expenses incurred by ministries and units, encompassing the necessary costs for the operation of public facilities within the state.
    b. Capital expenditures encompass the costs associated with investment projects. These expenditures are characterized by their exceptional nature. Furthermore, the process of distinguishing between current and capital expenditures within the public budget holds significant importance, as the lack of such differentiation can lead to confusion in economic analysis and subsequent formulation of fiscal policy [15].

The significance of any component of the public budget varies from one country to another, depending on the economic structure in place and the level of economic development achieved [16]. In many developing countries, taxes constitute a substantial portion of public budget revenues.

To elucidate the evolution of the role of public budgeting according to various schools of thought, it is essential to conclude that a budget deficit occurs when public expenditures surpass public revenues derived from sovereign sources, primarily taxes, fees, and other penalties, as well as government returns from state-owned assets [17], [18]. In such circumstances, governments often resort to financing this deficit through borrowing from the private sector or foreign governments, which constitutes public debt.

The numerous schools of concept have differing perspectives on the effect of finances deficits at the neighborhood financial system [19]. The neoclassical concept posits an inverse relationship between economic growth and budget deficits, suggesting that chronic deficits crowd out public spending, thereby hindering non-public investment. This phenomenon in the end exerts a poor impact on monetary increase [20].

Classical thought emphasizes that the quality of financial management necessitates a balance between the two sides of the state's budget (expenditures and revenues) and the avoidance of deficits, which could lead to inflationary consequences when attempts are made to rectify them. Additionally, there may be instances of surplus that the state is unable to effectively utilize [21]. Proponents of this perspective argue that a financial deficit poses a greater risk compared to a surplus, as a deficit compels the state to resort to remedies such as borrowing or financing through inflation. Given that full employment is the primary objective of traditional theory, the reliance on inflationary financing results in an increase in the domestic money supply without a corresponding rise in the production of goods and services. This imbalance ultimately leads to price increases and the onset of inflation, which diminishes the purchasing power of money [22], [23].

Classical thought has also opposed the notion of financing deficits through monetary issuance, arguing that such a funding method could lead to inflation, resulting in rising prices and a deterioration of the real value of money [24]. This, in turn, could have undesirable socio-economic consequences, particularly concerning the redistribution of income and wealth in favor of the affluent at the expense of the impoverished. Additionally, it may induce contractionary effects on savings and investment, thereby impacting the broader local economy.

This stands in contrast to the assertions made by way of Keynesian concept concerning the ability of price range deficits to beautify the level of economic activity. It posits that such deficits do no longer always cause the crowding out of personal funding, specifically whilst the resources of the financial system are far from complete employment. Furthermore, this fine effect is amplified with an growth in authorities capital expenditure [25].

Keynesian thinkers have asserted that the public finances has evolved right into a crucial tool for the state, permitting the implementation of its monetary and economic programs. This development has significantly contributed to the departure from the conventional principle of annual budgeting [26]. Furthermore, it has facilitated kingdom intervention in economic activities via participation in numerous projects and investments, as well as offering support to impoverished segments of society. The state has additionally played a sizeable position in each the fitness and training sectors, highlighting the inadequacy of annual budgeting for the powerful execution of those programs [27].

Budget deficits may arise due to fluctuations in the business cycle, which are often triggered by unforeseen circumstances. These fluctuations can create a quantitative imbalance between revenues and expenditures. In such scenarios, an increase in the budget deficit is typically associated with a slowdown in economic activity, leading to diminished economic capacity. As real GDP declines, government expenditures tend to rise while tax revenues fall, resulting in what is referred to as a seasonal deficit. This type of deficit is generally considered less severe, as it can be addressed by the government within a relatively short timeframe. Furthermore, a government that experiences a surplus during periods of economic prosperity can utilize that surplus to offset the seasonal deficits incurred during economic downturns [28].

Budget deficits may occur when a government permits a shortfall in the public budget under specific conditions, as determined by thorough studies. In certain instances, the government may increase its public expenditures beyond its revenue over a defined period. Financial policies are often formulated to pursue an expansionary approach aimed at constructing and restructuring the economy to address the crisis that may arise from the deficit, which is systematically managed by the state.

The concept of planned deficit aligns with Keynes's assertions regarding deficit spending. According to his theory, during periods of economic recession, when the domestic economy operates below full employment, it is imperative for the government to increase expenditure and reduce taxes. These actions are expected to stimulate income, thereby enhancing effective aggregate demand, production, and employment, which in turn leads to a further increase in income [29], [30]. This is achieved through the intentional creation of a deficit in the public budget. However, it is anticipated that this deficit will eventually facilitate a return to economic equilibrium and subsequently to fiscal equilibrium. The rationale behind this is that increased spending and tax reductions can invigorate economic activity, resulting in higher tax revenues for the state and a decrease in unemployment benefits and subsidies provided to the unemployed and businesses. Furthermore, the theory of organized deficit relies on the multiplier principle, which necessitates the availability of productive job opportunities and sufficient working capital, as well as flexibility within the production system. The absence of these conditions may result in inflation driven by an increase in public expenditures.

The theory of organized deficiency and Keynesian analysis in this context are applicable primarily to developed countries. This is due to the fact that an increase in public expenditure during periods of recession has a direct impact on the simplification of both real and nominal economic activity. The production apparatus in these nations is characterized by flexibility, alongside the availability of natural resources ready for economic exploitation, as well as labor and capital that are currently experiencing low levels of effective demand. Consequently, any increase in demand is likely to result in a rise in both nominal and real national income without triggering inflation in these countries. In contrast, developing nations cannot effectively apply this theory due to limitations in capital and skilled labor, as well as the inflexibility of their production systems. In such contexts, an increase in spending is likely to lead to inflation.

Economic growth is a structured process in which a sector develops at a rate faster than other sectors. Consequently, it is essential for the government to strive for balance by enhancing the effectiveness of tax policy to increase the available savings for economic development. This technique pursuits to mitigate the inflationary pressures that could arise from fast growth and to alleviate fluctuations in income and activity, which often stem from quick modifications in demand and charges. Therefore, the importance of the state finances turns into evident, as it helps the realization of numerous projects and the availability of social offerings. This necessity has led to an growth in public sales to cowl these prices. Furthermore, government intervention, thru the encouragement of private spending by using raising public costs, effects in an increase in aggregate demand, which in flip boosts manufacturing in economic initiatives.

The importance of the general public budget structure in economic growth lies in its ability to address prevailing monetary situations, whether characterized by using recession or inflation. It encompasses a fixed of goals, strategies, movements, and activities followed via the government to persuade the national financial system and society, with the purpose of preserving standard stability, fostering improvement, and tackling diverse demanding situations while adapting to converting situations. This includes necessary changes in taxation and government spending to sustain boom in an economy free from risky and high inflation. Additionally, it seeks to attain applicable employment levels, which facilitate the identification of public needs that the government must don't forget in useful resource allocation. Often, these efforts aim to mitigate the adverse effects on aggregate demand, bolster consumer and investor confidence, and support key trade partners, particularly in scenarios of declining exports.

The significance of the public budget structure lies in its ability to mitigate the severity of economic fluctuations. It aligns with the trends of the economic cycle, responding to periods of recession and expansion. During a downturn, it injects vitality into economic activity, which consequently leads to an increase in budget deficits. Conversely, in times of economic growth, this framework generates a desirable effect that aids in regulating or stimulating aggregate demand without necessitating alterations in fiscal policy.

The balance of the budget is achieved through the expansion or contraction of economic activity as needed, influenced by economic cycles. This is accomplished through significant adjustments in fiscal tools, specifically government spending and revenues, aimed at correcting output trajectories and fostering economic stability. The government's options for employing flexible fiscal policy are contingent upon ensuring that the economy responds appropriately to shocks. The overall success of fiscal policy is largely determined by the timing allowed for reactions, the effectiveness of adjustments, and the reduction of costs. This success hinges on the economy's responsiveness and the extent to which intended changes in budgetary items support the goal of achieving economic stability.

The role of fiscal policy is contingent upon the current state of the economy, whether it is experiencing expansion or contraction. Fiscal measures can influence aggregate demand either positively or negatively through adjustments in taxation and government spending, aimed at stimulating and stabilizing the economy at full employment levels. This approach helps to bridge the gap between actual and potential output. In the context of a recession, an expansionary policy may be implemented, characterized by tax reductions—either in terms of rates or scope—which increases disposable income for individuals. This, in turn, encourages higher private consumption and investment, thereby stimulating overall economic activity. Additionally, increasing government expenditure Directly contributes to raising combination demand and guarantees sure profits levels for the unemployed and occasional-income individuals. Conversely, in response to inflationary pressures, a contractionary policy can be followed, which involves elevating taxes to reduce disposable earnings, leading to a lower in demand for goods and services and in the end reducing rate degrees. Furthermore, lowering government spending is important to curtail direct mixture demand, as authorities expenditure constitutes a giant issue of this demand within the markets for items, services, and assets.

Numerous monetary studies have tested public budgets and their deficits. One such have a look at via Su aimed to investigate the budgetary structures of Vietnam and Taiwan. This studies also included a contrast among growing and advanced international locations regarding public expenditure and ordinary deficits, making use of the ARDL version for the duration from 2003 to 2020. The look at sought to degree the lengthy-term consequences of those elements on monetary increase and located that the structure of public sales definitely influences the public price range deficit, with tax revenues having a extra sizeable impact on the deficit than non-tax revenues.

The take a look at carried out by using Tanira aimed to cope with the exacerbation of the public budget deficit, which may be approached either via increasing sales, lowering costs, or financing the deficit thru inner or outside sources. A historical technique became employed in this research. The findings discovered a worsening public budget deficit in both advanced and developing countries, regardless of the type of traditional options utilized to bridge the space, which proved useless. Furthermore, this escalation in the public finances deficit is attributed not simplest to the inadequacy of conventional financing equipment but additionally to irrational public spending behaviors in each developed and growing countries. Additionally, growing countries frequently battle to absolutely enjoy the monetary adjustment and correction programs mandated by way of the International Monetary Fund for debt rescheduling. In contrast, Malaysia has managed to set up a pioneering model in addressing the public finances deficit within a brief timeframe by using Islamic financing methods.

A study conducted with the aid of Öztürk and Ekinci aimed to observe the connection between finances deficits and oblique tax revenues in the member international locations of the Organisation for Economic Co-operation and Development (OECD) in the course of the length from 1999 to 2016. Utilizing the Autoregressive Distributed Lag (ARDL) version, the studies determined a statistically extensive courting among manufacturing tax sales and budget deficits within the OECD member countries.

The study conducted by Abdul Majid & Abdul Fattah focused on the budget deficit in Iraq, aiming to identify its causes and effects while proposing suitable recommendations for addressing this deficit and improving the overall budget. To achieve this objective, the research examined the current state of the budget deficit in Iraq through an analysis of official financial reports, studies, and relevant documents, in addition to scientific literature related to the issue at hand. The findings of the study underscored the necessity of reducing this deficit as a fundamental step towards achieving stability and fostering economic growth within a framework of social justice.

A study conducted by Adam and Bevan found a positive effect of budget deficits on economic growth, provided that the value of the deficit is maintained. Conversely, there was no clear correlation between taxes and grants with respect to the budget deficit. However, a significant positive relationship was observed between the size of public debt and the budget deficit.

Subhani et al analyzed the relationship between authorities expenditure and tax revenues in Malaysia from 1970 to 2010 the usage of the ARDL model. The study determined that government spending is appreciably stimulated through both direct and indirect tax revenues during the tested length. It recommended implementing reforms in tax policy to ensure an increase in tax revenues and to foster economic growth. Similarly, Salem argued that the budget deficit in Iraq is primarily due to a structural imbalance between public revenues and expenditures, along with inaccurate estimates published by the Ministry of Oil and ineffective tax administration. The study emphasized the importance of productivity, particularly in public spending, and advocated for rationalization and rehabilitation measures.

3. Results

In light of the review of economic studies and literature pertaining to the structure of the public budget and its role in the public budget deficit, the study employed the following standard model in logarithmic form.

Model 1:

The logarithm was applied to all variables in the model.

$$LNDEF_t = \beta_0 + \beta_1 LNTR_i + \beta_2 LNNTR_i + \beta_0 LNCA_i + \beta_0 LNCU_i + \varepsilon_0$$

$LNDEF_t$= The algorithm of budget deficit.

$LNTR_i$= The algorithm for tax revenue.

$LNNTR_i$= The algorithm for non-tax revenues.

$LNCU_i$= The algorithm for current expenses.

$LNCA_i$= Capital Expenditure Algorithm.

Tests of Stationarity of a Time Series

The stationarity exams of time collection are maximum of the maximum important checks to conduct previous to estimating look at models, as they help determine the amount to which the collection is desk certain or non-desk bound. In this study, the broadly utilized check on this area is the Augmented Dickey-Fuller (ADF) test. This model assumes the presence of autocorrelation in the series at the same time as simultaneously the use of lagged values of the time collection inside the trendy model. This technique allows the identification of the diploma of integration and stationarity of the time series with the resource of calculating the Dickey-Fuller check statistic (t). Subsequently, this calculated price is compared to the essential price. If the calculated price is lots less than the crucial value, the null speculation, which posits that the series is non-stationary and consists of a unit root, is ordinary. Conversely, if the calculated fee exceeds the important fee, the null hypothesis is rejected in decide on of the possibility speculation, which asserts that the collection is desk sure at degree and includes a unit root. In such cases, the primary distinction of the collection is taken, and the Dickey-Fuller values are re-evaluated and in comparison again, persevering with this manner till the variable stabilizes at that distinction.

Table 1 presents the results of the decorated Dicke formation. Conclusions indicate that Dickes calculated for most variables (F) Statistically 5% Significance exceeds the significant value of the importance level, and the P-human for these variables was more than 5%. This result leads to rejection of the disabled hypothesis and acceptance of alternative hypothesis, which believes that it is non-standing at the variable level. An exception is noted for non-tax income variables, where the calculation value was less than the important value, thus supporting zero hypothesis that suggests stability at the level. However, when they took the first difference between the remaining variable, the results showed that the calculated values fell below the significant value, even less than 5%with P- This indicates the acceptance of the disabled hypothesis, suggests that the variables are stable after the first difference, which means that they are integrated by an order.

Table 1. The stability of variables is assessed using the augmented Dickey-Fuller test.

Variables	Level I (0) Calculated T value	Tabulated T-Value	Result	Level I (1) Calculated T value	Tabulated T-Value	Result
LNDEF	-2.42	-3.57	Not Static	-4.17	-3.63	Static
LNGDP	-0.42	-3.57	Not Static	-3.61	-3.57	Static
LNTR	-1.69	-3.57	Not Static	-2.13	-1.95	Static
LNNTR	-3.75	-3.57	Not Static	-	-	Static
LNCa	-2.65	-3.57	Not Static	-7.63	-3.57	Static
LNCU	-1.08	-3.57	Not Static	-4.36	-3.57	Static

At a significance level of 5%

In order to analyze the presence of cointegration in the widespread version in this examine, the Autoregressive Distributed Lag (ARDL) Bounds Testing Approach, as proposed by using Pesaran et al , become employed. A amazing benefit of the ARDL version, compared to different strategies for testing cointegration, is its applicability regardless of whether all variables are desk bound at level, stationary at first difference, or showcase a aggregate of both level and primary difference stationarity. Furthermore, this checking out approach yields dependable outcomes even in the context of small sample sizes.

Bound Test

The system for carrying out this take a look at involves comparing the calculated F-statistic cost with the tabulated cost in the critical barriers proposed by using Pesaran et al. If the calculated F-statistic exceeds the top vital cost, the null speculation, which posits that the have a look at variables are without cointegration, is rejected in favor of the alternative hypothesis, which asserts the presence of cointegration inside the model this is integrated of order I (1). Conversely, if the calculated F-statistic falls beneath the lower critical cost, the null speculation is likewise rejected, as stated through Hoque and Yusop, see Table 2.

Table 2. Cointegration by Bound Test.

Significance	I(0) Bound	I(1) Bound	F-Value for Model 1 (DEF)	F-Value Model 2 (GDP)
10%	2.2	3.09	11.44	12.35
5%	2.56	3.49		
2.50%	2.88	3.87		

It can be found from the previous desk that the F-statistic values of 11.Forty four for the primary model and 12.36 for the second version exceed the most essential values at all importance levels. This indicates a rejection of the null speculation and reputation of the opportunity hypothesis, suggesting the presence of a cointegration courting among the observe variables, which means that the variables are incorporated of order I (0). Conversely, if the calculated F-statistic falls between the higher and lower bounds, the decision concerning the null speculation, which posits the absence of cointegration, remains inconclusive.

Findings

The study, utilizing the ARDL model for estimation, arrived at the following findings.

Results of the short-term model one (DEF)

Table 3 illustrates the results of estimating the impact of the public budget structure on the budget deficit in the short term as follows:

Table 3. The results of estimating the impact of the public budget structure and its role in budget deficits (short-term relationship).

Regression	**(LNDEF) Model 1**	
Variable	Parameter	Statistics
D(LNTR)	-	-
D(LNNTR)	1.141138	0.0000
D(LNCA)	-0.128516	0.2542
D(LNCU)	1.685380	0.0000
CointEq(-1)	-0.517802	0.0034

The findings imply that there may be no short-term effect of elevated tax sales on the finances deficit. Conversely, an growth in non-tax sales has a statistically significant positive impact, suggesting that a 1% upward push in non-tax revenues results in a 1.14% growth inside the finances deficit. This final results can be attributed to the unstable security conditions surrounding Jordan throughout the take a look at length, which caused a vast influx of refugees. Additionally, a massive portion of non-tax sales consists of outside presents directed toward refugees, which aren't allotted to efficient sectors, thereby exacerbating the finances deficit. The effects also reveal a statistically giant effective relationship between present day prices and the price range deficit, indicating that a 1% growth in contemporary expenses results in a 1.7% upward push within the price range deficit. This finding aligns with monetary idea, as an boom in modern fees tends to widen the space between prices and sales, ensuing in a bigger budget deficit. Furthermore, the outcomes show an inverse courting between capital spending and the price range deficit; however, this relationship turned into no longer statistically great.

Concerning the mistake correction coefficient, it was discovered to be negative and statistically great, with a cost of (0.518). This finding underscores the lifestyles of a long-term relationship between the variables. Furthermore, it's far glaring that 51.Eight% of the imbalance located in the preceding length is corrected within the subsequent duration following any shocks experienced with the aid of the unbiased variables, which in flip have an effect on the structured variable.

Results of the long-term model one (DEF)

Table 4 presents the results of estimating the impact of the structure of the public budget on the long-term budget deficit as follows:

Table 4. The outcomes of assessing the impact of the public budget structure and its role in budget deficits (evaluating the long-term relationship).

	(LNDEF) Model 1	
Variables	**Parameter**	**Statistic**
LNTR	0.457743	0.2687
LNNTR	-1.184676	0.0001
LNCA	-0.048310	0.7667
LNCU	1.584683	0.0005

The data presented in Table 4-4 indicates that there is no significant effect of tax revenues on budget deficits. However, it is evident that indirect taxes have a statistically significant positive impact on budget deficits. Specifically, a 1% increase in non-tax revenues results in a 1.8% reduction in the budget deficit. This locating aligns with economic idea, which posits that an boom in non-tax revenues allows to slender the gap among revenues and prices, thereby reducing the price range deficit. Additionally, a negative dating is found between capital expenditure and the finances deficit. Conversely, there's no statistically big impact of public spending on the budget deficit; in fact, a 1% growth in public spending results in an boom inside the budget deficit. This final results is constant with monetary idea, which shows that increased spending exacerbates the distance between sales and fees, resulting in a larger budget deficit.

4. Discussion

Based on the preceding findings, the examine has arrived at the subsequent conclusions:

1. There is no courting between tax revenues and price range deficits in each the fast and long term.
2. A fine courting exists among non-tax sales and price range deficits in the short term, even as a bad relationship is located inside the long term.
3. The relationship between capital expenditure and finances deficits is high-quality in both the short and long term, although it isn't always statistically significant.
4. There is a statistically large wonderful courting among public expenditure and gross domestic product (GDP) in each the fast and long time.
5. Five. Tax revenues have a high quality and statistically widespread impact on GDP in each the short and long term.
6. There is no relationship between non-tax sales and GDP in the short time period, but a tremendous relationship is present inside the long time.
7. No courting exists among capital expenditure and GDP in either the quick or long term.
8. A nice and statistically sizeable courting is observed among public expenditure and GDP in both the fast and long term.In Jordan, the research highlights its findings and puts forth several recommendations:

The enhancement of the tax system in Jordan should be in harmony with the capabilities of the Jordanian economy, aiming to achieve equilibrium in the public budget while promoting higher economic growth rates.

It is crucial to implement economic strategies that will boost the volume of service investments and resolve conflicts between the productive and service sectors within the public budget, thereby ensuring effective coordination between fiscal and monetary policies.

New strategies should be developed for the management of public and capital revenues, with the objective of diversifying income streams and invigorating various productive and economic sectors.

Investment expenditures should be optimized, requiring a comprehensive evaluation to eliminate superfluous projects or defer certain initiatives, while also striving to enhance the investment efficiency of both ongoing and future projects. The conditions surrounding public procurement, financial oversight, and legal accountability must be integral to this process.

In Iraq, the study emphasizes the following findings and recommendations:

There exists a statistically giant terrible courting among the investment-to-GDP ratio and GDP inside the brief time period. This finding contradicts economic theory and may be attributed to the unstable security and political conditions, as well as the economic sanctions imposed on Iraq and its surrounding region. In the long term, a negative relationship is observed, although it is not statistically significant.

A statistically significant positive relationship is identified between human capital and GDP, aligning with economic theory that suggests well-trained and qualified labor enhances productivity.

There is a statistically massive tremendous relationship between population numbers and GDP in each the quick and long term. This outcome may be linked to the presence of effective human development initiatives in Iraq during the study period and prior, which likely support economic growth.

A statistically significant negative relationship is found between trade openness and GDP. This result can be explained by the fact that a majority of Iraqi imports consist of consumer goods rather than technology, which hinders economic development. Additionally, no significant relationship is observed between trade openness and GDP.

Therefore, there is an effort should be directed towards enhancing foreign investments while simultaneously curbing the rise of external borrowing. This entails creating a conducive economic environment for such investments and improving the associated infrastructure. Additionally, it is essential to intensify initiatives that channel external loans into the development of productive projects or developmental initiatives aimed at reducing imports. At the same time that it is essential to establish legal limitations on foreign debt as a percentage of gross domestic product, it is also essential to establish a restriction on the debt of the central bank in relation to cash reserves. Furthermore, it is essential to direct foreign imports toward modern technology products that have the potential to improve the efficiency of human resources and reduce the amount of resources that are imported by consumers.

An overview of the most important findings from the research, both in its theoretical and practical aspects in Egypt, will be presented along with recommendations based on these results. The analysis indicates a significant increase in Egypt's budget deficit during the study period, primarily attributed to rising public expenditures outpacing public revenues. The budget deficit in Egypt has exhibited a persistent upward trend over the past two decades, characterizing it as a structural deficit rather than a cyclical one. This trend is not linked to the business cycle; rather, it continues to grow despite the high growth rates achieved during this period. The underlying causes of the budget deficit in Egypt are largely due to weak tax capacity, as tax revenues remain considerably low in comparison to both developing and developed countries. Additionally, the increasing size of public expenditures, which constitutes a substantial portion of the country's gross domestic product, exacerbates the situation. The model employed in the study successfully explains 98% of the variation in gross domestic product, revealing that only four variables significantly influence changes in GDP. Three of these variables—foreign direct investment, export volume, and population growth—exhibit a positive correlation, while one variable, the budget deficit, shows a negative correlation.

5. Conclusion

The findings of this study lead to several recommendations: Firstly, it is essential to enhance the tax system in the selected countries in alignment with the economic capacity, thereby facilitating a balance in the public budget and promoting higher economic growth rates. Secondly, the implementation of economic policies aimed at increasing the volume of service investments is crucial, alongside the removal of any conflicts with productive and service sectors within the public budget, while ensuring coordination between fiscal and monetary policies. Additionally, it is important to develop new plans for managing public and capital revenues that diversify income sources and stimulate various productive and economic sectors. Furthermore, there should be a rationalization of public investment spending, necessitating a thorough review to eliminate unnecessary projects or postpone some, as well as to optimize the investment costs of ongoing and future projects. Lastly, the conditions of public tenders, financial oversight, and legal accountability must play a significant role in this process.

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