

International Franchise And The Possibility To Invest In The Iraqi Environment (Review)

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Abstract:

There are many restrictions that affect the entrepreneur's decision, including restrictions on outsourcing production or distribution, restrictions on expanding the value chain and global competition facing the company, franchising is one of the most popular methods of entering new markets and expanding them with the lowest risk and cost, due to that Franchisee obtaining vital information about consumer habits and cultures in the local market (Farooq, et al., 2020) Franchising emerged as a legal and marketing term in 1986 when the Singer Company created a network of sewing machine sellers (Varotto & Aureliano-Silva, 2017)

Franchise in the Middle East is gaining a prominent position within the rapidly economic diversification undertaken by the Arab oil exporting countries (Nasri, Collazzo, & Welsh, 2020) But Iraq may not be attractive to franchising due to economic, security and political challenges, This study aims to explain the main challenges that limit franchising in the Iraqi environment and what are the advantages and reforms needed to remove this challenges, and on this we formulate the research question:

How can franchising be invested in the Iraqi environment?

This study contributes to demonstrating international franchising in the context of the Iraqi environment due to the focus of most of the previous literature on Western environments, and the study also contributes to identifying the causes of foreign investment fear of going to the Iraqi business environment

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The importance of studying:

The importance of the study is represented by the importance of the topic it raises, which deals with international excellence and the possibility of investment in the Iraqi environment.

The importance of international franchising is to enter global markets and expand them with less risk and relatively lower costs, because the franchisee obtains vital information on consumer habits and cultures of the local market from a partner in the host country and it shows the possibility of investing it in the Iraqi environment by taking as an example the oil concession contracts, Iraq due to the importance of oil and one of its most important natural wealth.

Its importance is highlighted by clarifying the stages of oil investment contracts in Iraq and the causes of fear of foreign investment.

Franchising definition

Franchising is a system of marketing goods, services, and technology that is based on close and continuous cooperation between independent, legally and financially separate undertakings between the franchisor and individual franchisee (Varotto & Aureliano-Silva, 2017) Franchising is the transfer of knowledge, industrial rights and intellectual property in exchange for returns in the form of fees and royalties (Madanoglu, Alon, & Shoham, 2017) A franchising is a commercial tool by which one investor (the franchisee) permits another investor (the franchisor) to trade in the goods or services of the franchisor, using the

franchisor's "expertise", consistent with the franchisor's business scheme, and by using the franchisor's brand (Elsaman, 2017)

The forms of franchising change and vary due to the different forms of business and the surrounding circumstances (Ganebnykh, Mottaeva, Larinina, & Petrova, 2018)

Table 1: Franchise forms

Form	Description
Commodity franchising	The franchisor transfers its rights to another party to sell a commodity in a specific area. The franchisor usually participates in the construction of buildings and staff training. The franchisee, who has franchise relationships of this type, is obligated to purchase the franchisor's products under certain conditions and in agreed quantities.
Production franchising	The franchisor transfers the rights to produce products under the trademark to the franchisee. Certain ingredients, recipes or developments are used in a separate, precisely defined area, usually far from the franchisor's production.
Service franchising	The franchise scheme actually represents the development of a network of branded dealers. The franchise shall provide on its territory the services of a franchisor in accordance with the standards of appearance and quality.
Business franchising	The franchisor provides franchisees with both their own branding and technology, as well as technical and marketing knowledge. As a result, the franchisor is fully attached to the franchisor and effectively becomes part of the company

Source: (Ganebnykh, Mottaeva, Larinina, & Petrova, 2018)

franchising in emerging markets

(Baena, 2012) aimed to study market conditions that restrict the spread of franchising in emerging markets. They are: geographical distance. Cultural distance, avoidance of uncertainty, individuality. Political stability and corruption have concluded that expanding franchising across emerging countries is positively correlated with national cultures that have low individualism and avoidance of extreme uncertainty (Ganebnykh, Mottaeva, Larinina, & Petrova, 2018) believe that the franchising is a somewhat flexible form, which allows the current economic ties to be modified and a completely new formation, since the stability of the socio-economic development of the regions is largely determined by the level of development of economic ties within them, (Hoffman & Preble, 2004) found that the best opportunities are for franchisors who offer a low-cost product, and it closely follows that by offering a unique service, service-coupled product, unique product, and finally, low-cost service, they also reached the most important challenges facing franchising, which are economic issues, followed by legal / political challenges, franchise management and employee concerns. Then the challenges posed

by efficiency / innovation, globalization / the Internet, and socio-cultural issues

(Yeung, Brookes, & Altinay, 2016) aimed to explore the hospitality franchise purchase decision-making process that Macau's franchisees are making as an emerging tourism destination, and concluded that national culture plays an important role in the franchisee's decision-making process, (Elsaman, 2017) aimed to provide a comprehensive explanation of franchising in Egypt and what are the best solutions to solve the problems Egypt faces. The study recommends achieving a balance between the different interests that must be reconciled in the laws of franchising, (Grunhagen, Mumdzhev, Harca, Milenkovic-Kerkovi, & Dlaci, 2019) aimed to investigate franchising in the context of the Balkan countries as emerging countries, the study found that there are severe deficiencies in the Balkans with regard to the availability of official data and the lack of specific legislation regarding the powers of franchising and disclosure, in addition to a deficiency in education about franchising and a reliable legal environment, (Nasri, Collazzo, & Welsh, 2020) explores the local factors that drive the competitiveness of food service franchises in the

Middle East in international markets. The study concluded that culture contributes to international competitiveness.

Iraqi environment

- Culture

Depending on the (hofstede-insights)¹, the researcher finds that the Iraqi culture is characterized by low individuality, Iraqi society is a collective society, and it is characterized by a high avoidance of uncertainty. Iraqis see that time is money. They have an internal desire to be busy and hard work, and accuracy and punctuality are the rule, both (Baena, 2012) and (Liua & Almorab, 2016) argue that these cultural dimensions encourage the expansion of international franchises.

- Politics

Iraq suffers from political instability, as it achieved -2.56 points on the Political Stability Index (-2.5 weak, 2.5 strong), to be ranked 191 out of 195 countries on the index in 2019, Iraq also achieved only 20 points on the Corruption Perceptions Index (100 points = no corruption), to be ranked 161 out of 175 countries on the index in 2019 (the global economy)². (Baena, 2012), (Hoffman & Preble, 2004) and (Nyadzayoa, Matandab, & Rajaguru, 2018) argue that political instability is negatively related to the expansion of franchising

- Legalizations

In Iraq and neighboring countries there is no specific franchise law, but Iraq is distinguished by having a commercial agency law and a set of complementary regulations. In addition, the structuring of various licensing agreements is not as complicated as it is in the Gulf, especially in the field of operating and termination (Abousy, 2016). (Hoffman & Preble, 2004), (Elsaman, 2017) and (Grunhagen, Mumdziev, Harca, Milenkovic-Kerkovi, & Dlaci, 2019) saw the lack of clear legislation for franchising within the country as a major obstacle

- Labor

Iraq has a high labor force, as the labor force in 2020 reached 10.8 million people, This is a great advantage for Iraq and a magnet for franchises (the global economy), (Hoffman & Preble, 2004) believes that the lack of manpower in the host country is a major concern for the franchisor.

- Economy

In 2019, the GDP per capita of Iraq reached 5589.02 US. Also, Iraq is an oil country with oil reserves estimated at 145.02 million barrels (the global economy), But as a result of the Corona pandemic and the closures, the gross national product has decreased, making the performance of the Iraqi economy in 2020 its worst annual performance since 2003 according to (The world bank, 2020), (Stanworth & Dandridge, 1994) argues that the growth of franchising within the country is positively correlated with economic growth and stability, Meanwhile, (Madanoglu, Alon, & Shoham, 2017) found that variation in economic growth and economic uncertainty affect the desire of franchisees to expand on an ongoing basis.

Contracts and laws for oil investment in Iraq

The nature of the oil agreements that took place between the two world wars between oil monopoly companies and countries with oil wealth, including Iraq, were in fact unilateral agreements, because the countries of the region were under the influence of countries that owned oil companies, so the oil companies on their part formulated these agreements that It obligated the rulers of the region, including the rulers of Iraq, to sign long-term oil agreements under the pressure of British warships.

These agreements were distinguished by the comprehensive privilege that covered all the borders of the country, from land and sea, and thus there was no room left for other companies to enter the same country, and these agreements did not give priority to citizens to work in the company so that the country remains dependent on foreign expertise and on the imported workforce that It was mostly foreign, as these decades did not give much attention to the establishment of the oil industry in the oil-producing countries.

¹ <https://www.hofstede-insights.com/country-comparison/iraq/>

² <https://www.theglobaleconomy.com/Iraq/>

Most of the oil-producing countries, due to their weak administrative capabilities in government agencies and the private sector, resorted to contracting with foreign companies to implement, operate, maintain and manage oil projects, which helped to consolidate dependency and in turn weakened the opportunities for the growth of local project management capabilities, paving the way to deepening the interests of foreign oil companies in the long term. Through it, oil companies were able to exercise the maximum possible freedom in making decisions, in following the rules of employment and appropriate incentives, and applying whatever methods, means and administrative systems they deemed, which made it easier for foreign companies to obtain huge profits.

The large oil revenues were due in large part to the major industrial countries in the form of investments, and their returns remained under the control of these countries and under the influence of economic and political factors,

Concession contracts were prevalent in all exploitative oil agreements in the Middle East in the first half of the twentieth century (Iraqi-British oil companies agreements contracts)

Oil wealth is of special importance to the Iraqi people, who consider the owner of the right to invest and freedom to dispose of it among the national constants and an indication of their sovereignty, Oil investment in Iraq has gone through several stages:

1. The monarchy era, investment and production were in the hands of British companies, and the rest of those companies were the ones with the privilege to produce oil even after the end of the monarchy in Iraq and the establishment of the republican system. After the oil exploration in Iraq since the end of the Ottoman era in the nineteenth century, the Turkish Oil Company (Britain, Germany, Netherlands) was established, which stopped its activities during the First World War, and Iraq became under the British mandate, and then a concession was granted (1925) covering 192 thousand miles Square meters to the Turkish Oil Company, which became known as the "Iraq Petroleum Company", with British, French, Dutch, American and Kulbenkian contributions (5%). After the discovery of the giant Kirkuk field (1927), the Iraqi Petroleum Company's concession area gradually expanded to cover the entire area of the country except for 800 square miles adjacent to

the border with Iran, which was an Anglo Iranian concession area. In 1947, the Zubair oil field was discovered, then the giant Rumaila field in southern Iraq in 1954. This year, which actually represents the end of the serious exploration operations of the Iraq Petroleum Company and its subsidiaries.

2. The republican system, the government of Abd al-Karim Qasim issued Law 80, by which all exploration and development concessions were canceled for foreign companies, except for fields produced at the time, and in Baghdad during that period the first meeting of the Organization of Petroleum Exporting Countries of which Iraq was one of the founding members. The Iraqi Civil Law in 1951 was a reflection of the ideological vision of ownership towards the private sector, and the fields discovered since the issuance of Law No. 80 of 1961, which nationalized all lands not exploited by companies at the time, were discovered and evaluated by Iraqi hands alone and in cooperation with Russian companies And the French and a number of other foreign companies through ordinary technical service contracts.

The independent oil policy had a model that most developing countries followed since that time, which culminated in National Law No. (80), which was the main topic of oil that aroused the interest of the oil world at the time after the nationalization of the oil industry in Iran in 1951, and the oil states in the Gulf region restored Arab countries and countries in North Africa and Latin America have reconsidered and negotiated with the oil companies operating in their countries over their national rights in their oil and gas wealth. This was at the height of nationalization decisions in some producing countries, such as Iraq, Libya and Algeria, but for those who want to see know that the decisions Nationalization in those countries except Iraq were decisions to nationalize a certain percentage of the franchise and not all (such as Libya, all of its nationalization decisions were nationalization by 51%, no more) and even Venezuela, except for Saudi Arabia, which granted a concession contract in full and then bought the shares of companies in full, so all these countries were Concession agreements, some of which were transformed by nationalization decisions for a certain percentage and other countries after negotiations to partnership agreements, but in a certain percentage that is the highest for the country, and the company with the

concession has the highest percentage with the distribution of revenues each. According to his percentage, as well as these agreements guaranteed a percentage of workers, whether technical and skilled, non-technical or national labor for the authority of the owner state to be trained by the investing company in light of the percentage in the partnership contract, and Iraq was the only one that nationalized the full nationalization of shares and its risk was to rely only on the return from sales. In the development and development of the oil sector without the participation of companies and the development of staff depending on the reality of the situation after the issuance of Law No. 80/1961, and the road to the nationalization of Iraqi oil began, and by defining the area of the Iraq Petroleum Company's concession in producing areas only, equivalent to half a percent (0.5%) of the area of Iraq ... And then came the exploitation of wells in southern Rumaila with Soviet assistance and the implementation of a Hungarian company to drill the first national oil well. Thus, oil export operations began on the basis of direct national investment, and these efforts culminated in the loading of the first tanker on 7/4/1972.

Finally, Law 69 - July 1972 expressed the end of a long path of subjecting the national wealth to national sovereignty by nationalizing the Iraq Petroleum Company and then the Basra Oil Company (1973). Thus, until 1975, Iraq was able to end the direct foreign control over its petroleum resources, which lasted for nearly 50 years.

One of the reasons for the success of the oil nationalization was the Iraqi staff who had been placed in the Iraq Petroleum Company since 1958 by law. The success of the Iraqis in the field of marketing has led to the end of the "myth of the difficulty of national oil marketing." Also contributed to the success of this process, the establishment of Iraqi marketing on an objective and professional basis, away from excessive bureaucracy or excessive interference of politics at work. The signing of service contracts, especially with "Irab" and "Petrobas", actually constituted a breakthrough for the companies front. However, the termination of these contracts, although it was negotiated and rewarded, was not successful, and perhaps one of the results of this step was the survival of the Majnoon field. The giant discovered by (Petrobas) is not developed until the present time.

3. The period 1980-2003 represented a dark phase in the history of the Iraqi oil industry, and its continuation was only a result of the tremendous momentum that prevailed over its operations in the seventies of the last century. This period targeted production at the maximum exportable capacity, at any cost. Nevertheless, it is necessary to pay attention to the paradox generated by the occupation. In 2002, Iraq was exporting at least 2.5 MB / d and processing about five million tons of dry gas, and it was self-sufficient with all oil derivatives with a large surplus for export or smuggling. After the occupation, and despite the millions that were said to be spent to restore the health of the Iraqi oil industry, oil exports remained below their level before the occupation, and Iraq turned into a state of deficit that imports half of its needs of all petroleum products except for fuel oil, with an apparent decline in the level of services for its citizens and a significant increase in Black market prices. This is despite the fact that the production capacity of petroleum fuels for domestic consumption is more than 700 thousand barrels per day and represents double the rates of domestic consumption.

One of the most important sources relied upon to fill the global shortage of oil and keep it at reasonable prices is the development of the Iraqi oil stockpile, whose extraction cost is still low, and its quantities are large, as Iraq can increase its production potential of 2 million barrels per day now at an annual rate of increase of half a million barrels per day. Up to 10 million barrels per day, and according to some studies, this amount of production i.e. 10 million barrels per day could reach the next 90 years.

According to the vision of an economist, the flow of Iraqi oil will continue for more than 250 years to come, even if production rises to between 3-5 million barrels per day, and Dr. Abdul-Jabbar Abboud, a professor at Basra University, confirms that it is possible to increase the current production capacity. More than two million barrels per day to five million barrels per day when setting oil policy with high transparency, drawing clear legal and administrative frameworks with international companies, developing fields in western and southern Iraq, increasing geological knowledge of oil deposits, strengthening research units, increasing production capacities, and finding new export outlets.

Reasons for resorting to foreign investment and the possibility of rehabilitating the oil industry

Iraq has the largest reserves of crude oil after Saudi Arabia, with 11% of the proven oil reserves in the world. The developments that took place in the field of oil exploration inside the country may make Iraq the owner of the largest oil reserves in the world. During the period 1990-1993, the official Iraqi authorities announced more than once an increase in the explored reserves from 100 to 112 billion barrels as a result of the discovery of new oil fields, equivalent to three times what foreign oil companies had discovered in Iraq over a period of fifty years. In other words, the period of Iraqi oil depletion, according to its production rates before the international boycott (2.5 mb / d), will extend to 124 years. While some oil experts estimate that Iraq possesses oil reservoirs in the range of 300-450 billion barrels. In other words, the period of Iraqi oil depletion, assuming a production of six million barrels per day - and on the basis of these estimates - ranges from 139 to 208 years. These data support the saying "that the production of the last barrel of oil in the world is expected to come from Iraq".

What is the way to rehabilitate and modernize the oil industry:

The first step is to restore this industry to its previous level, and to rehabilitate and modernize the sector. However, achieving this goal within the two or three years following the occupation faces a number of problems, Weak existing infrastructure that does not support the continuation of the productive process. Even before the American invasion, the Iraqi oil industry suffered for years from poor equipment. The events of destruction and looting extended to oil installations.

□ Any increase in Iraqi oil production requires the development of its oil fields, and this task in turn calls for: a constitutional government, political stability, huge investments, including the period of negotiations, the signing of contracts, the start of implementation processes and the stages of completion, which are requirements that take a period of time to reach them.

On the other hand, modernizing this industry according to its global technological levels will lead to a doubling of its reserves and the development of its production. Suffice it to note that in Iraq there are more than 80 fields, while production is limited to 15 fields only. From here, expectations agree on the possibility of increasing Iraqi oil exports to 6 mb / d. Indeed, it increased the production capacity to 7-10 mb / d. But the question is how and at what speed? The goal of increasing production to 6 mb / day was within the plans of the Iraqi Oil Ministry: 1976-1980, 1989-1990, 2003-2012, but it was not implemented due to wars, siege and occupation. Although achieving this goal is still possible in relation to its huge reserves and the need for Iraq to regain its position in the international oil market, it requires securing investments.

□ The implementation process faces a number of problems, especially those related to the difficulty of international companies accepting the signing of long-term contracts before the establishment of a legitimate government, the recognition of Iraq being free of weapons of mass destruction, and ensuring security.

In addition, the necessity of determining the fate of the contracts concluded by the Iraqi government under the siege with many foreign companies. In addition to the need for time in order to reach an agreement with Kuwait in relation to the border-oil problems that contributed to the invasion (1990). For example, the Ratqa oil field in Kuwait is a piece of the Rumaila field in Iraq.

According to an Iraqi paper presented to the Arab Energy Conference in Cairo in 2002, the need for the oil and gas industry and the energy sector in Iraq was estimated at 40 billion dollars, at least, until 2010. But these estimates were made in austere conditions and on the basis of Iraqi experience. Hence, the phenomenon of cost inflation under the occupation, and the desire to accelerate the expansion of this industry, will impose additional costs.

A simple study of the specifications of the Iraqi oil sector may convincingly explain the possibility of rebuilding this sector according to the latest forms of technology and with a record period of time and at a level of production 6-10 million barrels per day without requiring Iraq to provide self-financing resources for the

reconstruction of the oil sector or provide only a small part. Of self-demanding costs. The explanation for this lies in the following justifications:

1. The huge quantities of oil reserves available in Iraq mean that any improvement in production technology processes will lead to an increase in the current recovery rates.
2. The proximity of oil to the surface of the earth compared to oil-producing countries in general.
3. Associated with this is that the cost of producing a barrel of Iraqi oil is one of the lowest in the world.
4. There are more than 80 discovered fields in Iraq, while production is limited to 15 fields only, as previously mentioned. The economic meaning of this situation from the point of view of costs, the absence of risk in the exploration stage and the decrease in the costs of developing the oil field, in contrast to the escalation of its returns during the production phase.

5. In addition, the rise in the price of a barrel of oil between \$ 50- \$ 60 in the international oil market means that the companies that obtain contracts to develop Iraqi oil fields will enjoy expectations of high returns that will result from lower production costs on the one hand and rising oil prices on the other hand.

These specifications provide opportunities to secure the required investments by following the methods in force in other oil-producing countries in the region and in the world, for example, service contracts and partnership contracts with foreign companies and financing houses, provided that these contracts are proposed by the Iraqi negotiator for competition between international oil companies, and distributed in a manner. Suitable between the largest number of them in order to avoid monopoly on the one hand and to provide means of speedy delivery on the other hand, in addition to that this method can place the responsibility of providing the required investment financial resources on the contracting companies. It is expected in light of these profit-guaranteed contracts that competition will be fierce in favor of Iraq, both in terms of conditions or speed of implementation, as long as it is profitable and

with a high degree for the companies involved as well.

Moreover, the escalation of oil prices means an increase in the annual income of Iraqi oil. Assuming that Iraq produces 2 million barrels (which is below the pre-occupation level) and sells this oil at \$ 40 a barrel, then Iraq's annual oil income will exceed \$ 29 billion. This high income can provide an important aspect of self-financing, and strengthen the country's position in providing investments for various sectors, to impose the ability of the Iraqi economy to absorb this amount of investment annually. And also to impose Iraq's ability to control its oil revenues and prevent all forms of manipulation and abuse, whether in relation to the occupation or administrative corruption - commissions and thefts.

Is Iraq controlling its oil sector and its oil revenues?

Some experts believe that the problem of reforms and rehabilitation of the old infrastructure of the oil industry will cost more financially and in time than it appears. Therefore, he calls for stopping spending on old oil fields and building a new parallel production system in the context of developing new fields. However, this opinion is met with strong objection, and the Kirkuk field presents an example to answer it. This field, which dates back to more than seventy years and still possesses a huge reserve, believes that its proper management will help the continued production of the field between 500 - 700 thousand b / d for many years to come. This calls for realism when trying to address this problem, as it is difficult to replace what has been built over eighty years. Hence, it is preferable to build a detailed and long-term plan to repair and maintain energy sources and their consumption, with the aim of modernization, rationalization and increasing gas consumption at the expense of crude oil and its derivatives.

In relation to Iraq's membership in OPEC, where Baghdad was the focus of the founders meeting and signing its founding agreement and announcing its establishment in 1960, any hasty

Iraqi decision to exit the organization will harm the country's interest. In addition, since the establishment of the quota system in OPEC in 1983, the capacity of Iraqi oil exports remained below its share, except for a very short period in the early 1990s before the invasion. As for the last time Iraq obtained a determination of its quota (3.7 MB / d), it was in July 1990 and it is still in force, and it is similar to Iran's share in OPEC. Until Iraq begins to exceed its quota, there is sufficient time to review this matter by the two parties. It is in OPEC's interest to help Iraq to obtain remunerative prices and returns in relation to the years of deprivation that it has gone through, and it will not be in Iraq's interest to challenge OPEC and flood the market.

It is also known that the Iraqi infrastructure was destroyed during the period of the previous regime, and then the sabotage operations came to affect what was left of something that could be relied upon in order to advance the deteriorating reality of the Iraqi economy, including, among them, the infrastructure of oil installations that needs to be developed and promoted, and since oil It is the pillar of the Iraqi economy and the vital artery to revive the deteriorating living reality. It has become necessary to draw up a new policy for the oil sector based on foreign investment as a solution to raise the production level commensurate with Iraq's oil reserves, through companies that own modern technology in exploration and production of Iraqi oil.

Fear of foreign investment

Investing Iraqi oil and bringing it to the highest production level is the solution and way out of many of the crises that the Iraqi people are suffering from, and it is the guarantor of more than 80% of the problems of the Iraqi state, but there is a great fear of Iraqi oil investment among many Iraqi politicians, and this fear Or fear that:

1. The lack of trust between the political parties operating in the Iraqi political arena, and the lack of confidence not only in the issue of oil

investment, but in most of the issues raised, the most important of which is federalism and the distribution of Iraq's oil wealth.

2. The ongoing calls by some political parties to accelerate the implementation of federalism in Iraq, which other parties fear from the lack of equitable distribution of oil revenues between regions or governorates that did not enter a region.

3. The fear of foreign companies controlling the oil market or the Iraqi economy and thus their impact on political decision-making in the absence of legal controls that determine, in an unambiguous and unambiguous manner, the work of these companies and the extent of the enforcement of Iraqi laws and regulations on them or the extent of their submission to the authority of the Iraqi judiciary.

4. The fear of monopolizing some influential parties in passing decisions in the Iraqi parliament to obtain some financial privileges from companies that facilitate the task of obtaining investment contracts inside Iraq

5. The turbulence of the security situation and instability in the oil-producing provinces, which are experiencing an ongoing security crisis.

6. The weak administrative structure of the Iraqi Ministry of Oil and the abundance of financial and administrative corruption in it prevent it from forming an appropriate structure for the required development in the event that the new oil and gas investment law is approved.

Conclusion

□ Franchising is investing in an activity that has been tried and proven successful in advance without incurring great risk, and Iraq was one of the concession providers through oil contracts due to the decline in its investment as a result of the series of events that it went through and to rebuild itself directed to concession and licensing contracts for foreign companies due to weak structures The infrastructure and the last contracts that I went to are the service contracts, meaning making production in the hands of a company or a number of companies in which it owns more shares than the state.

The need to work to achieve political stability in Iraq

and implement effective anti-corruption programs in order to increase the levels of franchise projects and make the best possible use of them, especially in the field of oil.

- ✓ The need to work towards the existence of laws and legislations related to franchise contracts, to provide all facilities and privileges, and to reduce routine procedures within government institutions that deal with franchise contracts, which contributes to achieving Iraq the best use of these contracts, especially in the field of oil.
- ✓ The necessity of working to provide the appropriate environment for franchise projects in Iraq, especially in the field of oil, due to its great importance in reducing unemployment rates and its need for intensive labor, which is what the Iraqi economy needs at the present time.
- ✓ The need to work to provide the environment and the economic climate that contributes to increasing franchise projects in Iraq in all economic fields, especially the oil field, and to provide facilities and benefits for these projects.

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