

## **Fiscal Policy and Unemployment Nexus in Iraqi Economy**

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**Abstract:** This paper aims to ascertain the impact of fiscal policy on unemployment in Iraq. Time series data from 1990 to 2018 were utilised. The Autoregressive Distributed Lag (ARDL) model was used to estimate the short and long term coefficients. Unemployment has a long-run equilibrium relationship with government spending and other determinants of economic growth. The findings reveal that fiscal policy has a negligible effect on unemployment. Foreign assistance, capital formation, and agricultural output all contribute to unemployment. As a result, fiscal policy should be redesigned to strengthen the economy's ability to create jobs.

**Keywords:** Fiscal Policy, Iraq, ARDL, Unemployment, Foreign aid

**JEL Classification Number:** E41, E44, E42, E52

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