

The Role of Bank Credit In Enhancing Logistics Services: A Prospective Study On The Phenomenon Of Slums

Khalil Ibrahim Issa

Department of Business Administration, Shatt Al-Arab University, Iraq, Email:
Khalil.alkhalidy55@sa-uc.edu.iq

Zain AlAbidean J. Mohammed

Department of Business Administration, Shatt Al-Arab University, Iraq, Email:
alsalimzein@sa-uc.edu.iq

DOI: 10.56201/ijssmr.v10.no10.2024.pg.302.315

Abstract

The current research aims to show the effect of bank credit granted by the banking sector in enhancing the logistical services of Iraqi society. The phenomenon of slums was chosen as a research problem due to the great negative effects of this phenomenon through its impact on the urban, social, economic, and security reality of society. The research presents five strategies (the strategy of removal and compensation with a cash allowance, the strategy of removal and compensation with housing units, the strategy of removal and distribution of plots of land for transgressors, the strategy of contracting for rent, the strategy of organization, sale, and ownership) to confront this problem that took root after 2003. A questionnaire was designed to measure search variables. The research was applied in the provinces of Najaf and Basra, and (160) questionnaires were distributed, and (150) forms valid for measurement and analysis were received. The results show that the solutions to the problem of slums lie in the intervention of the banking sector as a grantor of credit because of its great capabilities and resources that can be exploited in employing solutions to the problem. The results also show that the phenomenon of slums cast a delusion on the service, social and urban aspects of the cities surveyed.

Keywords: Bank credit, Logistics, Banking Efficiency, Financial Performance

INTRODUCTION

Bank credit has an important role in enhancing logistical services through the role played by the banking sector in its main function of credit, which is lending and borrowing operations, because those who have money are not necessarily able to invest by themselves, and credit transfers this money from savers to investors by way of lending (Prajapati, Shah, & Joshi, 2022). Direct credit refers to transactions in which the lender and the person whose money is being borrowed conduct their business directly with one another, whereas indirect credit refers to transactions in which financial institutions like banks are involved. A contract for lending money or granting facilities (financing assets, goods, etc.) that take place between two parties, one of whom is the bank and the other of whom is called the borrower customer, is what is known as credit through banks (Disemadi, 2019). This contract results in a profit margin for the bank (interest return on investment), in exchange for paying this amount that

was granted to the customer on Multiple agreed periods. Credit through banks is a form of financial intermediation (Ratnawati, 2020). Even though slums are a general urban problem that arises from an imbalance between population growth and urbanization, countries all over the world, and third-world countries in particular, are struggling with the issue of slums. This is since the problem itself is the result of several different factors, such as political, economic, social, planning, legal, etc., in addition to being a problem that arises from the fact that slums are a problem that When it comes to giving a unified concept to slums, opinions diverge; however, slums still have common denominators that are represented by the establishment of cities, regions, and buildings that are not in line with the urban fabric of the communities that grow within them, and that are inconsistent with the natural trends of healthy growth and expansion. This is true regardless of how great the differences in opinion are. The problem of the phenomenon of slums is one of the challenges that affect the reality of urban, security, agricultural, and service planning for the governorates of Iraq in general and for the governorates of Basra and Najaf in particular. This challenge is one of the things that affects the reality of urban planning in Iraq. Credit from financial institutions is an essential component of the logistics service industry. The services offered by this industry, have the potential to contribute to the solution of the housing crisis and the elimination of slums. The significance of this study lies in the fact that it sheds light on the role that the banking industry plays in the provision of bank credit, as well as its influence on the improvement of logistical services for society, its contribution to the solution of the housing problem, its focus on the phenomenon of slums, which has distorted the characteristics of cities, and its direct influence on the agricultural service sector.

LITERATURE REVIEW

Bank Credit

The implementation of any project is a very complex task and requires coordination of a wide range of activities and related parties, such as supervision by the executing team, budget management, and basic horizontal and vertical communications, regardless of whether it is a social project to raise public awareness and promote any policy or is it a production or construction project. Bank Credit provides a service or logistical, which requires sources of financing for its establishment and the perpetuation of its currency. While most individuals, groups, and even the government suffer from liquidity crises due to their inability to implement such projects, and therefore bank loans or credits become inevitable or necessary to engage in such development projects. The amount of bank credit tends to affect the productive output of any company depending on its production capacity. Thus, bank credit generates productive growth as a mediator between human resources, raw materials, and technological innovations. Banks simply help in providing credit by mobilizing surplus funds from depositors and offering such a fund as credit. For investors who want to create additional wealth by increasing production. Bank credit has an important role in enhancing logistical services through the role played by the banking sector, as credit is the lending and borrowing operations, because people who have money are not necessarily able to invest themselves, credit transfers these funds from money savers to investors on loan. This may be done directly between the owner of the money and the borrower and it is called direct credit, and there is another aspect that is done through banks.

Credit through banks is a financial lending contract or granting facilities (financing assets, goods, etc.) that takes place between two parties, one of whom is the bank and the other party is called the borrower customer, and this contract results in a profit margin for the bank (interest, return on investment) in exchange for paying this amount that was granted to the customer over multiple agreed periods. Bank credit is a loan that entails the redistribution of financial assets between the lender and the borrower. The borrower who received a sum of money from the bank pays later, but with an additional amount for that, which was borrowed. The additional amount is generally called interest in debt or loan (EKECHUKWU, MBAH, & AMAH, 2018). It is the current exchange of goods and property for an agreed and equal value in the future (Bulir & Gulde, 1995). Mardika and Damayanti (2018) show that the attitude toward bank credit positively affects the intention to bank credit. The social factor of bank credit is the personal agreement of individuals about the preferred bank credit of their communities within a social environment.

Li (2022) indicates that it is a relationship of indebtedness based on trust between the creditor (the bank) and the debtor, through which the debtor can obtain a specific amount, a specific asset, or a guarantee provided by the bank to the customer according to certain conditions and to achieve specific purposes in exchange for the debtor's pledge to return the original amount or asset. With the agreed interest on the specified date. Bank credit is of great importance in the work of banks, as it is the most important source of development of the national economy (Krein & Officer, 1978). Saving funds revives the economy and increases the productive capacity of projects. On the other hand, credit is a sensitive tool that may lead to significant damage to the economy if it is not used properly. Credit is one of the most important sources of providing funds for economic, development, and construction projects of all kinds, and their distribution according to the needs of the economic sectors. There are several forms of bank credit, as shown by Benjamin (2015), such as cash credit, which includes (loans, advances, overdrafts, and commercial paper discount) and indirect credit facilities, which includes (documentary credit, letters of guarantee, and credit card. While, the modern forms of bank credit refer to leasing, which includes (financial leasing, operating leasing), derivatives, and loan securitization (securitization) (Eichengreen, 2011).

Logistics Services

Logistics is the process of planning, implementing, and controlling the flow, and the necessary storage of goods, services, and various information from the point of origin to the point of consumption to reach consumer satisfaction with the goods or services provided. and the management and preservation of various materials (Benjamin, 2015). Ito and Orii (2009) indicate that logistics is the process of managing the flow of various resources of the company from the production area to the consumption area, as it is difficult to carry out any global trade, whether it is import or export, or a process of transporting goods and various resources without professional logistical support Logistics services include several axes, including transportation, inventory, warehousing, physical handling, and packaging or formwork. Hussin (2011) argues that the components of the logistics service are internal transportation, external transportation, storage units, fleet management, material handling, demand fulfillment, inventory management, and demand planning. It is defined as the management of resources or products during storage and transit. In e-commerce projects, logistics are the processes of ordering shipments to customers or transferring inventory to a merchant. The logistics process follows the path of goods in transit to the point of delivery. Logistics management is the practice of

identifying and identifying potential distribution and freight companies and evaluating their effectiveness. For most companies, it is more cost-effective to outsource logistics services to a third-party company that specializes in transportation and warehousing, and this is especially true for e-commerce projects (Ahiabile, 2012).

Cenciarelli, Greco, and Allegrini (2018) consider that due to the multiplicity of logistics tasks that are presented, they vary into several divisions, including administrative logistics, business logistics, production logistics, and emergency logistics. One of the objectives of the logistics services is to improve the physical flow from source to downstream, introduce procurement and production programs in an area, organize after-sales services, distribute various spare parts, as well as provide advice to officials to enable them to make the most of business operations and achieve optimal utilization. of investments, helping organizations to control the complexity and various problems, and creating an atmosphere of competition by providing better logistics services. Logistics services are of great importance to society, business companies, and related parties (Gabgub, 2009).

- A. Added value creation: Logistics services can help retailers create added value, by ensuring that they have the right quality and quantity of their products available to offer to customers.
- B. Improving efficiency: With the increase in global trade, logistics services emerge as an essential part of supply chains, which reduces costs through effective partnerships with companies and other providers.
- C. c- Loss avoidance: If you have a well-managed logistics strategy, there is less risk of something going wrong that could cost you extra money.
- D. Providing better customer experiences: Logistics ensures that customers receive the items they want with the quality they expect. With better-organized logistics, companies can quickly respond to customers' needs.
- E. Enhance Brand Reputation: Logistics shows that you have got your business processes right so that you can deliver the kind of amazing results your customer expects. The overall result is a better brand image and more sales.

The Phenomenon of Slums Causes and Solutions.

1- The reasons for the spread of slums in the provinces of Basra, Najaf, and Ashraf

The reasons for the spread of slums can be divided into two parts

A- Special reasons related to Najaf Governorate

The province of Najaf is characterized by some factors that increased the number of slums, and the most important of these factors and reasons are:

Religious Reasons

The province of Najaf is considered a major religious and scientific center, as it includes the shrine of Imam Ali (peace be upon him), the great mosque of Kufa, and the shrines of the prophets, imams, and venerable companions. Knowledge is with their families from inside and outside the country, and it is known that the students of knowledge are from the poor classes and segments that are unable to buy houses and homes, so they resort to slums for housing.

Economic Reasons

Najaf governorate represents an economic and commercial center due to its religious standing and sustainable tourism attraction. Great job opportunities are available in the Najaf governorate compared to other governorates. The governorate has long been a center for attracting labor from inside and outside the country, which was reflected in the housing crisis and the increase in the spread of slums.

Security Reasons

Al-Najaf governorate has witnessed security stability for decades, which made it a center for attracting the displaced population from other governorates. During the Iran-Iraq war, the areas affected by the war (the southern governorates) began to migrate to the governorate, and after the end of the war, a large number of them settled in the governorate, and in (2005) Thousands of families were displaced as a result of the forced displacement operations to the governorate, and a significant number settled after security was established. In the year (2014) and during the events of the ISIS war, thousands of families were displaced to the governorate due to their dissatisfaction with the security situation, and also a large number of them settled, that the stability of the security situation and the commercial and economic movement led to The stability of the displaced families, which affected the housing problem and the spread of slums.

B- Special reasons related to Basra Governorate

Economic reasons

The province of Basra represents an important economic and commercial center because of its distinguished location, in addition to its possession of the main ports of Iraq, which in turn employs thousands of manpower from outside the province, and the province has the largest oil producer in the country. security services, hotels, and private hospitals. A commercial movement of the private sector flourishes in the province, distinguishing it from the rest of the provinces of Iraq in general and the neighboring provinces in particular. It represents a center for attracting manpower, which greatly affected the housing crisis and the increase in the spread of slums.

- Drying of the marshes

The policy of draining the marshes that the former regime followed led to the displacement of the residents of these areas to the neighboring regions and governorates, so the Basra governorate had the largest part in receiving the displaced, in addition to that this policy followed to this day due to the low levels of water entering the country, in addition to the great evaporation that occurs of water resources in the marshes.

B- General reasons related to the whole country

- Rising house prices

After the year (2003), the real estate market in Iraq witnessed a significant increase in house prices, as the increase amounted to more than (20) times, due to the lack of a systematic vision by state agencies to solve the housing problem and sufficiency with patchwork solutions, which prompted a segment of citizens to resort to slums.

Weak enforcement of laws

After a year (2003), Iraq witnessed the dissolution and disintegration of all state apparatuses and power, which allowed some weak-willed outlaws to rob large areas of land and sell them to simple citizens to build and live in. A paper for partisan bidding and an electoral paper in the hands of the parties hindered the municipal effort to deal with this phenomenon.

- Increasing population growth

The high value of homes, the weakness of government solutions to the housing problem, the weak application of the law to transgressors, and the significant increase in population growth rates prompted citizens to resort to housing in slums.

High rate of unemployment and poverty

More than (25)% of the Iraqi people face a standard of living below the poverty line, and the phenomenon of unemployment increases in Iraqi society due to the mismanagement of the country's economy, and the dependence on the unilateral economy, thus transforming the country from an industrial and agricultural country to a consumer country.

2- The reality of the slums in the provinces of Basra and Najaf

Indiscriminate areas in the governorates of Basra and Najaf are divided in terms of the period into areas established before and after the year (2003). In addition to creating new areas in the governorate, the two researchers diagnosed that the number of housing units exceeds what is mentioned in the municipal statistics.

3: The negative repercussions of the slums in the provinces of Basra and Najaf

In the provinces of Basra and Najaf, slums are located in the empty areas of the municipalities of Basra and Najaf, in addition to agricultural lands, and these lands lack infrastructure services, as it was not planned to be used for housing by transgressors because most of them are green squares and agricultural areas, and areas belonging to the Ministry of Environment, that the exploitation of these lands and the construction of slums negatively affected the services of the neighboring regions and neighborhoods. After all, the slums did not fall within the boundaries of the municipalities of Basra and Najaf, as they are encroached upon, and the municipal effort did not reach them, and the service departments of the governorate such as the Department of Water and Sewage, electricity....etc. We will focus briefly on the most important negative repercussions of slums on neighboring neighborhoods.

A- Drinking water service

Drinking water represents the backbone of life and the main pillar for the establishment of neighborhoods and residential areas. The establishment of slums has negatively affected the drinking water service, through trespassers on the main pipes feeding regular neighborhoods, which causes interruption and scarcity of potable water, and this problem increases in the season Summer, due to the increase in water consumption and the scarcity of river levels.

b- Sewerage service

The sanitation service is an essential service for human life because it constitutes a dangerous source of environmental pollution that threatens human life, and it was found through field visits that the slums are not covered by sanitation services, as there are exposed drains that affect human health directly, in addition to heavy sewage stores. The external (septic tank) emits unpleasant odors that reach the neighboring areas and neighborhoods and leave negative health and environmental effects on human health. In the winter, the problem becomes more complicated, due to the rain falling and mixing with sewage and water pipes, so the area becomes a lake of stale water.

C- Electric power service

It was found through the field visits that the electricity service in the slums is a violation of the electric power transmission networks of the neighboring areas. This in turn affects the efficiency of electric power service to neighboring neighborhoods.

The additional loads on the electric power transformers by connecting the electric power wires directly from the electric power poles of the neighboring areas, reduces the processing hours for the electric power, especially in the summer, in addition to the deterioration of the power quality through the decrease in the electric current voltage, the consumption of the transformers and the increase of the faults.

D - the problem of waste

The service of waste disposal and treatment in the slums is one of the fundamental problems, as most of the slums suffer from the accumulation of waste in large quantities because the municipal effort in these areas is very weak. This leaves an impact on the environment of the neighboring areas (and the regular neighborhoods) because the residents of the slums dispose of the waste either by throwing it near the neighboring areas or by burning the waste, which leads to air pollution as well as an inappropriate appearance.

C- The problem of education

The slums in the governorates of Basra and Al-Najaf suffer from the lack of primary, intermediate, and preparatory schools, which prompted the residents of the slums to send their children to neighboring areas, which affected the number of students in these schools, as it rose in some schools to more than (70) students per class. The one that negatively affected the quality of education and its outputs.

4: The impact of bank credit in providing proposed solutions to the problem of slums

By examining the reality of the situation, and examining the experiences of neighboring countries, the researchers concluded a set of strategies and work scenarios, and the relevant stakeholders and decision-makers should apply one of them to address the problem of slums, because these strategies are characterized by a set of characteristics, including:

A- It works according to the scientific method, through the process of collecting data and establishing a database of transgressors.

B - It guarantees the general right of the state, as all the proposed strategies work to find solutions in return for the value of the encroached land.

C - It takes care of the humanitarian aspect of the transgressors, so it works to find effective solutions for them in a way that guarantees human rights and protects their dignity, and finds a group of alternatives and solutions to the problem, and the payment is in the medium and long term.

D - Distinguish between the poor and needy members of the Iraqi people who do not have homes, and those who took advantage of the country's security conditions and abused public money.

The first strategy: the strategy of removal and compensation with cash

The first strategy is to remove the overdue role of citizens and work to compensate citizens with monetary compensation, after forming administrative committees from the relevant authorities, technical committees to examine issues and technical affairs, and financial committees to disburse compensation amounts.

Compensation is made according to a set of technical criteria that include the quality of the building (such as the used bricks, the level of work, the quality of windows and doors, etc.), the area of the building on which it is built, as well as the trees and fruits planted.

The second strategy: The strategy of removal and compensation with housing units

This strategy works to provide alternative housing units for transgressors, and this is done through contracting to build low-cost housing complexes, and the payment is by the Commercial Bank, and this is done through steps

The first step: creating a database on transgressors, including whether or not the transgressor owns a residential house, the number of family members, the living situation, the profession, and whether or not he receives a salary.

The second step: Classifying the transgressors into two categories based on the database. The first category is people who own a residential home, and people who do not own a residential home.

The third step: The treatment is done through cash compensation for people who own a residential house. As for the second category, people who do not own housing units in their names, are given housing units, and the payment is as indicated by the Commercial Bank, while citizens pay the value of the house in the form of a long loan term to the commercial bank with the interest rate granted to the bank.

The third strategy: the strategy of removal and distribution of plots of land for trespassers

The proposed third strategy provides for the distribution of residential plots for the transgressors who do not have residential homes according to the database as a first step

The second step: work on granting housing loans to citizens who have exceeded them under the regulations in force in the Housing Bank, so that citizens can build residential homes, and pay the value of the loan to the Housing Bank.

The fourth strategy: the rental contract strategy

According to this strategy, state institutions are working to rent the role that has been transgressed by the transgressors, in exchange for a rent allowance that the state deserves from the transgressor. Monthly, by concluding a contract between the competent authorities and the infringing individuals that include the rent of the outrunning house based on the area of the house.

The fifth strategy: The strategy of organizing, selling, and owning.

The fifth strategy operates from the perspective of the urban organization of slums and then sale and ownership. The solution to the problem of slums according to this scenario lies in organizing the encroached role, if the property of the transgressed land is exclusive to the Municipality Directorate. The proposed strategy stipulates organizing streets with appropriate dimensions and working to find Sufficient spaces to build schools and kindergartens, and then working on estimating the price per square meter and, accordingly, the price of the house.

DATA AND METHODOLOGY

The research adopts the theoretical and applied statistical analytical method as a basis for obtaining the final results. The scope of the current research is to study the reality of slums in all of Iraq. The research community has been identified by studying the governorates of Basra and Najaf. Al-Rasheed and Al-Rafidian Banks were selected as a sample for the variable of bank credit, and the random areas in the two governorates were a sample for the variable of logistics services, which are (Al-Asmai, Five Mile, Al-Karma, Abu Al-Khasib, Al-Qiblah) in Basra Governorate and (Al-Radwa area, behind Al-Quds neighborhood, slums in Al-Jadidah Al-Thirah, Al-Barakiyah) in Al-Najaf Governorate. (160) questionnaires have been distributed, and (150) measurable forms have been received.

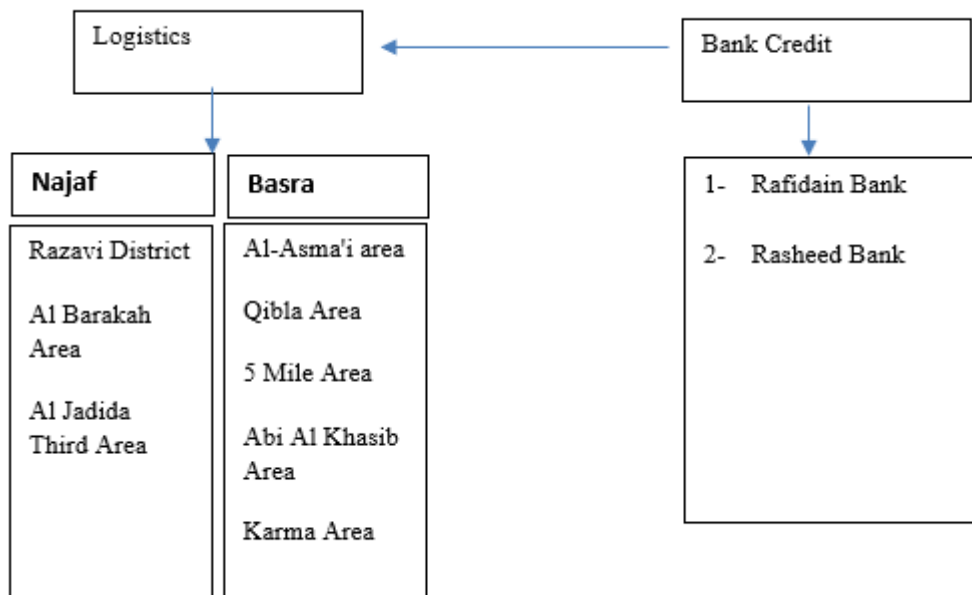


Figure 1. The research Sample

RESULTS AND DISCUSSION

1: Statistical description of the variables.

This paragraph aims to find out the sample's level of awareness of the questionnaire items and their main dimensions through the use of the arithmetic mean, standard deviation, and percentage, and each item or dimension gets arithmetic mean less than (3), so it is rejected because (3) is the hypothetical mean of the test balance And as shown in Table (1), which shows the analysis of the sample's opinions about bank credit.

Table 1. Descriptive Statistics of bank credit Variable

Variable	Paragraphs	Symbol	mean	Standard deviation
Bank Credit	The bank has the necessary financial reserves to finance the residents of slums.	TB1	4.189	0.965
	The bank's management has the desire to provide credit facilities to the residents of slums.	TB2	3.876	0.703
	There is legal cover to provide credit facilities to residents of slums.	TB3	3.786	0.740
	There is flexibility in the pledges and guarantees that the bank obtains from the residents of informal settlements.	TB4	3.654	0.648
	The Bank has a comprehensive database for granting credit facilities.	TB5	4.113	0.706
	The bank directs its credit facilities to provide services to solve social problems such as the phenomenon of slums.	TB6	3.952	.6100
	The bank can reduce the interest rate on loans as a form of social responsibility.	TB7	3.792	0.712
	The banking sector has sufficient branches to cover loan applications from residents of informal settlements.	TB8	3.678	0.815
Total Bank Credit			3.88	0.737

All items of the bank credit scale achieved an arithmetic mean greater than the average of the measurement tool of (3). This indicates the clarity of the questionnaire items for the respondents and their awareness of the meaning and content of the question directed to them. The general arithmetic mean of bank credit reached (3.88) with a standard deviation of (0.737).

The first question within the paragraphs of measuring bank credit (the bank has the necessary financial reserves to finance the residents of slums.) achieved the highest arithmetic mean, as it reached (4.189) with a standard deviation (0.965), and this is an indication that the surveyed banks have good financial reserves to cover loans in this sector.

While the second question (there is flexibility in the pledges and guarantees that the bank obtains from the residents of slums) achieved the least mean, as it reached (3.654) with a

standard deviation of (0.648). Table (2) also shows the statistical description of the respondents' answers about the logistics services of the research sample.

Table 2. Descriptive Statistics of logistics services Variable

Dimension	Paragraphs	Symbol	mean	Standard deviation
Logistics	Informal settlements lack essential health services.	WA1	3.861	.6610
	Informal areas cause weakness in the municipal services provided compared to regular areas	WA2	4.134	.6150
	The security reality in slum areas is characterized by security fragility.	WA3	4.348	.7840
	The expansion of informal settlements is due to poor economic conditions.	WA4	3.657	.7060
	Informal areas negatively affect the drinking water service of regular areas and neighborhoods	WA5	3.852	.6930
	Informal areas lack education services (schools and kindergartens)	WA6	4.142	.6490
	Residents of slums have the financial ability to pay easy installments as loans to banks	WA7	4.056	.7830
	Residents of informal settlements want to organize their areas at the expense of carving out islands from their homes.	WA8	3.896	.6870
Total		WA	3.993	0.693

The research sample achieved an arithmetic mean of (3.993), which is higher than the hypothetical mean of the measurement tool of (3) with a standard deviation of (.693), and this indicates the sample's awareness of the content of the questionnaire questions about the dimension.

The third question within the items measuring logistics services (the security reality in slums is characterized by security fragility) achieved the highest mean, as it reached (4.348) with a standard deviation of (0.784), and this is an indication of the deterioration of the security reality in slums.

While the fourth question (that the expansion of slums is due to bad economic conditions) achieved the least arithmetic mean, as it reached (3.654) with a standard deviation of (0.706). Table (3) also shows the statistical description of the respondents' answers about the logistics services of the research sample.

The main hypothesis of the research

The main research hypothesis states that "there is a significant effect relationship between bank credit in logistics services.

To test this hypothesis, a simple regression analysis was used to verify the effect of bank credit on the logistics services of the research sample, as shown in Table (3).

Table 3. Results of Regression Analysis

Variable minion	Model Summary			ANOVA			Coefficients				
	R	R ²	Adjusted (R ²)	F Calculated	DF Degrees of freedom	Sig* Level of significance	B Regression coefficients For logistics variables	T Calculated	* Sig level Significance		
Logistics	0.891	0.795	0.726	11.617	Regr	2	0.042	Services Logistics	0.276	4.148	0.025
					Rest	48					
					The total	50					

Table (2) shows the effect of bank credit on the logistics services of the research sample, as the results of the statistical analysis showed a statistically significant effect of bank credit on the logistics services of the research sample at the level of significance ($\alpha < 0.05$), as the correlation coefficient was R (0.891). As for the coefficient of determination R², it amounted to (0.795), meaning that the value of (0.795) changes in the logistics services of the research sample resulted from the change in bank credit and the same context. The results of the analysis showed that the adjusted coefficient of determination R² Adjusted (0.726), which reflects the net level of interest in bank credit, after eliminating the values of standard errors resulting from bank credit for the research sample.

The results of the analysis of the regression coefficients also showed that the value of the influence degree β amounted to (0.276), which is a function at the level of (0.05). Logistics services with a value of (0.276). The significance of this effect is confirmed by the F value calculated for the effect model, which amounted to (11.617), which is a function at the level of (0.05). This confirms the validity of accepting the main research hypothesis, which states: There is a significant effect between bank credit in the logistics services of the research sample.

CONCLUSION

The results show that the phenomenon of slums is widely spread in the governorates of Basra and Najaf, due to their commercial, urban, and economic location that attracts manpower from outside the two governorates. It is also evident that the local administrations of the two governorates did not find any solutions, and promised to draw plans to solve this phenomenon, as well as not to stop the new slums. In addition, it was found that there is no accurate and updated database for the slums, the numbers of their houses, and their residents, as well as the lack of accurate information about the residents, and this is a major security challenge. The banking sector also has the financial capabilities and capabilities necessary to invest in this field, as well as the results, indicate that a large part of the residents in slums has the financial capabilities, so there is a possibility to implement any of the proposed strategies. Therefore,

the higher leaderships in the country in general, and the surveyed governorates, in particular, should pay the necessary attention to the phenomenon of slums. It is necessary to intensify the oversight of the service departments, so as not to encroach on the service reality of the regular areas of the slums. Cooperation between planning departments and municipality directorates Designing an integrated database on slums and their residents, to be the main pillar for finding appropriate solutions. Banking laws, instructions, and procedures must also be employed to contribute to granting bank credit, which contributes to applying strategies to solve this complex problem. Finally, cultural and legal awareness should be spread, focusing on the religious motive not to allow living in slums and starting to apply laws to confront this phenomenon.

REFERENCES

- Ahiabile, E. Y. (2012). *An Assessment of Credit Management Practices at Agricultural Development Bank (ADB) Branches in the Eastern Region of Ghana*.
- Benjamin, A. (2015). An Assessment of Credit Risk Management Practice of Agricultural Development Bank Limited. *A thesis paper submitted to School of Business, KNUST*.
- Bulir, M. A., & Gulde, M. A. M. (1995). *Inflation and Income Distribution: Further Evidence on Empirical Links*: International Monetary Fund.
- Cenciarelli, V. G., Greco, G., & Allegrini, M. (2018). External audit and bankruptcy prediction. *Journal of Management and Governance*, 22, 863-890.
- Disemadi, H. S. (2019). Risk Management In The Provision Of People's Business Credit As Implementation Of Prudential Principles. *Diponegoro Law Review*, 4(2), 194-208.
- Eichengreen, B. (2011). The new monetary and financial history. *Monetary and Banking History Essays in Honour of Forrest Capie, London, Routledge*, 27-48.
- EKECHUKWU, C., MBAH, P. C., & AMAH, J. T. (2018). Effects Of Bank Credit On The Productive Capacity Of Manufacturing Firms In South-East Nigeria. *Journal on Banking Financial Services & Insurance Research*, 8(2).
- Gabgub, A. I. (2009). *Analysis of non-performing loans in the Libyan state-owned commercial banks: Perception analysis of the reasons and potential methods for treatment*. Durham University,
- Hussin, N. (2011). *An analysis of attitudes to Islamic and conventional credit cards in Malaysia: Perspectives on selection criteria and impact analysis*. Durham University,
- Ito, T., & Orii, K. (2009). Early warning systems of currency crises. *Policy Research Institute, Ministry of Finance, Japan, Public Policy Review*, 5(1), 1-24.
- Krein, M. E., & Officer, L. H. (1978). *The monetary approach to the balance of payments: A survey*: International Finance Section, Department of Economics, Princeton University.
- Li, X. (2022). *Credit risk management in the current competitive condition in the Chinese banking industry*. Cardiff Metropolitan University,
- Mardika, D. R. W., & Damayanti, T. W. (2018). Understanding the determinant of SME owners' intention to have bank credit. *Polish Journal Of Management Studies*, 17.
- Prajapati, H., Shah, S., & Joshi, T. (2022). BORROWERS CHOICE BETWEEN BORROWING FROM BANKS AND BORROWING FROM ARM'S LENGTH SOURCES. *International Journal of Management, Public Policy and Research*, 1(1), 56-61.

Ratnawati, K. (2020). The influence of financial inclusion on MSMEs' performance through financial intermediation and access to capital. *The Journal of Asian Finance, Economics and Business*, 7(11), 205-218.