

**PROBLEMS OF SELF SUFFICIENT IN ARAB COUNTRIES**

**Nazal, Abdullah Ibrahim**

Zarqa University, Zarqa, Jordan

*nazzalacademy@yahoo.com*

**Abstract**

*Self sufficient is to use Capital, Lands and Human resource perfectly to cover needs with suitable cost. This study aims to find self sufficient problems in Arab countries as result to face problem of depending on demands and supply to meet equilibrium which obligates Arab governments to direct economic cases to meet citizen's needs in all cases. As result to conclusion there must be strategy to achieve self sufficient up to producing its needs started by building human resource experiences from schools to university with practically cases depend on direct investment and using investment tools or financing tools up to economic sectors needs to avoid credit problems.*

*Key words: Leaders, Equilibrium, Self Sufficient, Resources, Economic.*

**INTRODUCTION**

Self sufficient is to use Capital, Lands and Human resource perfectly to cover needs with suitable cost. These resources cost increased from country to other as result to increase demand, there for countries which achieve self sufficient can depend on the economic law of demand and supply to reach equilibrium in bad cases. It shows that increasing demands will increase producing until it cover needs then it will reach equilibrium and direct increasing of producing to covering other demands.

Countries which do not achieve self sufficiency, always need government supplies and grant in bad cases. Achieving self sufficient will lead country general budget to surplus but country which not achieves self sufficient will get general budget to deficit. This case will affect negatively on solutions, Ex: government reduce local companies tax and give grant to develop employments experiences on condition that local company cover almost community needs by local resource in order to reduce its general budget. After two years government face local companies by increase tax and international companies in spite of local companies loosing and leaving the market because it was not cover needs as in condition. As result to general budget deficit government apply increasing of tax on income, customs and sales.

It is Important to study problems of self sufficient in Arabian Countries after years of planning in order to produce product locally to cover citizens needs or to produce some products with international quality in order to get its return and buy other products which cover citizen needs without deficit or to use integration between Arabian countries by using cheap cost of resources between these countries to produce products up to every country needs with suitable cost.

Success of self sufficient in Arabian countries has been done in Arab gulf countries as result to produce Oil. Its return is more enough to buy its citizen needs but other Arab countries have problems of deficit (Guillaume and Pierre, 2011) gives idea about asset liquidity and relationship with saving and monetary policy which has to be in equilibrium to get in suitable case.

Self Sufficient Problems reduce affection of economic law to solve problems up to demand and supply. Surplus case leads to inflation and immigrating capital and possibility of losing future generation wealth while deficit case leads to depression. Deficit case always needs government to supply its local markets by grant or pushing liquidity to increase companies and citizen credit. It will apply flexibility to general budget in order to solve problems of covering needs as unexpected problems. It will lose efforts and costs as facing increasing of products price because of monopolization. Other problem relates to unemployment because of losing jobs or relates to disguised unemployment which increases cost of producing. In some cases government try to solve problem by increasing tax to protect poor people covering needs or selling some of government assets which reduce government positive affection as result to lose reducing cost and make change of distribute ownership types in bad affection or it may obligated to reduce its local currency price as result to deficit which leads to loosing citizen and local companies savings. Some countries face bad affection on its monetary policy as result to selling debts with default by discount besides using delay checks which leads to creating money more than expect.

### **Statement of Problem**

Some Arabian countries face surplus leads to inflation which make living in the country too expensive while other Arabian countries face deficit leads to depression. It cannot depend on market demand and supply law because of Self Sufficient Problems. It faces problems of marketing project as international marketing Self government Morocco Desert projects conference in 2012 which held in Marrakech- morocco in Cadi Ayyad university. The question is: Why self sufficient is not succeeded in Arabian countries as its planning?

### **Rationale of the Study**

It is important to find problem of self sufficient in Arabian countries after years of planning as result to costly which divided to planning cost, general budget deficit cost, delay problems to future cost and cost of safety relationship between citizens and government. Achieving self sufficient will give suitable cost of producing up to perfectly use of land, capital and human resources in the suitable time. This research tries to find problem with its affection and added developing tools by Arab countries citizens which can be developed to be international tools.

### **Objectives**

This research aims to find solution up to problems of achieving self sufficient in Arab countries by divide the problems to three gaps as follow:

- 1- Leaders conflict as result to choosing ways of solving economic problems in order to unit efforts to service the major aim.
- 2- Local companies human resource weakness ability in order to increase it's practically experiences to use resources perfectly with suitable cost, suitable time and suitable place in order to increase
- 3-Weakness of financial tools and investment tools affection in Arab countries environment in order to develop these tools or limit its negative affection or cancel dealing.

### **PAST STUDIES**

(Jamal, 2011) tried to solve problem of unemployment of Arab world university graduates by application investment model for assessing quality cost for higher education providers as result to graduate weakness skills. He recommended concentrating on training; research and government have to evaluate universities as future generation preparation (Vincent, 2009) tried to explores the issue higher education as critical political problem in the Arab Middle East. He showed changes of social, economic and political he found only the most market oriented projects are vulnerable to international economic conjuncture while many projects in Dubai are certainly threatened. Those with higher state investments face lower risks (Zubair, 2008) cleared that Islamic banks as way of developing sectors have used sharing in direct investment to meet customer needs and share in developing but it faces problem of competition because interest rate leads Traditional Banks to increase profit than Islamic banks as result to get financial leverage (Mashaqbah, 2003) aimed to analysis general budget up to correcting economic policy. He found that reducing of current expenses and obligate price on essential products produced by local company and increase tax beside courage foreign companies was not succeeded to restructure using producing elements sensibly.

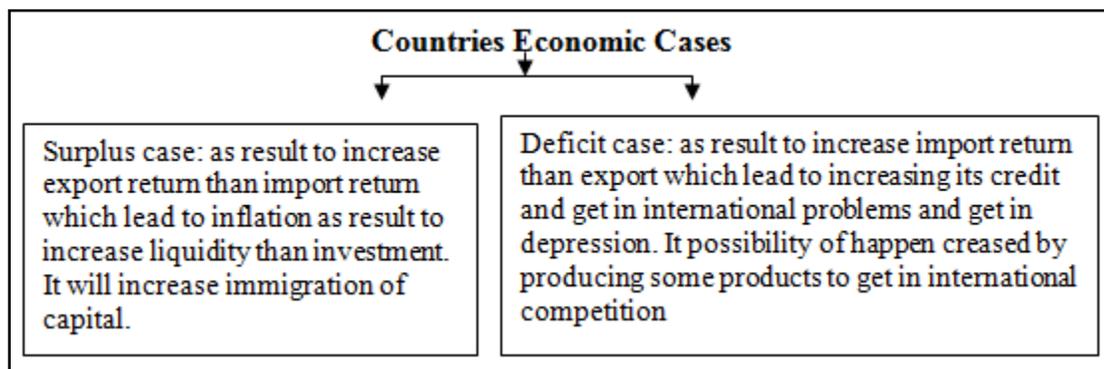
## PROBLEMS OF SELF SUFFICIENT IN ARAB COUNTRIES

### Problem of Leaders Choosing Plan

There must be strategy plan from government to achieving self-sufficiency depending on its own resource which rule companies and sharing of development. There are two powerful types of leaders which are government leaders who get power as result to applying plan by law and Traditional leaders who get power as result citizens' support up to election or to community respecting. The problem comes as result to use traditional plan or to use plan as in first country plan. Ex: Facing depression by pushing liquidity to increase citizen and local company credit with low interest or to use suitable financing tools to support local company up to capital sharing or developing types of selling as in Islamic economic studying tools. In spite of there efforts to find solution they face practically problems because there is no practically suitable model up to country environment case. Success of any applying model needs demands to success. Islamic banks try to use theoretical Islamic economic tools by sharing in developing to reach self sufficient. It develops tools but it face weakness point of managing resource perfectly after applying planning practically. On other hand success of government leaders by use copy of first county solutions is not success as expected because of losing the solution demands of success. This can be showed by controlling general budget deficit. There is countries always get in credit.

This means whether applying theoretical model or practical model needs demands to success. Some leaders depend on producing some international products up to international quality but if the plan is marketing international, the increase in international competition produce will reduce domestic profits and income (Giammario, 2010). This will make possibility to reduce return and it may get in deficit therefore leaders get in conflict. This case may happen when reducing oil price more than expected as result to find new resource of energy as it comes by increasing import than export. See the problem affection as in the next figure:

Figure 1: Affection of self sufficient problems in Arab countries



General Budget management is affected by structural changing in the economic sector, and time of needs. Strategy and items adjustment also affected. Therefore it is leading to suggest a dynamic dialectic of control framework (Will and Amana, 2011:433).

### **Problems of Local companies Human Resources**

Human resources mean workers and managers. It must be applied to produce product to cover citizen needs in suitable cost. Human resources in company must understand citizen currently needs and future needs or there will be gap. Producing may not cover needs in suitable time and in suitable place with suitable cost. This will affect negatively on achieving self sufficient because of losing perfectly use of resource.

As result to human resources factor, government tries to direct learning in schools and in universities to face labor market needs but there is problems of applying practically case study because of company secrets or monopolization information. This problem increases training cost after studying in universities and losing time until get experiences.

Some countries apply model of managing in companies by quality. It buys certificates of quality achieving. It is costly and need time to make human resource able to use the model practically. Some companies use the quality certification as reputation to increase its products price. The standard is increasing of import product with deficit.

Human resources immorality behaviors show losing of resources. It will affect badly on achieving self sufficient as result to increasing cost. This increasing comes as result to companies' deficit because of losing Assets or increasing liabilities without needs to financing producing perfectly. There is cost for companies as result to Human resource immorality behaviors because of Insurance cost against breach of trust (Chatterji, David and Micheal, 2009) found poor social responsibility leads to sell outs of companies' shares which decrease company's financial performance. The standard is increasing of companies' deficit, Insurance cost against breach of trust and increasing Lawsuits.

### **Problems of financial and Investment tools to support achieving plan**

This often presented as evidence that financial development causes economic development by promoting investment and making allocation of resources more efficient (Pedro and Erwan, 2010). It is important to finance projects in suitable time and suitable place. Financing and investment tools can be developed up to needs but success of developing is different from case to other. Some Arabian countries do not has financial market to make liquidity by selling investment contracts or financing contracts but other concentrate on speculations in its financial market to make unusual return even there is high risk of losing.

Direct investment and financing tools perfectly will reach self sufficient up to different needs and protect savings. Products lifecycle management is affected by changing in products value up to supply and demand. It is adjusted automatically. This will adjust Equity and Liability (Tariqullah, 1999).

Tools can give flexibility to managing general budget and balance sheet but the problem to get positive affection of these tools and avoid or limit negative affection.

Some solutions concentrate on developing tools in order to support financial policy and monetary policy as change delay loan contracts to bonds. It sell bonds to collect cash money from market to reduce inflation and buy bonds to give liquidity to increase cash in market in order to finance investment. There are some ideas to link type of tools with economic sectors. Ex: Industry sectors can be financed by selling delay industry product up to seller suitable time with current cash or by giving industrial primary materials also Agriculture sector can be financed by selling delay agriculture product up to season with current cash. These ideas concentrate on achieving self sufficient by courage economic sectors to avoid financing with loan up to interest. To reduce interest negative effect on growth of economic sectors in depression case. The standard of success tools types is to finance and invest up to suitable time with suitable cost. There must be financing tool investment tools and saving tools to make money staying (Thomas, 2011:p373).

## SUGGESTIONS TO REACH SELF SUFFICIENT IN ARAB COUNTRIES

There are suggestions to reach self sufficient by find resource of the problems and solve it. There are ratios show increasing of gaps to face problems in suitable time and there are ways to managing solving problems as in the next table.

Table 1: Measurement of self sufficient problems & ways of solving problems

Self Sufficient Problems	Measurement	Solving Problems
<b>Leaders Choosing Plan</b>	Increasing of conflict between leaders and increasing of leaders division	Concentrate on self sufficient as major aim to solve problems
<b>Local Companies Human Resources Affection</b>	Increasing of loosing assets, Increasing of costs	Concentrate on building experiences starting from schools to university by feed courses with practically case study
<b>Financial and Investment Tools Affection</b>	Increasing of loosing investment or financing as result to Ignorance which increasing deals without investigation of its real value.	Concentrate on direct investment than speculations by rule with standards to increase positive affect of tools and cancel or limit negative effect of or develop tools up to economic sectors needs

There must be strategy planning to develop economic sectors as way to cover all citizen needs. Developing investment Tools and financing tools must concentrate on direct investment not speculations to avoid ignorance. Developing tools must relate to sector type therefore agriculture sector need tools to courage its producing it may not be suitable to other sector as industrial or commercial sector. It may need integration tools between all economic sectors. The standard is find suitable tools as sharing or selling or working instead of lending to avoid lending problems as delay of problems by scheduling loans with increasing interest and time to be bought or transfer problems by selling loans to other investor. Ex: Trader ask farmer for products but farmer has land but does not have cash to buy water, seeder and dung. At this case, Trader expects increasing of some goods price and farmer needs cash. Trader gives cash to farmer but to get suitable price and farmer work to get cash. At the end of season, trader get goods from farmer with fewer prices than market and farmer take his need beside profit. Other Idea that farmer can share trader. Trader give money and farmer work. They can sell product at the end of season and divide profit among each others up to suitable percentage that they agree on it but if there is losing trader will loose from his capital and farmer loose effort.

Integration between agriculture sector and industrial sector can be by use that contract from factor to produce food product also can agriculture sector give cash or delay cash up to its environment in order to industrial farmer equipments. These ways to reduce speculations risk by future contracts dealing in financial market because of directly investment dealing between farmer and trader or factor up to local market.

There must be ways to keep market risk more safety. Traditional insurance companies give safety feeling to citizen or companies but it is profit companies. It uses ways to reduce buying compensation if risk happen sees way of calculate Store fire risk compensation. This mean increasing of store value by market at time of risk happen will reduce compensation (Eid and Alseefo, 2009). Insurance companies will not give customer his installments if he tries to cancel contract with the insurance company. Customer needs way to keep saving and feeling safety. Some citizens develop way of insurance up to buying every month installments in order to build reserves to face any of these citizen risks. It buys compensation when risk happen from the reserve but the amount after buying is still own by these citizens.

Ex: 1000 person buys yearly 10000\$ to face risk of store fire for 5 years. This means reserves will equal:  $10000 = 50000000\$ \times 1000 \times 5$

Suppose 2 from all sharers get risk and loose 1000000\$. This mean all loose equal 2000000\$ and Reserves will be 48000000\$ which still for all sharers. After 5 years every sharer will take  $(48000000 \$ \text{ reserves} / 1000 \text{ sharer}) = 48000\$$ .

It is away to avoid losing savings by traditional insurance company and reduce government grants. Now there is three type of insurance companies' show it's developing as in the next table.

Table 2: Types of Insurance companies' profitability accounting

Types of Insurance companies	Aims	Contract type	Ways of managing risks	Affect on customer installment
<b>Profit company</b>	Profit	Selling and Guarantee	Avoid concentricity risk beside limit risk by conditions up to profitability	Loosing
<b>Grant company</b>	Guarantee each other in bad cases	Saving and Guarantee	Avoid concentricity risk beside limit risk by conditions up to guarantee possibility	Loosing up to sharing risks
<b>Mixed company</b>	Profit and Guarantee each other in bad cases	Saving , Guarantee and Investment	Avoid concentricity risk beside limit risk by conditions up to guarantee possibility and profitability	Loosing up to sharing risks beside increase savings up to investment profits

Safety is covered also by guarantee to face immorality behaviors. Dealing in economic sectors is support strength point by grantee. Industry producing or agriculture producing or commercial dealing depend on safety of products to cover needs in suitable time and suitable place. Some shareholders ask for guarantee from other shareholders or managers to keep his investment in case of there immorality behaviors to make loose. This way faces length of court procedures.

Some investment companies develop way of monthly investment to avoid speculation problems of loosing savings and investment in financial market call Blocks to invest for three months of or year depend on need of liquidity. Blocks have conditions to apply between investors. Investment must be evaluated up to profit and increasing of assets value. Blocks depend on agreement of applying conditions which are: The unit time to distribute return is month which equal 31 days. Retune will be gotten just after 31 day and will get just 30% of all return if sharers sell parts. While Return for direct investors who not sell investment part will get after 31 day 80% of all return.

## CONCLUSION

Arab countries face problem of applying economic law by depend on demands and supply to meet equilibrium as result to problems of achieving self sufficient. The problems which are leaders' conflict, human resource weakness and developing tools have divide countries cases to

deficit or surplus. Therefore government must direct economic cases and its general budget must be flexibility.

As result to conclusion there must be strategy to achieve self sufficient up to producing its needs therefore leaders' conflict must concentrate on this aim and started by building human resource experiences from schools to university with practically cases depend on direct investment and tools up to economic sectors needs.

## **REFERENCES**

- Ahmad Mashaqbah, (2003), Analyses study about general budget in Jordan up to economic correctly policy, *Economic Horizons Journal*, Vol.24, No.94, pp94-97.
- Chatterji. Aaronk ,David. Levine and Micheal W. Toffel, (2009), How well do social ratings Actually Measure corporate Social Responsibility?, *Journal of Economics and Management Strategy*, Vol.8, No1.
- Eid, abu baker and alseefo, waleed, (2009), *Risk Management and Insurance*, Yazori publication company: Amman, pp152-159.
- Giammario, Impullitti, (2010) ,International Competition and U.S. R&D Subside: A Quantitative welfare Analysis, *International Economic Review*, Economic Department of University of Pennsylvania and the Osaka University Institute of Social and Economic Research Association, Vol. 51, No.4, p1152
- Guillaume, Rocheteau and Pierre-Olivier Weill,(2011), Liquidity in Frictional Asset Markets, *Journal of money, credit and banking*, Vol.43, No.7, pp261-262.
- Jamal, Ali Rousan,(2011),An application of the investment model for assessing quality costs higher education providers in Arab world, The first international Arab conference on quality assurance in higher education, Zarqa University, Jordan, pp1126 and 1131.
- Pedro S. Amaral and Erwan, Quintin, (2010), Limited Enforcement, Financial Intermediation, and Economic development: A Quantitative Assessment, *International Economic Review*, Vol. 51, No.3, p785.
- Tariqullah, Khan, (1999), Islamic Quasi Equity (Debt) Instrument and Challenge of Balance Sheet Hedging: An Exploratory Analysis, *Islamic Economic Studies*, Vol.7, No.1&2, pp226
- Thomas, H.W, Zieseme, (2011), Saving finance emigration and worker remittances serve to make staying rather than migrating possible, *international Economic Journal*, Vol.25, no.3, p373
- Vincent, Romani, (2009), the politics of higher education in the Middle East: problems and prospects, *Middle East brief*, No.36, p6.
- Will, Seal and Amana, Ball, (2011), Interpreting the Dynamics of Public Sector Budgeting: A Dialectic of Control Approach, *Financial Accountability and management in Government, Public Services and Charities*, Vol.27, No.4.
- Zubire, Hasan, (2008), Islamic Banks: Profit sharing, equity, leverage lure and credit control, Available online: <http://mpa.ub.uni-muenchen.de>