

## **Diagnosing the Most Important Future Threats to the General External Environment on Iraqi and International Organizations Using PESTEL Analysis and Ways to Confront Them**

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### **Abstract:**

The research aims at diagnosing the most important future threats to the general external environment on Iraqi and international organizations using (PESTEL) analysis and ways to confront them. Legal factors) since the field of research included all Iraqi and international organizations, and data and information were obtained from official reports issued by international organizations accredited in this field and to cover the field aspect of the research, the researchers used the scientific methodologies (deductive and inductive) in order to explain the research problem and find appropriate solutions to it, The research came out with a number of conclusions, the most important of which were:.

1. It is possible to diagnose the most important threats of the general external environment to Iraqi and international organizations and to develop appropriate solutions to confront them. However, these factors varied in importance, the most important of which is the economic factors that are the main driver for the other elements, especially the political ones.

2. The severity of these threats varies according to the PESTEL analysis and the adoption and integration of some of them with each other.

The research concluded with a number of proposals that would enhance the reality of Iraqi organizations and give them more competitive advantages in the labor market.

**Keywords:** external environment threats, Iraqi organizations, PESTEL analysis.

## **Introduction**

The first years of the current decade witnessed unprecedented turmoil in human history due to the (COVID-19) pandemic, which led to a new series of crises, especially in the field of food and energy, and the old environmental risks began to return again such as (inflation, the cost of living, trade wars, And social and political unrest ... etc.), and in spite of that, few of the leaders of the organizations were aware of the seriousness of this stage.

As the analysis of the global external environment is one of the most important tools that successful organizations use in order to diagnose external threats and impositions, as opportunities refer to those external forces and conditions that enable the organization to achieve its goals or strengthen its position in the market, while threats are those environmental trends that negatively affect The activities of the organization expose them to risks, loss or failure, which requires managers of organizations to develop strategies that enable their organizations to take advantage of opportunities and thus maximize the return on investment and reduce the effects resulting from those threats that put pressure on the profits of the organization.

As the topic of analyzing the global external environment contributes to identifying the major global forces that have a significant impact on organizations in general and Iraqi organizations in particular, as well as planning and forecasting changes in those forces in the future, and then classifying those results and predictions in order to contribute to the decision-making process. Bold and correct is the secret of the success of the organization in the future.

To cover this topic, the research was divided into four sections. The first section dealt with the general framework of the study, while the second section presented the theoretical side, while the third section dealt with diagnosing the threats of the global external environment and ways to confront them. The research concluded with the fourth section, which deals with the most important conclusions and recommendations.

The first topic

The general framework of the study

First: the research problem:

The process of identifying the threats that may be posed by the general external environment in the future, and thus developing appropriate management solutions for them, represents the core of the strategic leader's work. The labor market, from here the problem of the study was launched in identifying these threats in the short, medium and long term using (PESTEL) analysis and developing appropriate solutions for them, relying on the most important official reports, studies and research

Available in this field, as well as what we derive from direct information from the external environment that we process in our minds.

Through the aforementioned, the research problem is centered through identifying the most important threats of the general external environment of Iraqi and international organizations using (PESTEL) analysis and ways to confront them, and in order to accurately find appropriate solutions to the research problem, the researchers decided to present it through the following questions:

1. Identify the concept of (PESTEL) analysis of the general external environment and its importance to Iraqi and international organizations?

2. What are the most important threats to the general external environment for Iraqi and international organizations in the future?

3. Identify the most important proposed solutions to confront these threats?

Second: the importance of research:

The importance of the research is represented in the following points:

1. Building a theoretical framework for the topic of threats to the general external environment for Iraqi and international organizations.

2. The importance of the research lies in the fact that it serves all Iraqi and international organizations that provide services to all segments of society.

3. The research provides important information for the management of the surveyed organizations that enables them to adapt to the nature of the challenges facing these organizations.

Third: Research objectives

1. Introducing (PESTEL) analysis of the external environment, its importance and objectives.

2. Diagnosing future threats to the general external environment on Iraqi and international organizations.

3. Finding appropriate solutions to these threats.

Fourth: Research Hypotheses:

The research hypotheses were divided into two parts:

1. Threats of the general external environment of Iraqi and international organizations can be diagnosed in the short, medium and long term.

2. A group of alternatives can be presented as solutions to confront these threats by Iraqi and international organizations.

Fifth: Sources of data and information collection:

In this research, we were keen to obtain data and information from its primary sources and official reports issued by accredited organizations in this field, which are among the most important sources of obtaining data and information and their consolidation, because it is well known that the transmission of data and information from one side to another exposes it to distortion and change in a different direction. It was only intentional or unintentional, so we extracted the data and information contained in this research from a package of research, books and reports, especially the Global Risks Report for the year 2023 issued by the World Economic Forum.

Sixth: research methodology

Although the research relied on the two scientific approaches (deductive and inductive) to reach the conclusions it reached, but the reliance on the inductive approach that stems from the overall analysis of the phenomenon or problem to the partial details of the indicators of that phenomenon or problem to reach the results and thus conclusions and scientific interpretations of it and its solution It was the dominant one in this study because of the nature of the problem that is being addressed, its ramifications, and the difficulty of understanding it without first being fully acquainted with it, and then entering into its details secondly.

Seventh: the field of research

The field of research included all Iraqi and international organizations, due to the nature of the general external environment threats, whose impact is on all organizations without exception, even if that effect differed in severity from one organization to another.

Eighth: Research Limits:

It includes the following:

1. Spatial boundaries: The research included identifying the most important threats to the general external environment for all Iraqi and international organizations.

2. Temporal limits: The search was conducted on the available data for the period from 2003 to

2023.

Ninth: Justifications for choosing the current research:

We have already mentioned in the problem of the study that the process of diagnosing the threats that Iraqi and international organizations may face in their general external environment is the essence of the strategic leader's work, and since researchers who are specialists in this field find themselves facing a moral obligation as well as a professional one to present everything that is new and useful to organizations. In general, by assisting them in making the right strategic decisions and thus promoting these organizations and making them immune from future threats to maintain their continuity and survival in the labor market in order to achieve their future goals and serve their customers.

The second topic

The theoretical framework of the study

First: the concept of PESTEL analysis:

A tool used to determine the overall picture and state of the environment in which an organism evolves, and can be useful in studying factors affecting the development of societies and organizations. This analysis was first presented by Francis J. Aguilar (1967) titled Analysis (PEST), which represents an acronym for the indirect external environmental factors that surround the organization and is represented by political, economic, social, and technological factors (Vasileva, 2018:223), then two other factors were added, namely environmental and legal factors, mentioning The official website of the University of Oxford Marketing School blog visited by a researcher in the year 2023 PESTEL analysis

It is nothing but an abbreviation for a tool used to identify the overall (external) factors or forces facing the organization, as it represents the first letters of the words (political, economic, social, technological, environmental and legal.) political, economic, social, technological, environmental and legal (<https://blog.oxfordcollegeofmarketing.com>) and with the aim of identifying the most important elements that these factors include, we will address them as follows:

Political factors:

Political factors include grants and tax policies imposed by governments on organizations operating within their jurisdiction (Talib, et al., 2014:124), as these factors explain how governments interfere in the economy or market, generating organizational or political instability (Jia (2020:215), it mainly focuses on the stability of government policies and the extent of clarity of those policies (Soares et al, 2023:5), as these policies affect the strategic choice of organizations, and may sometimes provide them with new job opportunities or limit them to represent a threat to their work in At other times, and in the last years of the last century, due to the growth of multinational companies and the consolidation of the concepts of globalization, I witnessed a decline in the role played by the government in influencing business organizations through

Reducing the restrictions it imposes on it, and despite the recent decline in the role of political factors, its impact remains clear on the work of business organizations.

2- Economic factors:

Economic factors are one of the most important factors of the external environment that greatly influence work organizations, and include a wide range of elements referred to by each of (Strzelczyk & Chład, 2017:164) (Hoque, et al., 2023:210), namely (economic growth rate, rate of Inflation, interest rates, unemployment rate, exchange rates, currency stability, and public debt) and all of these aforementioned factors greatly affect the organization's tool that may help or reduce the level of the organization's achievement of its goals and the success of its strategies or not, and the change in any

of these factors

Factors may represent an opportunity for one organization, while at the same time a threat to another organization. For example, an increase in the rate of economic growth leads to an expansion of consumer spending, and therefore it contributes positively to dealing with competitive pressures, so that these organizations find they have the opportunity to expand in its various activities and works, but in the event of a decrease in the rate of economic growth, it leads to economic deterioration and recession and leads to a reduction in spending, and thus the demand for purchasing many basic commodities for individuals decreases, so the organizations desire to expand decreases, and this affects the profitability of the organization. Organizations that seek success must draw their strategies according to the economic standards available in that country.

Social factors:

Social factors include traditions, values, community attitudes, social norms, and social change. These factors generate opportunities or threats for business organizations. For example, the traditions of celebrating birthdays on the globe generate many opportunities for business organizations, as well as community trends in establishing health awareness that greatly affected business organizations. Businesses, especially those companies that early identified these opportunities, have been able to achieve huge profits in this field (HO, 2014, p. 6479). Social and cultural factors also include the prevailing religion in society, the level of education and training, experiences and cultural values, as these factors affect

To a large extent, the patterns of human behavior of managers, individuals, and groups that the organization deals with, and that the change in these factors have a clear impact on defining the goals and strategies of business organizations (Talib, et al., 2014:124).

4- Technological factors:

The world has witnessed since the beginning of the industrial revolution and to this day many developments in the field of technology, the most important stations in this field were the emergence of craft machines and automated machines to the emergence of smart machines that run themselves by themselves due to the emergence of the computer in the middle of the twentieth century and then the emergence of the Internet at the end of the century

Twenty (Mohammed, et al., 2021:290) This tremendous development, which is one of the most important technological factors that facilitated the customer's access to business organizations wherever they are and in any country they are (Mohammed, 2021:38), has become due to these developments and technology factors, especially communication technology and information and the emergence of the Internet, the customer can communicate with the organization directly without the presence of an intermediary, which threatened the intermediary organizations and ended their presence in many industries, and the emergence of electronic computing, which enabled the speed and accuracy of business completion, greatly affected the occurrence of what is called excessive competition, which means the speed of penetration of the advantage Competitiveness by competitors, no organizations feel safe.

Environmental factors:

Environmental factors are generally represented by the natural environment in which the organization operates, such as weather and climate, that affect the organization's ability to operate. The most important environmental factors can be listed as follows: (Strzelczyk & Chład, 2017, p. 164) and (Jia, 2020:215).

⊗ Environmental conditions prevailing in a particular country.

- ⊞ Natural resources available in an area.
- ⊞ Energy and resource costs and their rate of growth.
- ⊞ Environmental requirements and protection.
- ⊞ Weather and climate factors.

Legal factors:

The organization should understand what is legal and permissible within the environment in which it operates, and it should also be sufficiently aware of any change in legislation and its impact on the business operations it practices. Legal threats include labor legislation, consumer protection laws, health and safety, and international regulations and restrictions. As well as commercial, political factors may overlap and intersect with legal factors. However, the main difference is that political factors are driven by government policy, while legal factors must be complied with

<https://blog.oxfordcollegeofmarketing.com> Tax incentives may also lead to an informed manager directing his investments to some countries instead of others (Alanzi, 2018:14), and the most important factors can be identified as follows: (Bhuiyan et al., 2023:33)

- ⊞ Environmental rights.
- ⊞ Resource Protection Act.
- ⊞ Activate the system.
- ⊞ Environmental Protection Law.
- ⊞ Legislation requirements.

Second: the importance of PESTEL analysis

The continuity of organizations in performing their activities and their survival in the labor market depends on the extent to which they adapt to the environment in which they operate through a comprehensive understanding of it (Muhammad, 2021:533), and the PESTEL analysis is an essential analysis tool from

Among a set of tools that no strategist can do without, as it can provide advance warning of the threats that organizations may face, it also encourages them to consider the external environment in which they operate and helps them understand external trends (<https://blog.oxfordcollegeofmarketing.com>) The most important reasons that increase the importance of this analysis can be summarized as follows: (Fosher, 2018:2)

1- The external environment provides the resources that the organization needs to manufacture goods and services.

2- It is a source of opportunities and threats facing the organization. Opportunities are trends and events that provide opportunities for improving organizations to increase their level of performance, and threats are the opposite.

3- The environment helps shape the various strategic decisions that executives make for the success of their organizations.

4- The environment also places some constraints on the goals of the organization.

Third: PESTEL analysis objectives:

The Oxford University Blog website confirms that the main purpose of using the PESTEL analysis is to identify the opportunities available in the external environment and the threats that could threaten the organization. The formulation of any type of strategy for all higher levels or tactical plans, and this process should be repeated every six months to identify any changes in the overall environment, as organizations that monitor

Changes in the overall environment and respond to them successfully To be distinguished from its competitors and thus can enjoy a competitive advantage over them <https://blog.oxford college of>

marketing .com This tool is suitable for identifying factors that have high impacts on the environment in which the organization operates (Racz et al ,2018,3).

The third topic

Diagnosis of threats and ways to confront them

Threats faced by Iraqi and international organizations can be divided into two groups:

First: Threats in the Short Term (2023-2024):

Threats to Iraqi and international organizations in the short term can be classified into two main groups: (The Global Risks Report 2023:11)

1. Economic Threats:

We can classify the threats that fall within this group as follows:

a. energy supply crisis

All organizations, as a living organism, need energy to carry out their work, but this need increases and decreases according to the nature of the work and the size of that organization, and despite the multiplicity of sources from which energy is generated now, the main source of its generation is still fossil fuels, especially oil. A depleted and limited source that is constantly decreasing, as studies indicate that proven reserves of fossil fuels are gradually decreasing day after day. At the present time, the world's growing thirst for oil reaches nearly 1000 barrels per second, which means about 2 liters per day for each customer, and if the fuel Fossil has presented amazing opportunities to many organizations through the century

twenty in the rich countries of the Western world, but now it must face the challenges and threats arising from the exploitation of fossil fuels, (Armaroli, & Balzani, 2007:52)

Proposed solutions to counter these threats:

There is an urgent need now for urgent global action to solve the energy crisis, as organizations should formulate a general strategy that is aware that the earth's resources are limited, as the first step of this strategy is to reduce fossil fuel consumption significantly, and the second step is to launch a large and coordinated plan without further Delay,

For research and development in the field of renewable energies (Armaroli, & Balzani, 2007:64) as one of the solutions that enable organizations to confront this threat, as well as the Iraqi organizations' tendency to invest in renewable energy fields such as sun, wind, underground heat, and even waves, as the geographical location of Iraq allows With that all.

B. The cost of living crisis:

There are many factors that led to an increase in the cost of living and a decrease in the demand for the products of many organizations, including the wars that broke out in the twenty-first century, mass migration and lack of food supplies due to the low productivity of organizations operating in countries where war broke out (especially organizations working in the field of agriculture such as organizations Ukrainian and Russian) and the increase of the unemployed around the world and the emergence of

Covid-19 virusAll these factors made many organizations live in harsh conditions and prompted them to lay off many of their employees. Soon the world will experience changes in the local, national and global landscapes. The necessity of survival will push investors to plow and cultivate all uncultivated lands. Post-Covid-19, chances are that skilled labor mobility will transform local areas to produce self-sustaining agricultural products. The world has come to realize that over-reliance on a single international body is suicidal. The dynamism of survival instincts will transform the current landscape into something unimaginable. If we maneuver with wisdom, it will be a blessing to the world (Rahman, 2022:9).

Proposed solutions to face these threats:

The solution lies in the orientation of the Iraqi organizations to follow the strategy of growth in the field of agricultural sectors, and this approach is a global trend adopted by the giant organizations as indicated by the specialized international reports. It can also be the orientation towards basic agricultural products, and the adoption of a low-cost strategy at the level of business units.

By producing typical products of acceptable quality, as it is especially suitable in the society of customers with limited income.

T. Increasing rates of inflation

The term inflation refers to a decrease in the purchasing power of money, which means a decrease in the purchasing power of customers in the future, and it also means a decrease in the purchasing power of organizations that obtain their resources from the environment, and this matter is not limited to organizations operating in underdeveloped or developing countries only, but also includes organizations operating in developed countries. Experts warned that inflation rates in the United States, which has the largest economy in the world

The world will rise to about 2.5-3% by 2023. (Ball, et al., 2021:1).

Proposed solutions to counter these threats:

Here, organizations must be aware of that future state of the economy and take strategic alternatives appropriate to that situation. Here, at the level of business units, Iraqi organizations can follow the low-cost strategy, but at the comprehensive level, they can move towards following the strategy of growth and expansion in the field of basic products, and follow the strategy of contraction and regression. in the areas of luxury products.

w. Food supply crisis:

The international trade system changed after World War II and a new system emerged after the Bretton Woods conference based on the liberal trade system under the General Agreement on Trade and Tariffs (GATT) that had been in place since 1948, and which was replaced by the World Trade Organization (WTO) in January 1995 and it happened A significant rise in global trade over several decades, as the total global trade of goods reached \$61.8 billion in 1950, which rose to a record high of \$19 trillion in 2014 before falling to \$15.9 trillion in 2016, then rebounded to 17 \$1 trillion in 2017. Global trade has also increased

for goods and services between (1986-2008). Double the rate of global GDP (Lund & Tyson, 2018:20) All this happened due to trade liberalization with broader processes of globalization that allowed the movement of goods, values, information, financial resources, technology and labor across borders more easily. However, during the period 2018-2019, global trade witnessed A slowdown in economic growth due to the Russian-Ukrainian war, which greatly affected food supplies, especially as we know that Russian agricultural organizations represent the global breadbasket. Since 2014, Russian organizations topped the world in wheat exports during the agricultural years (2015/2016) (2017/2018). ) (2018/2019) and ranked second after agricultural organizations in the states

United States in (2016/2017) and until the completion of this article, some of these organizations tended to enter into large alliances and acquired many organizations of smaller size, as did Miratorg, the largest owner of land in Russia with more than one million hectares in 2019 and it is also the second The largest producer of meat in the country has become in total control of the five largest organizations with an estimated area of 3.6 million hectares of agricultural land (Wegren, 2020:4) What would happen if this war continued and expanded more as it looms on the horizon or that Russia lost the war and entered its territory other countries? What is the size of the shortage that could occur in the global food supply, due to the consequences of the war that burns everything? How many agricultural crops will be affected? How much will a loaf of bread cost?



Proposed solutions to counter these threats:

We advise managers of Iraqi organizations to look closely at this matter, especially since the Iraqi climate and the fertility of its land can make Iraqi organizations that tend to invest in the field of agriculture pioneer organizations and exporters of wheat and other agricultural crops, or at least meet the needs of the internal customer. Before the Iraqi organizations (and I am aware of what I am saying and informed about that) to meet the needs of the internal customer and increase.

2. Technological Threats:

Cybercrime is now one of the most pressing concerns for organizations, as hackers commit frequent ransomware attacks and steal information and organization secrets mostly for financial gain.

Often more sophisticated techniques to obtain strategic information such as intellectual property, and in more serious cases, to disrupt the basic operations of organizations, cyber attacks that are severe enough to immediately disrupt the integrity of IT systems can spread without warning signals, are often geographically dispersed, and can ultimately harm the productive capacity of the organizations and thus may also affect their customers and suppliers. However, there is little empirical evidence of the potentially disruptive effects of cyber-attacks on the productive sector, here we show an example of a high-risk cyber-attack that inadvertently spread beyond its original target and disrupted

Operations of many companies around the world. Through supply chain relationships, the effects of the cyber-attack spread to the customers of the affected companies directly. To overcome the shock, the affected customers used precautionary liquidity and increased their dependence on external financing, which led to the withdrawal of their lines of credit in banks. We also note continued adjustments to the supply chain network in response to the shock, as affected customers are more likely to establish new relationships with alternative suppliers and terminate relationships with directly affected firms. More specifically, we are examining the impact of the most damaging cyber attack in history to date called Not Peaty, released on June 27, 2017 and targeting Ukrainian organizations in an attempt by the intelligence

The initial vector of infection was a piece of software that the Ukrainian government required all vendors in the country to use for tax reporting purposes. When this software was hacked and released, it spread through various companies, including large multinational corporations through their subsidiaries in Ukraine. For example, the operations of the shipping company Maersk completely ceased, causing chaos in ports around the world. A FedEx subsidiary was also affected, unable to receive and process orders. Manufacturing, research and sales at pharmaceutical giant Merck have been halted, leaving it unable to provide vaccines to the Centers for Disease Control and Prevention.

(Mondelez, Reckitt Benckiser, Nuance, Beiersdorf) Many other large companies, for example, have servers down and cannot carry out basic activities, resulting in huge losses estimated at \$ 7.3 billion by affected customers, an amount four times greater than the losses that were lost. Reported by companies directly affected by the cyberattack (Crosignani, 2023:3)

Proposed solutions to counter these threats:

Organizations can resort to the help of organizations and research centers specialized in the field of information and communication technology and to enter into joint strategic projects with them in this field to protect themselves, and they can also seek the help of the Human Resources Department to contract or hire specialized experts in this field.

Second: Threats in the medium and long term

The threats faced by Iraqi and international organizations can be divided into two groups, as shown in Table (1).

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environmental threats	Not mitigating climate change	economic threats	The cost of living crisis	<input type="checkbox"/>
environmental threats	Failure to adapt to climate change	environmental threats	Cost of living crisis Natural disasters and extreme weather events	<input type="checkbox"/>
environmental threats	Natural disasters and extreme weather events	political threats	Geoeconomic confrontation	<input type="checkbox"/>
environmental threats	Biodiversity loss and ecosystem collapse	environmental threats	Not mitigating climate change	<input type="checkbox"/>
social threats	Social threats Involuntary migration on a large scale	social threats	The decay of social cohesion and societal polarization	<input type="checkbox"/>
economic threats	Environmental threats, natural resource crises	environmental threats	Widespread environmental damage incidents	<input type="checkbox"/>
social threats	Environmental threats, the erosion of social cohesion and societal polarization	environmental threats	Failure to adapt to climate change	<input type="checkbox"/>
technological threats	Spread of cybercrime and cyber insecurity	technological threats	Spread of cybercrime and cyber insecurity	<input type="checkbox"/>
political threats	Geoeconomic confrontation	economic threats	natural resource crises	<input type="checkbox"/>
environmental threats	Widespread environmental damage incidents	social threats	Involuntary migration on a large scale	<input type="checkbox"/> <input type="checkbox"/>
legal threats	Legal threats Shortcomings in laws and regulations that do not achieve justice and are not compatible with the changes of the current century	legal threats	Laws and regulations that do not achieve justice and are not compatible with the changes of the current century	<input type="checkbox"/> <input type="checkbox"/>

For a source prepared by the researcher based on:  
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**Economic Threats:** The high cost of living resulting from the high prices of products, the lack of natural resources, and the inflation witnessed by the local and global markets is one of the most important threats facing local and international organizations that could threaten their existence, because the purchasing power of customers has decreased and thus their reluctance to buy a lot. Among the products that they used to buy in the recent past, which means that these products are accumulated in the warehouses and stores of the organizations that produce them because there is no customer who is able to pay, and this leads to the bankruptcy of those organizations and their exit from the work environment.

The World Economic Forum's report on risks and threats states that the cost of living dominates global risks in the next two years. Especially in countries whose customers enjoy medium purchasing power and countries that depend mainly on imports (The Global Risks Report, 2023:7-9), as is the case in Iraq, which leads to crushing this class of customers and joining them to the class of the poor, and this represents a great threat to business organizations Which serves and provides products to this class, which necessitates that it reconsider that before about the next two years and the decade that follows.

While the failure of climate action dominates the next decade, it will be characterized by environmental and societal crises, driven by underlying geopolitical and economic trends, as the “cost of living crisis” has been classified as the most serious risk.

Global over the next two years, and will peak in the short term. Biodiversity loss and ecosystem collapse is seen as one of the fastest declining global risks over the next decade, and all six environmental risks are in the top (10) risks over the next ten years. Nine risks appeared in the top (10) ratings in the short and long term, including “geo-economic confrontation” and along with two new entrants in the top rankings: “the spread of cybercrime and cyber insecurity” and “involuntary migration on a large scale” (The Global Risks Report, 2023:7).

Proposed solutions to face these threats:

Here, Iraqi and international organizations are aware of the seriousness of economic threats, and effective strategic management solutions and alternatives must be adopted, such as moving towards a low-cost strategy, as Chinese organizations do today, which felt this threat (the high cost of living) and adopted a low-cost strategy, which gave them a competitive advantage over other organizations. Rather, Chinese products have become almost the only products in the market, especially in the markets of countries with underdeveloped and developing economies, and that this matter can be noticed by any simple customer who visits the markets.

The threat of shortage and limited natural resources can be faced by Iraqi organizations by investing in renewable energy sources that are not exhausted.

Miscalculation and balancing between monetary and fiscal policies will increase the possibility of liquidity shocks due to the historically high and accumulated levels of public debt, which leads to continued economic contraction and debt distress on a global scale and thus the continuation of supply-

driven inflation into stagflation. (The Global Risks Report, 2023: 7)

Political threats:

The indirect effects will be felt more acutely by the most vulnerable segments of customers in terms of purchasing power in society and fragile states, which contributes to a violent increase in poverty, hunger, protests and thus political instability and state collapse. (The Global Risks Report, 2023: 7) The geopolitical division will lead to a geo-economic war, and with the increase of state intervention in the markets over the next two years, the risk of multi-field conflicts between organizations, especially global ones, as well as countries as large organizations for which economic war has become the base, will increase. .

Proposed solutions to face these threats:

Economic policies will be used defensively and not open to achieve self-sufficiency and protection from competitive forces to restrict the rise of others, with the expectation that these confrontations will continue during the next ten years (The Global Risks Report, 2023:8).

3- Social Threats:

Economic pressures will also erode gains for middle-income customers, leading to resentment, political polarization, calls for enhanced welfare around the world, and erosion of social cohesion and societal polarization (The Global Risks Report, 2023:7)

Proposed solutions to face these threats:

Organizations must be aware of the seriousness of social and cultural threats, represented by the erosion of social ties between the members of one society and the lack of respect for the cultural and social heritage of society. Social, which is the main source for people with limited income.

4- Technological threats:

Technological developments exacerbate the state of inequality between organizations and the disappearance of many of them, as these developments require large investments in the fields of research and development, especially in the fields of artificial intelligence.

quantum computing, biotechnology and other emerging technologies that will continue at an accelerated rate over the next decade (The Global Risks Report, 2023:8) and these developments, although they represent a real threat to the organization and a source of permanent threat, but at the same time they represent a source of strength and a competitive advantage for organizations This is why Michael Roth, German Minister of State for European Union Affairs, says, "For Europe to be strong, value-oriented, confident, and capable of innovation, it must adapt its life to the digital age" (Kreutzer, 2021:ix).

Although these developments bring risks of expansion and spread of false and misleading information, which leads to rapid and uncontrollable changes at all levels within organizations, but it will shade security risks.

In addition to the high rates of crime and cyber attacks, a permanent concern for all organizations during the next decade, as attempts to disable vital resources and services supported by technology will become more common, with the expectation that this will not be limited to organizations working in one sector without another (albeit it varies in terms of severity according to sector adoption and

technology use) rather, it will include organizations working in the field of agriculture, water, financial systems, public security, transportation, energy, local, space-based and subsea communications infrastructure (The Global Risks Report, 2023:8).

One of the most important threats associated with modern technology that business organizations face today is electronic attacks

(cyber) on its critical infrastructure, as the term cyber security refers to an environment capable of protecting digital devices, networks, and information from unauthorized access and preventing data theft or alteration. It consists of a set of carefully designed technologies, processes, and practices to protect sensitive information and deter electronic attacks. Recently, the field of cyber security has witnessed rapid growth in response to the increasing cyber threats to organizations. Cyber security includes important tactics that help protect the organization's digital environment, which are firewalls, encryption, and passwords. Security systems and threat detection and response systems. Here, employees should be trained in these tactics. He estimated (Mijwil, 2023) in his article the five most pressing challenges.

The cybersecurity industry is facing today, which must be taken into account by organizations, institutions and individuals in order to secure their confidential data from cybercrime. The article finally showed the importance of increasing awareness of cybersecurity risks in order to effectively deal with digital environments and protect them from any electronic threats, by showing costs and losses. Resulting from cybercrime, which could cost in the future, as in Figure

(1) from 2018 to 2027 (Mijwil, 2023:57)

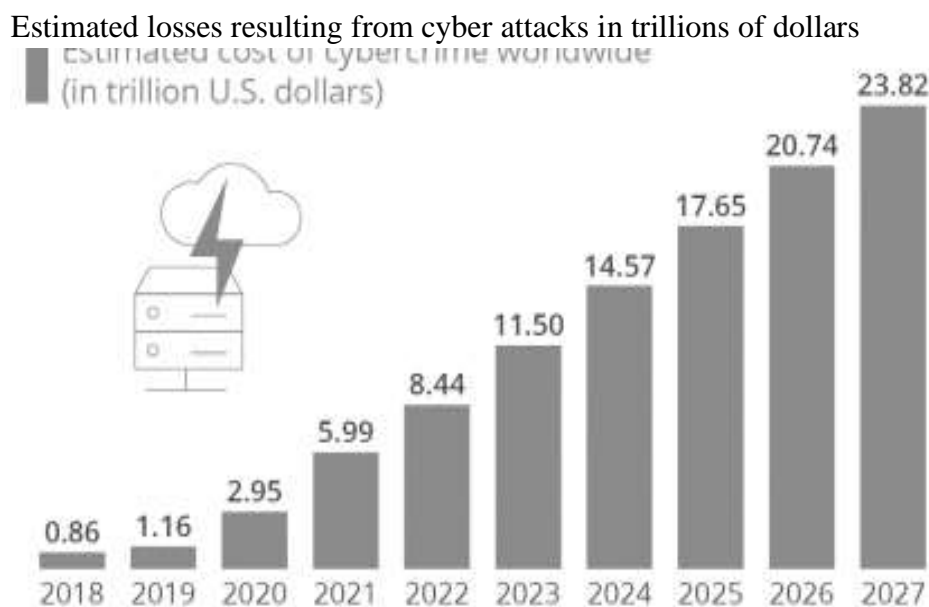


Figure 1. Estimated costs of cybercrime from 2018 to 2027

Mijwil, M., Unogwu, O. J., Filali, Y., Bala, I., & Al-Shahwani, H. (2023). Exploring the Top Five Evolving Threats in Cybersecurity: An In-Depth Overview. *Mesopotamian journal of*

cybersecurity, 2023, 57-63.

Figure (1) shows the size of the losses resulting from cyber attacks on organizations, and that these threats take a dramatically increasing curve year after year, from less than a trillion in 2018 to about eleven and a half trillion in the year 2023, which is the time of writing this article, and that these losses are expected to reach about (24) trillion in the year 2027.

Proposed solutions to face these threats:

Successful organizations should increase investment in research and development, especially in the field of artificial intelligence

Quantum computing, biotechnology and other modern technologies that will continue at an accelerated pace over the coming years, as well as the ability of organizations to confront electronic attacks on vital facilities and protect them from unofficial entry and data theft or change, through training their employees and developing their capabilities and knowledge in this field. To reduce cybercrime, which is the next threat to organizations in the future.

Environmental threats:

Environmental threats to organizations are evaluated as the most important, followed by economic threats (Tsangas, et al., 2019: 1). Global warming, high temperatures, and the destruction of the ozone layer have led to serious climate changes that constitute the most prominent threat facing the world, which has challenged scientists, thinkers, and observers climate to issue reports confirming that the most important threats facing the world with all its components and organizations are the threats of the natural environment (Mohammed, 2019:102) because climate and environmental threats and the collapse of nature are the main focus of global risk perceptions over the next decade, and they are the risks that are seen as the least prepared beforehand

In many organizations, the emissions released by industrial organizations will have clear and tangible effects, and customers will live and feel those effects directly, which will increase their hostility to those organizations. Reducing the speed and size of efforts to mitigate the negative effects of industrial organizations over the next two years. (The Global Risks Report, 2023: 8).

It will result in the interaction between the impacts of climate change, biodiversity loss, food security and natural resource consumption

To accelerate the collapse of the ecosystem in which these organizations operate, threaten food supplies and livelihoods in the economies of climate-threatening countries, and exacerbate the problems of the effects of natural disasters (The Global Risks Report, 2023:9).

Proposed solutions to face these threats:

The process of adopting an environmentally friendly strategy by business organizations in the next decade has become a necessity rather than an option, especially in light of the increasing pressures that have forced many political regimes to put pressure on the organizations operating in them to adopt this option as well as its adoption by them and the development of studied plans to protect the environment, for example that

In recent years, the Chinese government has proposed environmental protection as a basic national policy and increased the total investment in environmental protection as a proportion of total GDP

continuously from China's Seventh Five-Year Plan to the Twelfth Five-Year Plan (Figure 2)

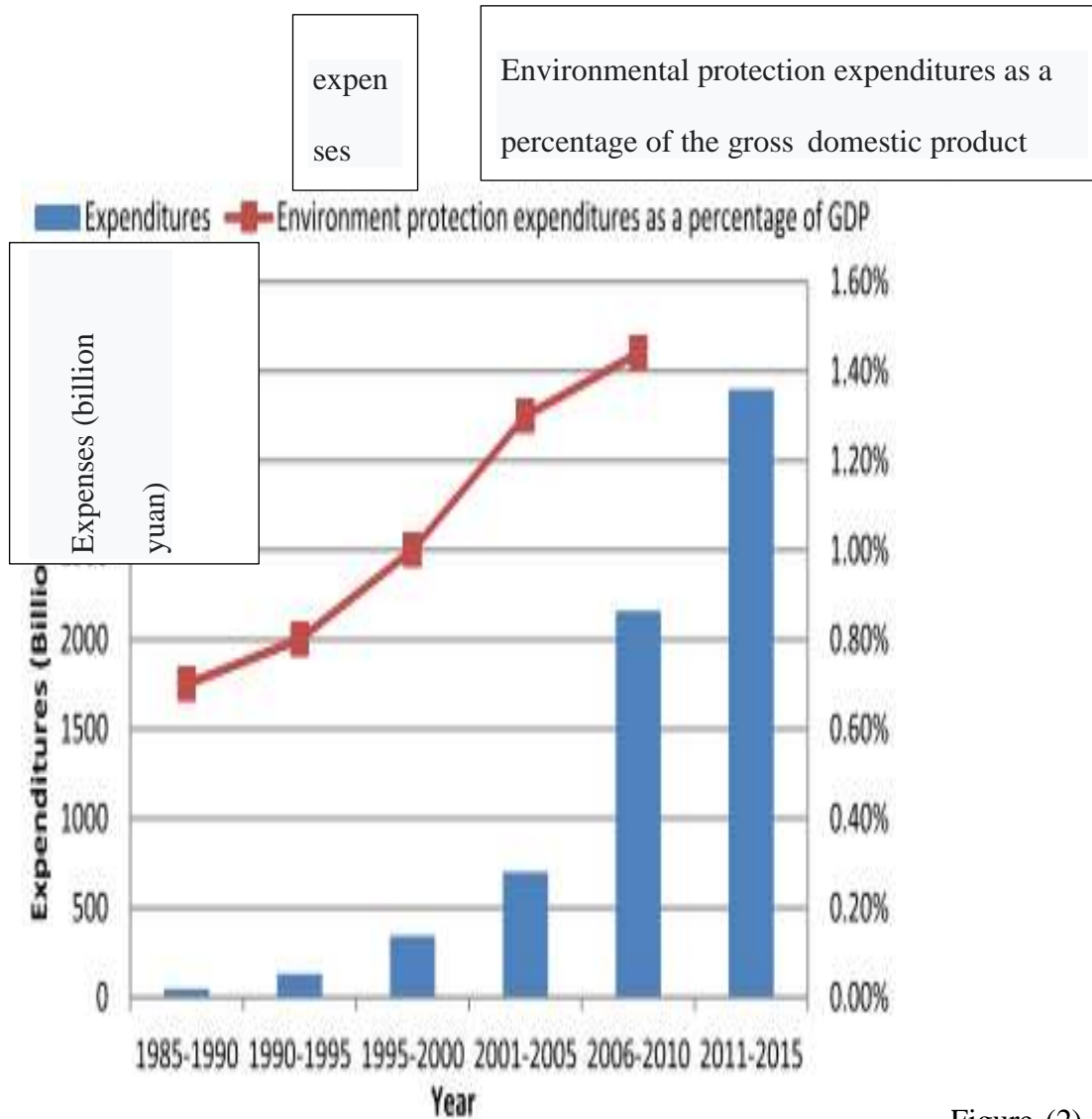


Figure (2) The trend of environmental protection expenditures in China.

Song, J., Sun, Y., & Jin, L. (2017). PESTEL analysis of the development of the waste-to-energy incineration industry in China. *Renewable and Sustainable Energy Reviews*, 80, 276–289. doi:10.1016/j.rser.2017.05.066 .

As it appears from the figure that Chinese organizations have increased their expenditures for environmental protection from nearly zero in 1985 to (3,500) billion yuan in 2015. The most important shift is to make environmental protection at the core of the organization’s strategy and culture, and according to the thirteenth five-year plan for environmental protection, the development of The culture of environmental protection is a national strategy and by the year 2020, the municipal solid waste treatment rate will reach 95% or more (Song et al., 2017:286). This means that Chinese organizations

will recycle almost all raw materials involved in the manufacture of the final product.

Iraqi organizations can follow the green strategy that focuses on preserving the environment as one of the solutions to face this threat, by using environmentally friendly green resources, such as using environmentally friendly raw materials.

And relying on environmentally friendly renewable energy sources and the production of environmentally friendly semi-finished or final products, and for this, environmentally friendly production systems such as green manufacturing and sustainable manufacturing have emerged. Iraqi organizations can adopt such systems, especially if we know that the environment today has become one of the dimensions of competitive advantage, that is, organizations can Achieve a competitive advantage over other organizations by following this strategy and serving the green customer.

Legal threats:

For example, many European laws and regulations have begun to force organizations to move towards the production of cars that rely on renewable energy in their fuel consumption and that do not cause harm to the environment, such as relying on biofuels, as it is expected that the production of biofuels will be an essential meeting point for the renewable energy sector in coming years under European regulations (Achinis, et al., 2019:1)

Sophisticated analysis of larger data sets will enable the misuse of personal information through legitimate legal mechanisms, thus weakening an individual's digital control and right to privacy, even in well-regulated democracies (The Global Risks Report, 2023:8).

Proposed solutions to face these threats:

Organizations can resort to enacting new laws to protect their organizations from the invasion of other organizations, such as issuing laws to increase customs tariffs, as the US government recently did to limit the invasion of Chinese organizations into their markets, and as the Japanese government does, which issues laws that oblige Japanese organizations to buy and sell from Japanese organizations, and there are many examples of that (Armaroli, & Balzani, 2007:52).

The fourth topic

Conclusions and suggestions

This axis includes two paragraphs, as follows:

First: conclusions

1. The importance of the elements included in the PESTEL method, but they vary in degree of importance, and the most important of them are the economic factors that can be considered the main driver for the other elements, especially the political ones.

2. Increasing turbulence and complexity of the external environment and its speed of change, which complicates the scene of predicting future changes. However, what is unanimous in the field of change is the increase in disturbances during the next ten years due to the increase in poverty in the world.

3. The acceleration of the steps of organizations and states towards investment in the fields of research and development, especially in the fields of artificial intelligence, quantum computing and biotechnology, because whoever has control over these areas will be the one who achieves strategic



sovereignty in the future.

4. The absence or limitation of customers with average purchasing power during the next decade due to changes and threats, the most important of which have already been mentioned, because these threats will increase the wealth of customers with high purchasing power and vice versa.

Second: Proposals:

1. One of the solutions that can be put forward to Iraqi and international organizations to confront the threat of the cost of living is to adopt a low-cost strategy, and this is what Chinese organizations are adopting.

2. Iraqi organizations can follow the strategy of growth in countries that have natural and knowledge resources, and follow the strategy of contraction and retreat from countries with poor and fragile economies that will witness turmoil during the next ten years due to increasing poverty in the world.

3. Confronting technological threats by increasing investment in research and development, especially in the fields of artificial intelligence, quantum computing and biotechnology.

4. Organizations that serve customers with average purchasing power shift to producing products that are compatible with customers with limited purchasing power or customers with high purchasing power.

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