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NEGATIVE CAPITAL IMPACT ON INVESTMENT AND ECONOMIC GROWTH

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Abstract
The purpose of this research is to measure the impact of capital on investment and economic growth in Iraq, thus contributing to the economic development that Iraq seeks to achieve. The study concluded that there is a waste of human resources as human resources and capabilities are not optimally exploited. This can be explained by the following: First, low spending on education compared to developing countries that have achieved high growth rates, in addition to the lack of optimal use of these expenses, and second, insufficient educational results. The incompatibility of higher education with the needs and requirements of the labor market, which ultimately leads to weak capital investment in economic development, which negatively affects economic growth. Finally, capital is separated from the labor component while integrating the skills, competencies and training necessary for the country's economic growth process

Keywords: negative impact, economic growth, investment, capital.

Introduction

This has contributed to the development of human capital by bringing some developing countries into the category of advanced industrial countries until recently (in the middle of the twentieth century). The case of South Korea constitutes a clear example and an important model in this context. This movement on the path of progress, or rather this gradual change, is characterized by its foundation, which includes many areas to increase spending on educational infrastructure [1]. and thus create an advanced knowledge economy [2]. in order to do so. This does not apply to Southern and Eastern countries. Asia (Asiatic tiger). Its development path was based on the importance of developing human capital to improve growth, which could be achieved by increasing the rate of national income per capita.

No less important is the qualitative aspect of the pillar of justice behind the increase in the cost of prayer on ships as a quantitative expression of change. Thanks to prayer and peace, since then, life expectancy at birth has increased. Due to the increased awareness related to certain types of educational fields, the proportion of the population has developed, and thanks to the use of modern education in various fields and specializations, important social and economic contacts have appeared. The series that sparked the first interest in psychological education began to become humanistic and vertical. Little by little, development is advancing in all directions, in all directions[3].

This group of country models formed a sign that quickly took inspiration from its features and emerged, at the visual level, in the form of what is known as the Endogenous Model of

Growth. Human capital has ultimately contributed to growth, and remarkably does not affect much, if the channels work, which flows from indicators of investment in human capital to economic growth. There is no surprise that the picture (theory) is only in the application dimension (the experiences of modern countries).

Iraq is another case of faltering and confusion. These are the societies that tomorrow began to gain political independence in the experiments of reproduction. The previous countries in capitalist progress were the path of capitalism or socialism, a path addicted to backward state, following other countries moving forward along the path of progress and modernity. However, the path adopted by Iraq did not achieve its goals. The Pursuit of Hope and Ambition [4−5].

Accordingly, With the increasing importance of human resources to the economy and economic development at both theoretical and practical levels, Iraq has begun to attach great importance to human resource development efforts and has begun to focus on improving human resource indicators in various aspects such as health. Have given, Helpful and clear contribution.

This research includes identifying the negative impact of capital. In doing so, it relies on data published by some international institutions, such as capital index reports and the Central Bank of Iraq, in addition to a questionnaire for those specializing in economic growth and the negative impact of capital.[6].

1.1 Research objective

Understanding the relationship between the negative impact of capital and economic growth and the impact of the Iraq problem

1.2 The importance of the research

Knowing the trends in thalassemia in the selected sample, the most important treatment methods for the disease, and the findings of new research.

2. Proposed Methodology

2.1 Definition of capital

Capital is defined as everything that gives value or benefit to the organization, whether it is financial value such as the company's assets and its bank balances, material value such as equipment and machinery, or intellectual value such as patents.

Explain the term capital

Capital is the main measure of the wealth that organizations possess, and it is also the primary resource that helps them increase that wealth. [6].

The term capital is used to refer to the cash assets or financial liquidity that a company or institution possesses, whether for the purpose of saving them or providing its basic expenses. But the term can include a broader scope and includes all the company's assets that have a monetary value, such as equipment, buildings, products in the company's stores, etc. [8].

But when it comes to setting the company's budget, the capital intended for that budget is cash flow. Although some confuse the concept of capital and cash and consider them to be one and the same thing, this is not the case; The term capital is much more comprehensive and includes all business requirements that can be used in implementing business to increase revenues and income, such as: workers, investments, patents, and others.

As for money, it is the money that is used to complete the purchase or sale of assets, such as buildings and equipment, which the company uses to increase its profit margin.[9].

2.2 The importance of capital

Capital is a very important element in the economic process at the present time, and the importance of the presence of capital is as follows:

1- Increase, double the product

It is true that you can start your own business even if you do not have enough capital, but it will be very useful if you want to increase the productivity of your project and multiply the products you offer.

With the development of high technology in production systems, the role of capital has become more efficient. What can be done manually in the long run can be done repeatedly in a short time using special equipment and machinery backed by capital.

2- Providing manufacturing equipment and raw materials

Capital works to ensure that the raw materials needed for production are of the right quality and quantity. It also provides the necessary equipment and devices that facilitate the production process, without which it is not possible to improve and increase productivity.

3- The essence of the economic development process

Because of its strategic and influential role in the process of increasing productivity, capital occupies a central place in the process of development and renaissance of nations, as it helps provide countries with machines, tools, equipment, and advanced infrastructure that ultimately leads to development in society.

Whatever the economic system the country follows, whether capitalist, socialist, or mixed, they all need sufficient capital to help the renaissance of their country.

4- Creating more job opportunities

Intensive population growth must be accompanied by a significant increase in capital for the state and institutions to increase economic projects; To provide more job opportunities.

5- Maintaining national security

At present, state defense equipment and weapons have become very expensive, and if the state has military equipment factories, these weapons can be manufactured within the state, but of course this will not be done without providing a large amount of capital.

Also, one of the most important things that determine the strength of a state or not is economic strength. The more a state has economic capabilities and capabilities, the more influential it will be in international decisions in addition to providing protection for its land[10-13].

2.3 Types of capital

There are four main types of capital that companies and institutions focus on in their work.

When developing the annual financial budget, most companies focus on three types of capital:

- Debt capital.
- Equity capital.
- Working capital.

Some commercial institutions specialized in financing other projects also specify “commercial capital” as a fourth element in the budget. [14].

Below we mention each type in some detail:

First - Debt capital:

Some institutions seek capital by borrowing from either private or government sources, which is known as debt capital.

In order for any company or institution to be able to obtain a loan, it must have a good credit history. Until you gain the trust of financial institutions, you will be approved to grant the loan.

Companies treat loans as a unique opportunity that must be taken advantage of, if the loans are repaid on a regular basis without faltering, as it is considered the best and only way through which companies can obtain large sums of money sufficient to implement the investments they are looking forward to.

Second - Equity capital:

The second type of capital is equity capital, which can appear in more than one form. Whether it is in the form of private equity, public equity, or real estate equity.

Public shares can be defined as those shares that are offered for trading by listing the company's shares on the stock exchange.

As for private stocks, they are among a closed group of investors. [15].

Third - Working capital:

Working capital is defined as the company's current assets minus its outstanding liabilities. Accordingly, a company that has more liabilities than assets is on the verge of an economic problem, and it is important to intervene before the matter deteriorates further.

Working capital is primarily concerned with measuring the financial liquidity that the company possesses in the short term, and it also represents the company’s ability to cover its debts, accounts payable, and various obligations due within one year.

The company's working capital also refers to the financial liquidity available to meet the daily obligations of the organization, and is calculated through the following two equations:

- Current assets - current liabilities
- Accounts receivable + inventory - accounts payable

Fourth - Commercial capital:

The fourth type is commercial capital, which is a term used by companies that seek to provide financing to other institutions, and which carry out a large number of daily transactions in which they determine the amount of money allocated to buy or sell various securities. [16].

2.4 Definition of capital market

The capital market is defined as the market in which securities such as bonds and stocks are traded; This is in order to obtain financing for various projects.

The primary goal of this market is to obtain the money saved by individuals and entities through their purchase of securities, and then exploit that money to establish and finance new projects.

Capital characteristics

There are a set of characteristics that characterize capital, including the following:

1- It alone is not enough

Capital in its monetary sense is not enough to achieve success for any company without the participation of a group of other factors, as a business also needs manpower and a place from which the business activity is carried out.

2- Man creates it himself

Capital is created by man, and he is the one who controls the extent to which it increases or decreases. Capital is the product of a great endeavor and effort made by man to create future wealth by exploiting natural resources through labor.

3- It is not necessary

Although capital is an important factor, it is not necessary without which a business project cannot be completed. This means that if you have a place to work and a workforce, you can produce without having capital.

4- Flexible capital

Capital has the flexibility to increase and decrease more quickly than any other factor in the production process.

5- Depreciable

If you use capital in its physical sense, such as equipment, machinery, etc., over and over again, this will lead to a decrease in its value. For example, when you use a machine for a long period of time, it may then become unusable due to significant depreciation.

6- Increases productivity

A company's production can increase significantly if sufficient capital is available for the business.

7- Capital is temporary in nature

You must try to reproduce and renew capital production from time to time. Because it is a temporary item.

8- It requires a cost to find it

Capital is not considered a gift that you get for free. Rather, to obtain it, you must pay a high cost for it by doing a lot of hard work and sacrifices.

9- As a result of previous savings

When all the goods you own are not consumed, they may become a kind of savings for the future and you have capital. For example, if a farmer does not sell part of his crop, he can use it as seeds in the future for new crops. [17−18].

2.5 Capital investment

The term equity investment refers to any amount of money provided as financing for a company; To help them achieve and promote a specific business goal.

Some institutions specify an amount of money to be granted as a loan to another company to be repaid within a specific period of time or resulting in the company granting the loan owning a share of the future profits of the company that took the loan. By this definition, capital is cash funds.

Capital can also mean a type of long-term acquisition by the company of some assets such as real estate, machinery, and factories.

Where company managers make capital investments in the business, they purchase long-term assets that help the organization operate more efficiently and achieve faster growth, and here the meaning of capital is physical assets[19].

2.6 The relative position of Iraqi capital as shown by scientific and regional evidence

Iraq is characterized by an abundance of mineral resources, most notably oil and natural gas, as Arab countries account for more than 55% of the world's oil reserves. Among the ten countries with the largest reserves, there are five Arab countries that possess a total of 713 billion barrels of oil. These countries are Saudi Arabia, Kuwait, Iraq, the Emirates, and Libya. The Arab countries also possess important reserves of natural gas that exceed a quarter of the global reserve. Iraq possesses huge quantities of minerals, but they are not sufficiently exploited, either because they are not explored or due to the absence of research studies in the field of detection and search for minerals. According to the criterion of the average share Per capita GDP, Iraq can be classified as a middle-income country[20−22].

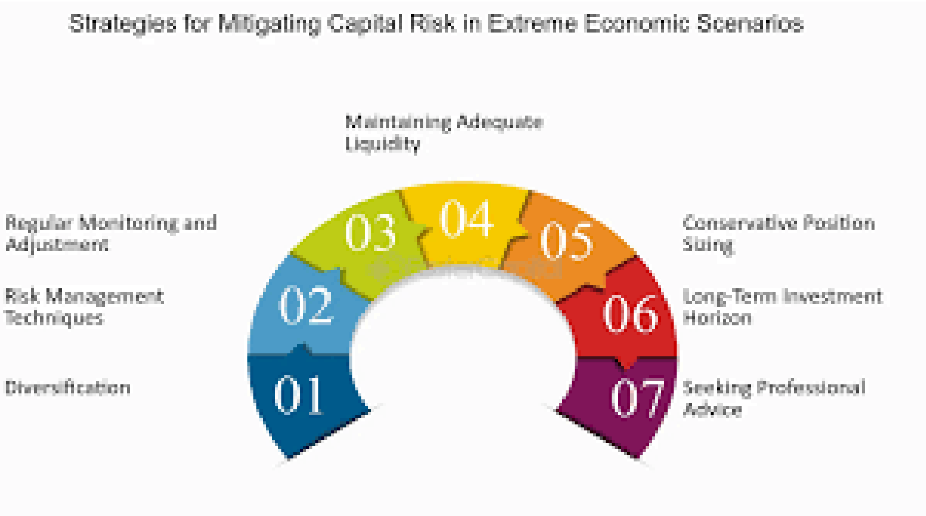

Figure (1): The negative effects of capital on economic growth

2.7 Understand the relationship between capital classification and economic growth

Capital classification is an important step in determining the economic efficiency and competitiveness of a country. Strong capital appreciation not only attracts foreign investment but also fosters an enabling environment for entrepreneurship, innovation and infrastructure development. On the other hand, inadequate capital appreciation can stunt economic growth, restrict investment and hinder the development of vital sectors.[23]

It is important to evaluate the different components of capital to understand the relationship between capital classification and economic growth. These components include financial capital, human capital, physical capital, institutional efficiency and infrastructure. By analyzing and comparing these, we can gain valuable insights into the dynamics of economic growth and identify strategies for improving capital.[24–26]

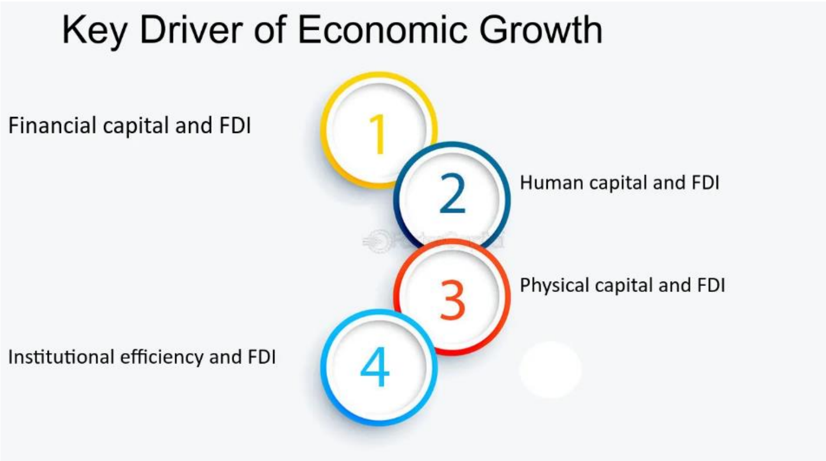

Figure (2): To discover the relationship between capital classification and economic growth - the main driver of economic growth

3.Result Discussion

Comments on a sample of specialists in economic growth and capital. Data was collected to achieve the research objectives.

Research Methodology: In this study, the descriptive method was used to describe the research variables and analyze the relationships to achieve the research goal. The descriptive analytical method was also used to confirm the research hypothesis.

The sample size was 200 individuals to obtain the necessary information for the study, which included discussions to confirm or deny the research hypothesis by setting a series of questions. The data were analyzed using SPSS, and percentages and proportions were calculated using analytical statistics. Arithmetic and evidential differences in the opinions of sample members.

3.1 Describe sample responses to study variables personal data

Table No. (1) shows the amount of artistic research according to gender diversity.

Male to female frequency ratio	No.	frequency ratio
male	151	%76
Females	49	%34
the total	200	%100

From Table No. (1), we notice that the number of males constitutes about twice the number of females out of the size of the sample studied. The percentage of males out of the total sample size reached 76%, while the size of the number of females reached 34% out of the total sample size.

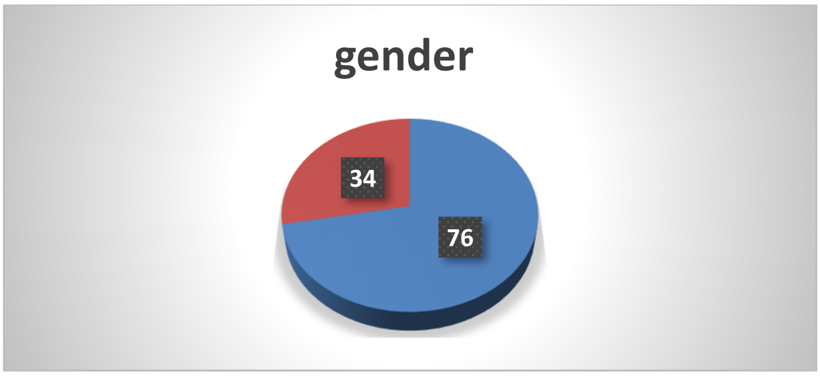

Figure No. (3) shows the size of the research sample according to the gender variable

Table No. (2) shows the size of the research sample according to the age variable

age	male	ratio	Females	ratio
Under 30	61	%40	23	%47
36-42 years old	10	%7	15	%31
42-47 years old	57	%38	8	%16
48+ years	23	%15	3	%6
the total	151	%100	49	%100

Through Table No. (2), we notice that the youth group is more knowledgeable about the external effects of capital on economic growth for the age group between less than 21 years and 30 years, especially among males, as the percentage of the employment age group from 21 years - 30 years has exceeded 40%.

Table (3) shows the sample size according to academic achievement variables.

Educational level	male	ratio	Females	ratio
Primary	128	%85	25	%51
Medium	21	13%	23	47%
Preparatory school	2	1	1	%2
University	151	%100	49	%100
the total	128	%85	25	%51

From Table No. (3), we notice that the percentage of males who hold a bachelor's degree reached 85%, while the number of females reached 51%, while the number of holders of a certificate and master's degrees reached 13%, while the number of females reached 47%.

Table No. (4) shows Cronbach's alpha coefficient.

Axis items	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
1	0.786	.809	16
2	0.834	.812	7
3	0.934	.932	8

From the table above, you can clearly see that the lowest alpha ratio is (0.786), which That's a pretty high percentage.
It has been proven that the questionnaire gives good results and shows the validity and stability of the results

4. Conclusion

1- Previous studies have found directly that the weakness of capital leads to a low impact on economic growth, and indirectly that there is a waste of human capital in the form of unemployment among the people, which explains the low impact of education on economic growth.

2- In the context of studying the current relative situation of capital in Iraq, the study presented indicators for measuring capital. In this context, the study found a difference between the capital indicators that international institutions rely on, such as the Ministry of Planning, the Central Bank of Iraq, and the Economic Forum, and the capital indicators, which are used to measure the impact of capital on economic growth in standard studies, and this difference is attributed to the nature of the concept. Human capital is a complex theoretical variable with multiple dimensions.

3- International institutions have resorted to constructing an index that takes into account the various dimensions of the concept of human capital, such as education, training, health, and employment. Despite this, some capital indicators, especially by the Central Bank, are distinguished by their focus not only on measuring the capital stock or measuring its various components, but rather on the extent of benefiting from the available capital stock in employing, developing, and continuing enhancement in all areas of economic growth, and on lost income. Because of capital gaps, and the speed with which these losses can be converted into gains if the capital component is developed.

4- The study found consistency and harmony between the results reached by previous studies regarding the negative effects of capital's contribution to economic growth in Iraq.

5-Recommendations:

1- Interest in studying the reciprocal relationship between capital and studying the impact of an increase in improving economic growth in Iraq.

2- Work to develop and adapt systems to increase economic growth and the method of exploiting capital to meet the needs and requirements of the labor market.

3- Interest in researching forms of capital waste of all kinds in Iraq.

4- Interest in using internal growth models to a greater extent in future studies.

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