

THE ROLE OF FINANCIAL GOVERNANCE IN ACHIEVING ECONOMIC DEVELOPMENT IN IRAQ

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Abstract

This study seeks to investigate the function of financial governance in attaining economic growth in Iraq, with special focus on commercial banks. The study presents the basic challenges with regards to Iraq commercial banks. Which include insufficient qualifications, inadequate financial resources, corruption, and lack of exposure to financial dealings among staff. The study applied descriptive analytic approach to survey 200 employees from the major commercial banks in the country. The finding displays that efficient implementation of financial regulation such as transparency, risk management and accountability can remarkably improve performance efficacy, foster economic development and reduce risks for sustainable economic enhancement. The study concludes and recommends that emphasis should be given to introducing strategies that can improve governance practices and promote long-term growth as well as discarding systemic challenges.

Keywords: Financial Governance, Economic Development, Transparency, Risk Management, Iraqi Banks

Introduction

Background

The banking institution is essential in addressing national economic development by serving the as the primary channel for financial dealing, effective capital allocation and total economic steadiness plays (Basel Committee on Banking Supervision, 2018). With the assistance of financial intervention, banks can execute the transfer of public funds from distinct savers to potential borrowers and hence, create effective room for future investment and drive economic development (Beck, Demirgüç-Kunt, & Levine, 2006). Efficient capital allocation affirms that the basic resources are channeled into productive places and enhance economic growth and efficiency (La Porta, Lopez-de-Silanes, Shleifer, & Vishny, 1999). Likewise credit facilities and other payment systems may be offered by banks to enhance investment, infrastructural development and entrepreneurship (OECD, 2015).

In developing economies where conflict of various sorts ravaged, the significance of banking institutions is highly critical. These banks in Iraq are important towards the mobilization of financial resources enhancing private sector investment and rebuilding infrastructure (Al-Saadi & Al-Tamimi, 2018). These institutions are crucial in the restoration of economic activities, fostering investment in the key sectors as well as reconstruction and development (Hassan & Abubakar, 2019).

Conversely, the Iraqi banking institution is faced with numerous challenges that can prevent its move towards national and regional growth. The sector is facing the problem of obsolete systems, corruption and inadequate regulatory framework that often undermine the efficacy of financial regulation (Kakar & Khilji, 2020). Corruption, is one of the key problems that erodes and weakens the system and the failure to enforce transparency and accountability (Mauro,1995; North, 1991).

To deal with these challenges, executing efficient financial regulation is necessary. This may include the adoption of international best practices and transparency, risk management and accountability (International Finance Corporation, 2017). Effective regulatory oversight to combat corruption and modernize the system can improve the efficacy and stability of the country's banking sector, and consequently contribute to the sustainability of the economy (Basel Committee on Banking Supervision, 2018).

Problem Statement

Notwithstanding the potential of the banking institution to trigger economic development in Iraq, the failure of the government to institute firm and strong financial governance and regulation, brought about significant threat. Problems like the inefficient risk management, lack of transparency and excessive corruption of the banking sector to inspire economic growth, frila financial governance in Iraq often pose an essential blockage. Problems such as insufficient transparency, inefficient risk managing and broader form of corruption and have weakened the credibility and efficacy of Iraq banks. This sort of inadequacy hinders wider economic development by constraining investment, increasing financial dangers, and eroding public confidence in the financial sectors.

Research Objectives

1. To analyse the degree to which financial regulation and control ethics are executed in Iraq banking sector.
2. To examine the effect of financial governance and economic growth in Iraq.
3. To analyse the effect of financial governance on the reduction of risks and improve transparency.

Research Questions

1. How efficient fo Iraqi banks execute financial governance principles?
2. Do Iraqi banks execute financial governance ethics?
3. What is the connection between financial regulation and economic growth in Iraq?

Significance of the Study

This study seeks to cover the existing gap in research on financial governance in the crises ravaged country of Iraq. Through the exploration of the execution of governance ethics and their effect on economic growth. The study offers valuable insights for financial regulators, policy makers and banking sectors. The Iraq banks can lead to an effective financial structure, improved economic steadiness and support the countries potential economic development.

Literature Review

3.1 Concept of Financial Governance

Financial governance includes the models, principles and procedures that will ensure financial sectors operate in a way that is transparent, effective and provides accountability. a pivotal role in maintaining the integrity and stability of the financial system, thereby promoting trust among stakeholders and contributing to economic growth (OECD, 2015). Efficient financial governance may integrate the core ethics like transparency, risk management and accountability to produce a resilient financial entity.

Transparency is a basic aspect of financial governance that affirms financial information, reports and decision procedures are clear, precise and accessible to all beneficiaries (OECD, 2015). Transparent practices include constant disclosures, complete financial statements and

noticeable communication with potential investors, regulators and the general public. This process builds confidence and decreases the possibility of fraud activities or corruption (Mauro, 1995).

Accountability maintains financial managers and basic institutions that are responsible for their choices, actions and the outcomes (International Finance Corporation, 2017). Efficient accountability mechanisms entail internal controls, board oversight and independent auditing. These ensure that ethical issues and conflicts are reduced by the regulatory bodies as well as conflict of interests (La Porta et al., 1999). In the absence of such forms of accountability, financial misdeeds can undermine institutional confidence and integrity (North, 1991).

Risk Management focuses on the identification, assessment and mitigation of possible risks to protect the steadiness and solvency of financial sectors (Basel Committee on Banking Supervision, 2018). Potent risk managing models include continuous monitoring and observation of financial issues that can withstand economic shocks and keep operational suppleness (Beck, Demirgüç-Kunt, & Levine, 2006). For instance, the adoption of the basic standards such as the Basel Accords which offers the common guidelines for the capital sufficiency and risk assessment (Basel Committee on Banking Supervision, 2018).

The integration of these ethics, will enhance efficacy, trust and resilience in the banking sector. It will also affirm that financial sectors foster sustainable economic development and enhance transparency. In the post conflict and progressive economies such as Iraq to implement strong financial governance practices and to deal with the challenges like corruption, weak regulatory oversight and obsolete structures (Hassan & Abubakar, 2019). By connecting with the international best practices, Iraqi banks can enhance governance quality, attract foreign direct investments and contribute to the development of the national economy (Kakar & Khilji, 2020).

3.2 Financial Governance in Banking Sectors

Financial governance within the banking sectors can be viewed as the execution of policies, processes and the basic regulations that will ensure banks function within the ethical purview and transparency. These mechanisms can maintain financial steadiness, safeguard stakeholders and enhance economic development. Efficient financial control may include the major elements like the robust regulation and strict disclosure demands for an effective oversight (La Porta, Lopez-de-Silanes, Shleifer, & Vishny, 1999).

In advanced economies, financial governance structures may typically be well-established and supported by a detailed regulations and the mechanisms required for the regulation. These structures affirm that banks adhere to ethical practices, manage risks effectively, and maintain transparency through detailed financial disclosures (OECD, 2015). For example, the execution of the Basel Accords offers a standardized method to capital sufficiency, risk managing and to ensure banks look resilient to financial shockwaves (Basel Committee on Banking Supervision, 2018). Likewise, autonomous oversight regulators such as the apex banks and financial control authorities, can play a crucial role in monitoring compliance and deal with the deviations in time (International Finance Corporation, 2017).

In distinction, developing economies may face essential threats in the implementation of efficient financial control. These challenges comprise:

1. **Weak Legal models:** insufficient and obsolete laws may fail to offer the required

guidelines and enforcement towards financial governance (Beck, Demirgüç-Kunt, & Levine, 2006).

2. **Corruption:** Prevalent corruption may undermine governance and erode public confidence and deter investment (Mauro, 1995).
3. **Insufficient Infrastructure:** Inadequate innovative infrastructure and obsolete banking systems may block the effective execution of governance practices (Al-Saadi & Al-Tamimi, 2018).
4. **Deficiency of Skilled Personnel:** Inadequate training and experts among the banking professionals may lessen the implementation of governance standards (Hassan & Abubakar, 2019).

For instance, in Iraq, there are so many issues that block financial governance which include lack of resources, corruption, and inconsistent regulation oversight (Kakar & Khilji, 2020). These challenges may cause so many problems such as the poor risk management, insufficient transparency and inefficiencies that inhibit the development of the banking sector and the economy in general (North, 1991).

To deal with these challenges, it is important to empower financial control in the development of the economies by adopting the universal best practices. Some of the major plans may include:

- Improving Regulatory Models: to implement clear financial regulations that is in consonance with global standards (OECD, 2015).
- **Endorsing Transparency:** Assigning constant and comprehensive disclosures to enhance public confidence and accountability (La Porta et al., 1999).
- **Contesting Corruption:** Introducing severe anti-corruption measures to ensure autonomous oversight in relation to banking operations (Mauro, 1995).
- **Investment in Infrastructure:** This will upgrade the banking system alongside the modern innovations to enhance efficacy and manage risk (Basel Committee on Banking Supervision, 2018).
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Through the adoption of these measures, the economy of Iraq, it will enhance steadiness, and promote economic growth. This will strengthen financial control so that stability in the banking sector will be attained and foster resilience as well as attracting foreign investment (International Finance Corporation, 2017).

3.3 Economic Development and Financial Governance

The association between financial governance and economic growth is well-founded in the economic conception and other related empirical study. Efficient financial control is necessary to support economic development by improving capital allocation and decreasing transaction costs and foster investor trust between (Romer, 1990). These elements will ensure that the financial materials are used for productive activities.

According to endogenous development theory, potent financial governance will facilitate economic development through the creation of a reliable entity where financial sectors can effectively address capital and support initiative (Romer, 1990). When banks and financial sectors are controlled transparently and with accountability, they will provide investment opportunities and offer credit to productive institutions and enhance entrepreneurship development. Moreover, institutional economics stresses the essence of sound governance structures in the creation of a stable financial entity that attracts foreign and domestic investment (North, 1991). Well-controlled financial sectors will ensure that potential

investors have trust in the financial activities in the sector and make sure that there have confidence and transparent practice. and encourages capital inflow, which is essential for economic development (La Porta, Lopez- de-Silanes, Shleifer, & Vishny, 1999).

On the other hand, the weak financial governance which include corruption, lack of transparency and inefficiency will hinder economic progression (Mauro, 1995). Corruption in most financial sectors can erode public confidence, discourage investment and misdirect resources and finally stall economic growth (Beck, Demirgüç-Kunt, & Levine, 2006). Ineptitudes in governance can lead to poor risk managing and financial failure, which makes it hard for financial sectors to support development and innovations (Basel Committee on Banking Supervision, 2018).

For instance, in Iraq, frail financial control which is supported by financial irregularities, corruption and lack of transparency keep on hindering the banking sector in its effort to contribute to the economic growth (Al-Saadi & Al-Tamimi, 2018). Consolidating governance practices through the adoption of international standards, will enhance regulatory oversight and promote transparency which eventually translates to the effective function of financial institutions and create national development (Hassan & Abubakar, 2019).

Thus, the implementation of potent financial governance is necessary to encourage economic growth. Other aspects like the enforcement of anti-corruption measures, enhancing risk management models and promotion of accountability can support long term development whereby the development economies can have strong financial system and encourage potent practices in order to achieve stability, attract potential investment and foster economic growth (OECD, 2015; International Finance Corporation, 2017).

3.4 Previous Studies

Several studies have explored financial governance in the country and the following explains their findings.

Al-Saadi and Al-Tamimi (2018) carried out a much deeper analysis of Iraqi banks on poor government practices which is linked to the high levels of corruption and weak control oversight. Their study presented some issues that hinder the quality of the financial institutions, and impede efficient risk managing. The authors stressed on the improvement of governance models, applying strict regulations and improve transparency, which are the basic steps to the mitigation of these challenges and foster a more potent banking institution.

Similarly, Hassan and Abubakar (2019) further analysed the essence of transparency and accountability towards the enhancement of financial performance in Iraq. They claimed that lack of clear financial disclosures in the system and lack of accountability tools is some of the problems that often lead to financial misconduct. Their research suggested that the implementation of international standards in financial reporting as well as the establishment of autonomous bodies to oversee the financial activities are necessary to ensure that banks attain to ethical practices and regulation requirements.

In a general context, Kakar and Khilji (2020) carried out a somehow comparative studies on financial governance in some relative post conflict zones including Afghanistan and South Sudan and they finally found out that there are governance deficiencies which include corruption and inadequacy of basic regulatory frameworks. These studies clearly support the fact that without strong governance, financial institutions in post-conflict regions struggle to provide reliable financial services, attract investment, and support economic development.

Most prevailing studies on this topic, tend to focus on the macro aspects of analysis to examine the wider economic indicators and broad governance challenges. There is a remarkable lack of micro-stage studies that seek to investigate governance practices in some banks which can provide more obvious insights into the operative challenges confronted but these sectors.

Similarly, few studies propose a detailed and actionable governance model that are guided to the special socio-economic and regulation domain of Iraq. Since the country was in conflict, so, progressive efforts are on to rebuild the major financial sectors and the need to identify governance weaknesses so that proper solution can be found.

Future studies should focus on:

1. Micro-level analyses of governance practices in some individual banks.
2. Improving context-inclined models for the improvement of financial governance in Iraq.
3. Exploration of the role of technological improvements towards improving transparency and risk managing.
4. Assessment of the long-term impacts of governance reforms on banks performance and economic growth.

Handling these gaps will offer regulators, policymakers, and financial sectors with the need to strengthen governance the practices in the promotion of sustainable development in Iraq.

Methodology

3.1 Research Design: Descriptive-Analytical Approach

This study applies a descriptive-analytic method to analyse the role of financial governance towards the attaining of economic growth in Iraqi private banks. This aspect of the methodology will provide a complete overview of the financial practices, whereas the analytic aspects may focus on these potential practices to reduce risks and enhance transparency and consequently improve economic results. this approach is necessary to systematically describe the present state of financial governance and discuss the connection with economic growth.

3.2 Data Collection

The data collection procedure includes a comprehensive survey of 200 participants who are the employees of Iraqi commercial banks. There was the usage of structured questionnaires to capture the required data in relation to governance practices and outcomes. The questionnaires engaged some items designed to measure the main aspects of financial control like:

- **Transparency** in financial reporting.
- **Accountability** in decision-making processes.
- **Risk Managing** practices.

The questionnaire was disseminated to the participants in different administrative stages to affirm a detailed perception of governance practices in the banking sector.

3.3 Sampling

A simple random sampling approach was employed to choose participants for the survey.

This approach affirms that every employee in the commercial banks obtained equal opportunity of being part of the study and no bias will be imposed. The sample size of the respondents which deemed suitable for the attainment of numerical reliability and validity in the analysis of the financial governance practices.

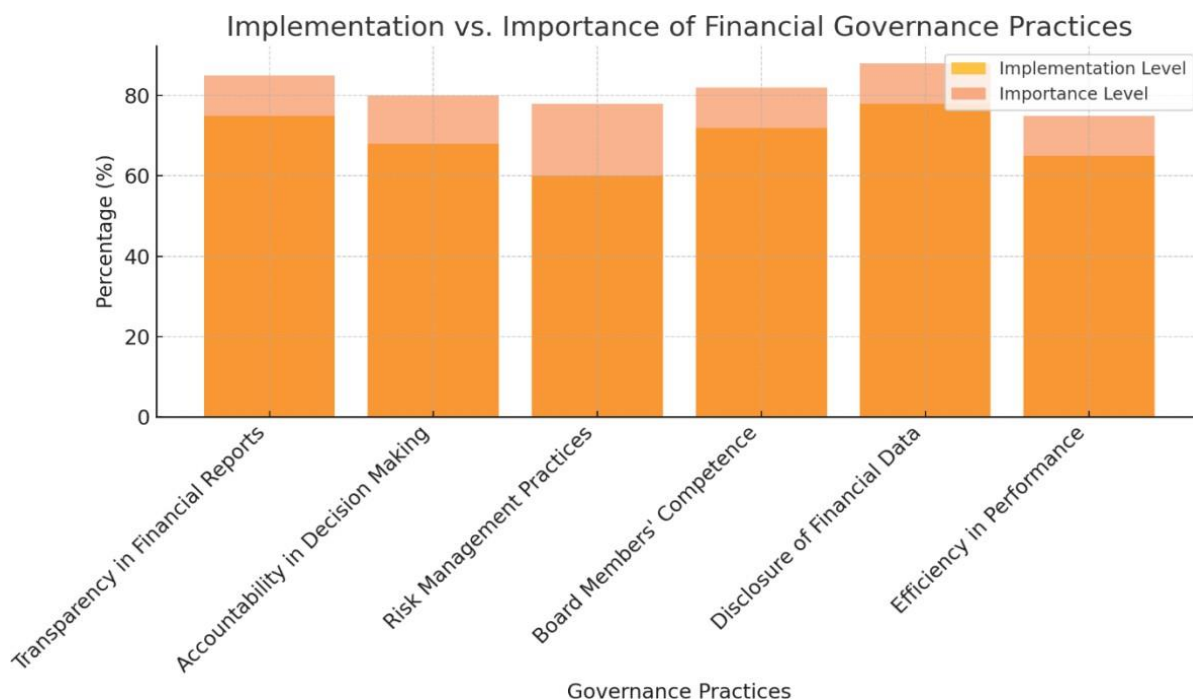
3.4 Data Analysis

The data was composed through the projected survey and it was later analysed through the use of different numerical methods and procedures which include:

1. **Regression Analysis:** To regulate the connection between financial governance practices and economic growth indicators.
2. **Correlation Coefficients:** To assess the strength and path of links between governance variables (for instance, transparency and accountability and also the risk reduction, and performance enhancement).
3. **Reliability Tests (Cronbach's Alpha):** To measure the internal reliability of the tools. A Cronbach's Alpha score above **0.70** was observed to ensure the consistency of the survey instrument.

The combination of these analytic procedures offers a detailed perception of how financial issues have impact on the growth of the banking institutions in Iraq.

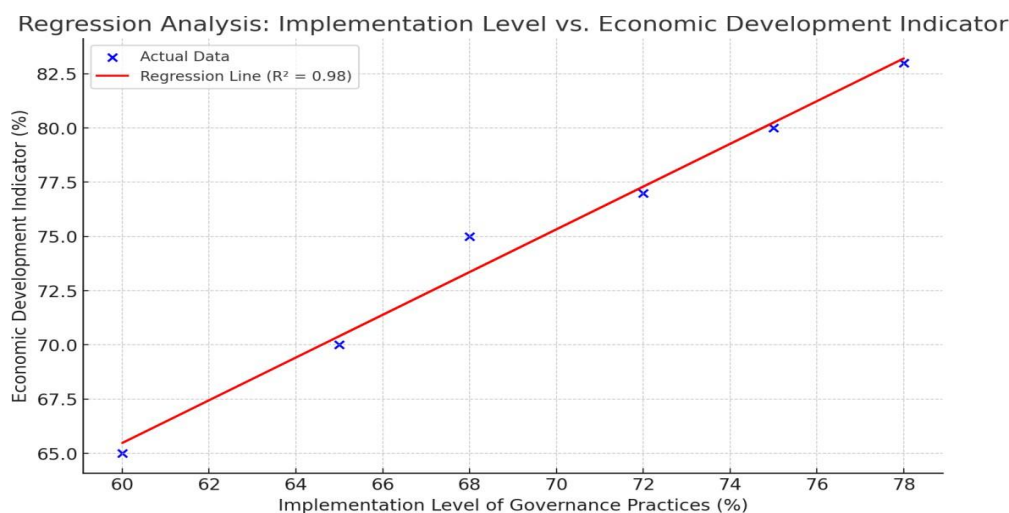
graphs based on the data related to financial governance practices, survey findings, and key metrics.



Interpretation

- Transparency in Financial Reports and Disclosure of Financial information contain the maximum levels of execution of (75% and 78% while the practice was rated as (85% and 88%).
- Accountability in Decision Making and Board Members' Capability are obviously well-executed ranging from (68% and 72%, but the gap is comparable to (80% and 82%) of importance.
- Risk Management Practices: this indicate the lowest execution level of (60% notwithstanding being so crucial with a vital rating of 78%.
- Efficacy in Performance also contain an execution level of 65% to indicate room for possible improvement as compared to its vital rating of 75%.

This scrutiny presents the important areas where Iraqi banks need to improve their governance practices so that the gap can be covered to maintain proper management and accountability



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Financial Governance Regression and Correlation Results

Slope	Intercept	R-Squared	P-Value	Standard Error
0.98494	6.38253	0.98494	8.55E-05	0.060896

Analysis Results

1. Regression Analysis

- **Slope:** 0.9849
- **Intercept:** 6.3825
- **R-Squared:** 0.9849 (shows a potent link between execution levels and the economic growth).
- **P-Value:** 0.000085 (numerically significant)
- **Standard Error:** 0.0609

This analysis indicates the execution of financial governance practices in highly necessary to be predicted for economic growth results containing very potent fit ($R^2 = 0.98$).

Correlation Coefficients

Variables	Implementation Level (%)	Importance Level (%)	Economic Development Indicator (%)
Implementation Level (%)	1.000	0.896	0.992
Importance Level (%)	0.896	1.000	0.886
Economic Development Indicator (%)	0.992	0.886	1.000

- High relationship between execution level and economic level and economic growth indicator (0.992).
- **Strong relationship between vital Level and execution stage (0.896).**

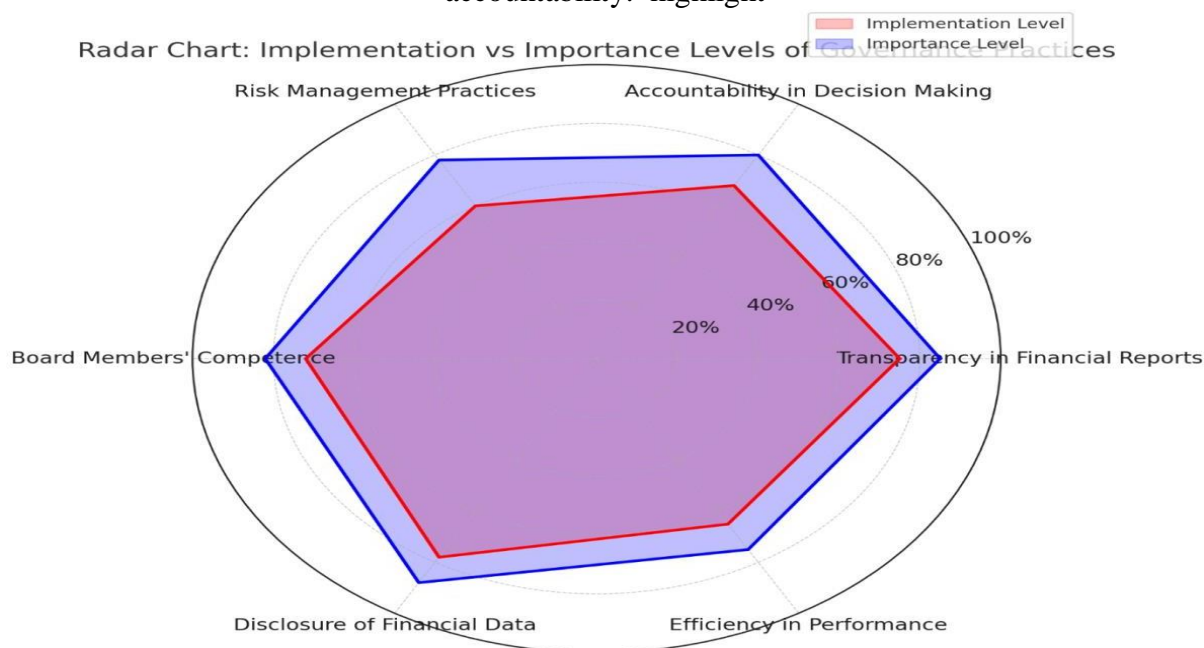
This recommends that adding the execution of governance practices will essentially improve economic growth.

Reliability Test (Cronbach's Alpha)

- **Cronbach's Alpha: 0.9962**

This score shows excellent internal consistency and reliability for the survey elements in relation to governance practices and economic growth.

These results indicate the crucial function of financial governance in the promotion of economic development and emphasize the role of transparency, risk management and accountability. highlight



Radar Chart Interpretation

- Transparency in Financial Reports and Disclosure of Financial Information contain high execution levels, however, it still falls short of their recognised importance.
- **Risk Managing Practices indicate** the largest chasm between execution and essence to highlight a crucial area for development.
- **Accountability in Decision Making** and **efficacy in Performance** and to indicate the need for improved governance attempts.

This conception clearly defines areas that need to be reinforced to meet their significance for economic growth.

Results and Discussion

4.1 Execution of Financial Governance Ethics

The examination of the survey information obtained from 200 participants in Iraq financial banks and it really exposed different execution for the key financial governance ethics. Transparency, risk management and accountability are some of the primary tenets as explained below:

1. Transparency in Financial Reports is executed at a stage of 75% to reflect a moderate adherence to clear financial information practices. This is one of the remarkable ratings as at 85% however, there remains a gap to indicate a room for enhancement.
2. **Accountability in Decision Making** indicates an execution stage of 68% which is rated at 80%. This chasm supports the need for effective mechanism to hold decision makers accountable.
3. **Risk Managing Practices** are the most limited execution at 60% despite a vital rating of 78%. This shows an essential weakness in the management of financial risks within Iraqi banks.
4. **Disclosure of Financial information** and **Board Members' Competence** have maximum execution levels of 78% and 72% correspondingly although they fall constraint of their normal ratings at 88% and 82%.

These results suggest that while some progress has been made in implementing financial governance principles, critical gaps persist, particularly in risk management and accountability.

4.2 Impact on Economic Development

The regression analysis shows a potent relationship of financial governance and the basic economic indicators with relative R-squared value of 0.98. This shows that:

1. Improvements in financial governance practices significantly enhance bank performance.
2. Transparency and accountability contribute to increased investor confidence and reduced corruption, fostering a stable financial environment.
3. Effective risk management practices lead to better financial stability and reduced financial crises.

The correlation matrix further supports these findings, showing a strong correlation (0.992) between implementation levels and economic development. This proposes that improving

governance practices directly serves as positive agent to national growth and the steadiness of the banking sector.

4.3 Challenges and Barriers

Some of the important factors that affect the execution of Iraqi commercial banks are:

1. **Corruption:** This issue is persistent and it contributes to the efficacy of transparency and accountability as well as governance frameworks.
2. **Lack of Resources:** Inadequate financial and innovative resources and the adoption of cutting-edge risk management practices are also important.
3. **Inadequate Training:** Numerous banks do not have the necessary requisites to execute governance ethics efficiently.
4. **Weak Regulatory Oversight:** Unreliable adoption of governance regulations can lessen the complete structure.

These problems need to be handled via sophisticated reforms comprising anti-corruption measures, and other basic regulatory models.

4.4 Comparative Analysis

When marked against the universal standards, Iraqi commercial banks may have some weaknesses in these key areas:

1. **Transparency:**
 - **Global Best Practices:** Banks in advanced countries align with the strict financial transactions and offer practical reports.
 - **Iraq:** though transparency stages are at 75%, they are still behind the universal standards which has 90%.
2. **Accountability:**
 - **Global Best Practices:** Autonomous boards and audit committees should ensure effective accountability in their decision making.
 - **Iraq:** Accountability stages are at 68%, which reflects weak oversight function and slim independence of the regulatory bodies.
3. **Risk Management:**
 - **Global Best Practices:** innovative risk evaluation and the compliance structure are effective.
 - **Iraq:** Risk managing practices are poorly executed at 60% to show the need for total reformation to align with global risk model.

Covering these gaps needs the adoption of global standards to strengthen institutional models and align with the universal practices.

These results call for the need of the systematic reform to overcome challenges and improve the function of the banks in Iraq to promote national growth.

Conclusion and Recommendations

This study is on the execution of financial governance ethics in Iraqi commercial banks and their basic role on economic growth. Insights from this study will underscore the crucial function of financial governance in fostering economic steadiness and development.

Firstly, the study showed that transparency in financial reporting is found to be at a moderate level of 75% and it seems commendable while short fall of 85% significant rating seen

attributed to stakeholders. This indicate there is still remain the need for potent disclosure practices to improve clarity and build confidence. Transparency affirms that financial information and decision-making procedures are found which seems essential for encouraging investors and maintenance of stakeholder confidence.

Secondly, accountability in decision making was observe to have an extent level of 68% in comparison with vital rating of 80%. This is weaker oversight in Iraq banks and it will be strengthened through the establishment of autonomous oversight and audit committes and affirms decision-makers are held responsible for such actions as well as the possibility for mismanaging of resources and unethical behaviours.

The study revealed that risk managing practices are implemented least with a stage of 60% to an essential rating of 78%. This substantial chasm will expose the banks to a maximum level of financial risk and confusion. Efficient risk management can identify and assess as well as mitigate the possible threats to financial transactions. So, it is important to adopt the universal standards in the process of management as stated by the Basel Committee in order to enhance resilience fi the banks under study.

Notwithstanding these constructive findings, the study similarly found out that the effective execution of financial governance in Iraq face some challenges which include lack of resources, corruption, and weak regulatory oversight. It is known that insufficient resources and inadequate resources with regards to regulatory framework as well as public trust can impede development of governance practices. So, dealing with these challenges via effective means is critical to affirm financial governance and fulfil the potentials through swift reforms and encourage economic stability and development.

In conclusion, this study presents the urgent demand for Iraqi commercial banks to improve their financial governance practices by addressing the established gaps and challenges. Iraqi banks can enhance their performance and boost investor confidence; this will eventually strengthen financial governance which seems to be not a simple technical necessity. It is one of the fundamental requisites for building a financial system that is robust potent and prosperous in a post conflict economy.

5.1 Key Findings

This study studied the execution of financial governance ethics in Iraq banks and their economic impact. The following are some of the major findings in the study:

1. Transparency in Financial Reports is executed at a stage of 75% to reflect a moderate adherence to clear financial information practices. This is one of the remarkable ratings as at 85% however, there remains a gap to indicate a room for enhancement.
2. Accountability in Decision Making indicates an execution stage of 68% which is rated at 80%. This chasm supports the need for effective mechanism to hold decision makers accountable.
3. Risk Managing Practices are the most limited execution at 60% despite a vital rating of 78%. This shows an essential weakness in the management of financial risks within Iraqi banks.
4. Disclosure of Financial information and Board Members' Competence have maximum execution levels of 78% and 72% correspondingly although they fall constraint of their normal ratings at 88% and 82%.
5. Regression analysis shows a potent positive relationship ($R^2 = 0.98$) between financial governance execution and economic growth indicators.

1. Correlation analysis indicates a maximum relationship of (0.992) between execution and economic growth to underscore the essence of enhancing governance practices.
2. Challenges such as corruption, deficiency of resources and weak regulation oversight may hinder effective financial governance.

5.2 Policy Recommendations

To enhance financial governance in Iraqi banks and support sustainable economic development, the following policy recommendations are proposed:

1. Strengthening Regulatory Frameworks:

- Enforce stricter financial reporting and disclosure standards to enhance transparency.
- Implement independent audit mechanisms to ensure accountability in decision-making.

2. Anti-Corruption Measures:

- Develop and enforce robust anti-corruption policies within the banking sector.
- Increase oversight and penalties for fraudulent activities to deter malpractice.

3. Capacity Building and Training:

- Offer regular training programmes for some bank employees on financial management and risk management.
- Develop special courses and related certificates programmes towards risk management.

4. Adoption of Technological Solutions:

- Investment in modern financial innovations and risk managing systems to enhance efficacy and relative oversights.
- Implementation of digital banking solutions to decrease human error and improve transparency.

5. Improving Risk Managing Practices:

- Introduction of comprehensive risk evaluation tools to lessen financial risks.
- Encouraging banks to implement international best practices endorsed by the **Basel Committee**.

6. Autonomous Oversight Bodies:

- Establishment of autonomous bodies to observe and assess the execution of governance practices.
- Guarantee that these bodies have the authority to impose compliance and enforce penalties.

5.3 Implications for Future Research

This study makes suggestions for further studies viz:

1. Micro-Level Analysis:

- Future studies should focus on the micro-level of the execution of financial governance to find out challenges.

2. Comparative

Studies:

- Carry out studies to discuss the best financial practices in Iraq and other post conflict zones to be on the same page for a successful strategy implementation.
3. **Impact of Technological Adoption:**
- Discover the role of financial technology, that is (FinTech) for enhancement and transparency as well as risk management.
4. **Longitudinal Studies:**
- Carry out longitudinal study to evaluate the impact of governance reforms on national economic development.
5. **Qualitative Research:**
- Incorporation of qualitative paradigms like interview and case analysis to obtain a deeper insight into the understandings of bank employees in relation to governance practices.

When these issues are addressed, the potential gap will be dealt with and provide a framework that is sustainable and effective for a better financial system in Iraq.

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