

# THE EVOLUTION OF THE SURPLUS AND DEFICIT IN THE GENERAL BUDGET OF ALGERIA, SAUDI ARABIA AND IRAQ FOR THE PERIOD 2004-2021

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## **Abstract:**

The general budget is among the important tools that can be relied upon to draw the contours of fiscal policy and direct it in a direction that achieves the general objectives of the national economy. These countries have large financial returns, as a result of the development of the volume of public expenditures on the one hand and the fluctuation of public revenues on the other hand, in addition to that, the dependence of the budgets of these countries on oil revenues has earned them a state of instability as a result of the fluctuation of global oil prices and thus the fluctuation of oil revenues in light of the deterioration in oil revenues. Non-oil revenues, especially taxes, due to the weak efficiency of the tax system, the large number of exemptions and tax evasion, and the continuous increase in public expenditures and wasteful ones, and the failure to activate and apply the rules of fiscal policy and financial control, was the main reason for the exacerbation of the deficit in the general budget in these countries, especially Iraq.

**Keywords:** surplus and deficit - the general budget

## **introduction:**

The fiscal policy works on a number of economic and social variables and employs a set of tools to achieve its set goals, overcome potential economic crises and problems, and achieve economic stability that meets the requirements of economic development.

The general budget is among the important financial policy tools that can be adopted to draw the parameters of that policy and direct it in a direction that achieves the general goals of the national economy. As the volume of public spending in these countries has evolved significantly during the years under study, while the financial revenues of the main export commodity (oil) have fluctuated as a result of fluctuating global prices in light of the clear deterioration of non-oil revenues, especially tax revenues due to the poor efficiency of the tax system and the large number of exemptions and tax evasion. The budget deficit was a prominent phenomenon in these countries during the study period (2004-2021), and that the continuous increase in public spending and wastefulness in it and the lack of application and activation of the rules of fiscal policy and financial control were among the main reasons for the exacerbation of the budget deficit in these countries, especially Iraq.

## **research importance:**

The importance of the research stems from the fact that adjusting the conditions of fiscal policy requires a great commitment by the regulators of fiscal policy to the financial rules, which provides it with the ability to continue its development spending programs and provides a sustainable path for the sustainability of economic activity and avoiding deficit problems that lead to an increase in public debt and its negative effects in oil-exporting countries in general. in

general and in the Iraqi economy in particular, which gives studies related to financial policies and what is related to them in the surplus and deficit in public budgets exceptional importance by virtue of the fact that the general budget is among the important financial policy tools through which the extent to which the national economy is affected by the results of its imbalance appears, especially the deficit and its repercussions on the overall economic activity in the countries covered by the research.

**Research problem:**

Although the countries in question possess large natural resources, especially oil wealth, they have not been properly utilized to cover financing requirements, which constantly drives governments to internal and external borrowing to meet the public budget deficit and to secure the requirements of economic development, especially during the research period.

**Research hypothesis:**

The failure of the countries in question to implement a disciplined fiscal policy through which to achieve financial sustainability will lead to imbalances in their public budgets, especially the general budget deficit.

**Research Objective:**

The research aims to explain the causes of the development of the surplus and deficit in the general budget of Algeria, Saudi Arabia and Iraq, and the extent of their impact on economic stability and achieving the requirements of economic development.

**Research Methodology:**

The research relied on the inductive and deductive method to study and analyze the evolution of the surplus and deficit in the general budget of the countries under study.

**Research Structure:**

The research was divided into three axes, the first dealing with the surplus and deficit in the general budget of Algeria for the period 2004-2021, by identifying the nature of the Algerian economy in addition to the stages of development of the surplus and deficit in the general budget for the above period.

As for the second axis, it deals with the surplus and deficit in the Saudi general budget for the period 2004-2021, by identifying the nature of the Saudi economy, in addition to the stages of development of the surplus and deficit in the general budget for the period of research.

The third axis deals with the surplus and deficit in the general budget of Iraq for the period 2004-2021, by analyzing the financial position of the Iraqi economy in addition to the stages of the development of the surplus and deficit in the general budget for the aforementioned period, while the fourth axis deals with the most important conclusions and recommendations that the researchers consider the importance of taking them.

**First: The surplus and deficit in Algeria's general budget for the period 2004-2021:**

**1- An introduction to the nature of the Algerian economy:**

The Algerian economy has great potential to enhance economic growth, as Algeria has witnessed, since the beginning of the third millennium, structural economic reforms that resulted in the evaluation of macroeconomic performance and the improvement of the quality of services provided by the government, in addition to the huge reserves of foreign exchange derived from oil and gas revenues, as Algeria has adopted since The year 2001 expanded fiscal policies through its tools, public expenditures and public revenues, and these policies are represented by the huge programs to revive the Algerian economy, which were approved during the period (2001-2009),

namely the economic recovery program (2001-2004) and the supplementary program to support growth (2005-2009), in addition to To the Resource Control Fund, whose aim is to finance the deficit in the general budget, as well as a government action program (the path of prepayment of foreign debt), which helped reduce the volume of external debt and pay off debts incurred by the government by adopting the rules of fiscal policy, and the main objective of that was to support and revitalize The national economy, raising economic growth rates, and attracting foreign direct investment as a result of the improved financial situation of the country in light of the rise in global oil prices at the beginning of the third millennium, as well as the five-year plan for the period (2010-2014), which is a complementary program to previous programs, and in the year (2016) Algeria adopted the growth model The new economic system that expresses Algeria's vision (2030), within the framework of its policy to diversify the national economy and reform its structure in aspects related to improving the business and investment climate, developing the tax system and banks, and strengthening financial markets. The model was divided into three consecutive periods of time in order to ensure its successful implementation. and Baghdad: 2017, 47).

## **2- The evolution of the deficit and surplus in the public budget in Algeria:**

One of the reasons for the deficit in the general budget is the high volume of public expenditures and the low contribution of public revenues. The general budget in Algeria achieved a financial deficit during the study period of about two-thirds of the period, due to the high volume of government spending and the low contribution of non-oil revenues, in addition to the fluctuations in global oil prices, which were reflected negatively on the reality of the general budget in Algeria, and table (1) shows the amount of surplus and deficit in the general budget in Algeria during the study period, as the deficit in the general budget of Algeria developed during the period (2009-2021), as Algeria achieved a surplus since the year (2004) estimated About (4.282) million dollars until the year (2008) at different annual growth rates and a compound growth rate estimated at about (0.30), after that Algeria experienced a permanent and continuous deficit as a result of the discrepancy between the growth of public expenditures and public revenues. (7.923) million dollars and increased to about (9.269) million dollars in 2012, due to the expansionary fiscal policy adopted by the government in addition to the unjustified wastefulness in government spending and the failure to adopt financial discipline for public expenditures, as the government did not take advantage of the booms that occurred in prices Oil throughout the previous period from (2005-2008) and the fiscal surplus it achieved for the general budget, and in the year (2013) the fiscal deficit decreased so that the general budget achieved a small surplus amounting to about (0.049) due to the postponement of some investment projects and the reduction in the volume of investment spending by the government as well as Increasing Algeria's share of oil exports to an additional (747) thousand barrels / day, as well as the financial control operations that were reflected in the reduction of current spending and expenses of administrative services and the decrease in employee expenses that were paid retroactively (Al-Taher: 2017, 31).

As for the period (2014-2016), the deficit in the general budget increased as a result of the sharp decline in global oil prices, and the reason for this decline is due to several economic factors that affected global supply and demand, including the increase in shale oil production in the United States of America, in addition to the slowdown in demand in other countries. European and other geopolitical factors.

As for the period (2017-2019), it witnessed a gradual decrease in the state of deficit in the general budget to reach below (9.537) million dollars, after the government measures taken to cancel some investment projects in addition to controlling public expenditures and expanding the tax base, as well as government efforts in combating corruption. And tax evasion, which strengthened the state of controlling tax revenues that helped reduce the country's financial deficit, and in the year (2020) and during the global health crisis due to the outbreak of the Corona virus and its repercussions on the global economy in terms of stagnation, a decline in supply and demand, and the collapse of global oil prices, the deficit increased It doubled from (2019) to reach about (18.857) million dollars, to continue to rise, reaching its highest level (31.210) million dollars in (2021).

**table (1)**

**The evolution of the deficit and surplus in the general budget of Algeria for the period (2004-2021) (million dollars)**

the years	total public revenue	Percentage of oil revenues to total revenues	total overhead	The surplus and deficit of the general budget
2004	28.725	%70.6	24.443	4.282
2005	42.020	%76.4	27.971	13.971
2006	48.883	%78.1	33.132	15.751
2007	53.049	%76.0	44.541	8.508
2008	80.380	%78.7	64.442	15.958
2009	50.950	%52.4	58.513	(7.923)
2010	58.799	%66.4	59.926	(1.127)
2011	79.479	%68.7	80.020	(0.541)
2012	81.744	%66.0	91.013	(9.269)
2013	75.938	%61.0	75.889	0.049
2014	71.229	%59.1	86.839	(15.610)
2015	49.975	%64.5	74.980	(25.005)
2016	46.723	%34.9	66.706	(19.983)
2017	54.500	%35.9	65.627	(11.127)
2018	57.907	%42.7	67.750	(9.843)
2019	55.153	%40.5	64.691	(9.537)
2020	43.705	%36.9	62.562	(18.857)
2021	37.500	%88.5	68.710	(31.210)

**Source: Table prepared by the researcher based on:**

- Data of the annual report of the Arab Monetary Fund for the year 2021.
- Annual Report: 2004-2014, Bank of Algeria, on the website: [bank.www-of-dz.algeria](http://bank.www-of-dz.algeria)
- Algerian Ministry of Finance, Directorate General of the Budget, reports (2005-2020).
- The numbers in brackets in the table are negative.
- The ratios were extracted by the researcher.

**Second: The surplus and deficit in the Saudi general budget for the period 2004-2021:**

**1- An introduction to the nature of the Saudi economy:**

The Saudi economy is among the twenty largest economies in the world, and the largest economy in the Arab world and the Middle East region, and it is a permanent member and leader of OPEC countries, and a permanent member of the Group of Twenty, and Saudi Arabia has the second largest oil reserves in the world, and it also has the fifth largest proven reserves of Natural gas, which is considered a force to be reckoned with in the field of energy (Al-Dakhil: 2019, 45).

The Saudi economy witnessed positive developments at the beginning of the third millennium, represented by the government's endeavor to further diversify the economic base and not rely on oil revenues, which represent the largest percentage of revenues and on which the Kingdom depends to cover its public expenditures. The Saudi economy has great potential that enables it to enhance economic growth in The country, according to the Ninth Development Plan (2004), whose main objective was to diversify the productive base.

2- The development of the surplus and deficit of the public budget in Saudi Arabia:

The balance of the state's general budget shows whether the general budget is in a state of surplus or deficit, and this surplus or deficit is achieved as a result of the high volume of public revenues over the volume of public expenditures or vice versa, and that the general budget in Saudi Arabia has achieved both cases during the study period, and table (2) It shows the development of the surplus and deficit in the Saudi public budget during the period (2004-2021), and it shows us the volume of public revenues obtained by the general budget, in addition to the percentage of oil revenues to the total public revenues, as well as the volume of public expenditures and the surplus and deficit in the general budget.

We note that the general budget in Saudi Arabia has achieved financial surpluses during the first third of the study period, as a result of the rise in oil prices in the global markets and their repercussions on the oil revenues of Saudi oil exports, which led to the realization of large financial revenues that helped the government cover its public expenditures, in the period (2004-2008) The general budget achieved increasing financial surpluses, as the highest financial surplus achieved for the budget was about (154.796) million dollars in the year (2008) and during the study period, after it was about (28.557) million dollars in the year (2004), as it achieved Compound growth rate is about (0.40%), and the percentage of surplus to GDP for the year (2004) was about (11%), while in the year (2008) it was about (29.7%), and in the year (2009) the general budget recorded The first financial deficit during the study period, as a result of the increase in total government expenditures over total government revenues, and one of the most important reasons for the deficit was the decrease in oil revenues as a result of its impact on the decrease in demand for oil in the global markets, which led to a decrease in its prices, due to the impact of the global economic and financial crisis on the economy in the countries of the world in the year (2008).

**table (2)**

**The evolution of the surplus and deficit of the public budget in Saudi Arabia for the period (2004-2021) (million dollars)**

<b>the years</b>	<b>total public revenue</b>	<b>Percentage of oil revenues to total revenues</b>	<b>total overhead</b>	<b>The surplus and deficit of the general budget</b>
2004	104.611	%84	76.053	28.557
2005	150.489	%89	92.393	58.096

2006	179.649	%89	104.886	74.762
2007	171.413	%87	124.333	47.080
2008	293.481	%89	138.685	154.796
2009	135.527	%85	159.049	(23.521)
2010	197.537	%90	174.369	23.167
2011	298.004	%92	220.453	77.550
2012	332.395	%91	232.881	99.513
2013	307.342	%89	265.262	32.079
2014	277.371	%87	304.161	(26.790)
2015	163.385	%72	267.011	(103.626)
2016	138.519	%64	221.470	(82.950)
2017	175.941	%66	247.040	(71.098)
2018	238.667	%67	274.667	(36.000)
2019	242.667	%65	279.467	(36.800)
2020	208.489	%52	286.862	(78.372)
2021	257.462	%58	277.048	(19.586)

**Source: Table prepared by the researcher based on:**

- Data of the Arab Monetary Fund for the years (2004-2021).
- International Monetary Fund report for the year (2015).
- Saudi Ministry of Finance - Saudi Arabian Monetary Agency for the year (2020)
- The numbers in brackets are negative.
- Percentages were extracted by the researcher.

As for the period (2010-2013), and due to the recovery of global oil prices, Saudi Arabia has achieved high oil revenues, as the percentage of oil revenues to total public revenues was about (92%) in (2011), which is the highest percentage achieved by oil revenues during the study period. The surplus achieved by the general budget during the above period is about (99.513) million dollars compared to the year (2010), when it achieved about (23.167) million dollars, and since the year (2014) until the end of the study period, Saudi Arabia did not achieve any surplus in the general budget, as the budget deficit continued To achieve its highest level in the year (2015), when it reached about (103.626) million dollars, due to the impact of the global crisis of (2014) and the drop in oil prices in global markets as a result of the decline in global demand for crude oil, in addition to the inability of other revenues to cover the shortfall in oil. Oil revenues to support public revenues, and in return, the Saudi government resorted to reducing subsidies on energy, electricity and water, and announced the Kingdom's economic vision for the year 2030, which aims to reduce its dependence on oil, and the government also reduced the salaries of its employees and those of government officials by (25%) And the cancellation of a number of proposed investment projects, whose value is estimated at about (276) billion dollars, due to the lack of economic feasibility for them at the current stage and the achievement of savings in the budget (Arab Development Report: 2018, 9).

### **Third: The surplus and deficit in the general budget of Iraq for the period 2004-2021:**

#### **1- Analysis of the financial position of the Iraqi economy:**

Iraq suffers from weakness in properly drawing and implementing its financial policy. As the process of implementing the financial policy is within the competence of the Ministry of Finance, and the work of the Ministry at this stage is almost the closest to the work of a treasurer in any

government department who performs the process of recording public revenues in the accounting records, and that public spending operations are according to the allocations of ministries and institutions not associated with the Ministry And that the expenditure estimate is usually based on the ministry's share in the previous year and not on the basis of the ministry's plan for the next year, in addition to taking into account any change in the volume of new and expected future public revenues, which are mostly from oil revenues, and after collecting the revenues, they are deposited in the bank The Central Bank, which converts it from foreign currency (dollar) to local currency, according to the official exchange rate of the state (Al-Anbaki: 2008, 79).

The analysis of the financial position of the Iraqi economy during the study period can be divided into several stages, because the political and governmental situation in Iraq has affected and was affected by fluctuations in oil prices in global markets, in addition to the military intervention that led to the change of the regime in Iraq in 2003 by the United States The United States of America and the countries of the foreign coalition, and from here began the first stage, which is the stage of security turmoil (2004-2009). The state of military presence was strengthened according to UN Security Council Resolution No. (1483) on (May 22, 2003) as a military occupation, in addition to another decision of the Council It bears the number (1511) on (October 16, 2003) confirming the Western military presence, and based on this resolution, the UN Security Council demanded that the Iraqi Governing Council take the necessary measures to write a new constitution and give power to the Iraqi people as soon as possible, and accordingly, from both theoretical and practical points of view The Iraqi government tended to work with the decentralized system in implementing its policies (Hafez: 2011, 110).

Economic stability is one of the main pillars of stability in any country in the world, because the economy is the basis on which the political power relies and which provides it with elements of strength and harmony, and the planned financing operations for the state's agencies and its various institutions contribute to increasing economic stability, especially in countries that suffer from State of war, external threats, or societal problems (Amin: 2002, 7-11).

As for Iraq, despite being a country that has many elements of progress, development, and diverse resources, its economic orientations are confused and unstable, is it capitalist, socialist, or otherwise, in addition to its economic connection to other unstable files, political, social, cultural, security, and external as well, because Iraq is like any developing country that suffers from a unilateral (rentier) economy, as it relies heavily on oil revenues and there is no diversity in other sources of revenue, just as the openness of local markets to imported goods and merchandise has subjected the local market to the dominance of merchants of various nationalities in addition to To the exposure of the national economy to the outside world (Orno, Urls: 2006, 63-70).

At this stage, Iraq did not witness the establishment of political institutions capable of managing change after 2003. Rather, it resulted in the birth of (a state system, opposition, parties, elections, integrity, etc.) based on the exclusion and marginalization of the other, and on the basis of that we have become In front of an environment of political and security instability, which was reflected in economic stability, in addition to that, the national economic decision was confiscated by the occupying forces at the time. 29).

Based on this, we note that the Iraqi economy continued to suffer from weak economic activity, the collapse of the economic sectors in industry, agriculture and services, the slowdown in the rate of growth, and the contraction of internal and external investment operations, as domestic investment recorded a negative rate of growth, as a result of the lack of savings despite the

improvement in the level of income, Because the bulk of it went towards consumer spending, which led to a significant increase in inflation rates as a result of the shortfall in the aggregate supply. As for foreign investment, despite the legal legislation issued by the occupying power, the required thing was not achieved, in addition to that rampant unemployment among the forces. Those who are able to work, which is an essential entry point for the phenomena of poverty and violence in Iraq (ESCWA: 2006, 112).

As for the second stage, it is the stage of financial abundance (2010-2015). The increase in oil production, along with the increasing global demand for crude oil, and its high prices in global markets, contributed to the increase in oil revenues, and since the Iraqi economy is a rentier economy that relies heavily on revenues generated from the sale of crude oil, and the contribution of oil revenues constitutes about (95%) of the total public revenues, so this stage was characterized by an increase in public revenues, and its highest level was in the year (2012) when it amounted to about (102,759) million dollars, As for the gross domestic product, it reached about (234,637) million dollars as its highest level in the year (2013) (Report of the Iraqi Ministry of Planning, 2014, 3), which reflected positively on the financial situation of the country as a result of the increase in financial resources that were achieved as a result. This led the government to seek to implement previously planned projects, in addition to putting new development projects into effect due to the presence of financial abundance, but poor planning and the spread of financial and administrative corruption prevented the achievement of development goals and the low rate of economic growth.

As for the third stage, it is the stage of financial turmoil (2016-2021), when the attacks of terrorist organizations led to the imposition of pressure on the public budget due to the increase in military expenditures for the purpose of purchasing weapons and equipment to confront these threats, in addition to the expenditures related to humanitarian needs to shelter the displaced from cities controlled by terrorism. In addition, the repercussions of the decline in global oil prices and their significant effects on the Iraqi economy, which does not enjoy economic diversification, and which depends almost entirely on oil export revenues, which caused pressure on the state's general budget and led to an increase in the fiscal deficit in it. In the years (2015 and 2016) it took The effects of the attacks of terrorist organizations and the drop in oil prices are fully revealed. The ratio of oil revenues to public revenues for the aforementioned years amounted to about (77.1% and 82.8%), respectively, which are the two lowest percentages during the study period compared to (2014), when it amounted to about (91.9%) (report Economic Observatory for the Middle East Region, 2016, 11), on the other hand, the repercussions of the health crisis, the Corona epidemic (Covid-19) and its clear effects on the Iraqi economy and the accompanying global economic repercussions, in light of the decline in oil revenues during the period of the epidemic, which led to Decrease in foreign reserves of hard currency at the Central Bank, as the data indicates a decline in public revenues to about (52.666) million dollars in (2020), after it was in (2019) about (90.392) million dollars. As for public expenditures, they included in The state's general budget has increased significantly, as it amounted to about (108.327) million dollars in the year (2021), compared to about (63.402) million dollars for the year (2020) (Iraqi Ministry of Planning, 2021).

## **2- The development of the deficit and surplus in the general budget for the period (2004-2021):**

Deficit in the general budget is a natural and common situation in most countries of the world.



Deficit does not mean poverty in the allocated funds, but rather means that the government plans public expenditures that are greater than the proceeds of public revenues for that year, and Iraq did not face the problem of exceeding financial allocations in its public budget except in the two years (2014-2015), due to the significant decline in global oil prices, which reached below (50) dollars per barrel, after it had almost exceeded the threshold of (100) dollars per barrel, and this led to a deficit in the country's general budget, and the problem of In the financial allocations, which negatively affected the entire Iraqi economy and the occurrence of a state of stagnation in it, but in the previous years and before this decline in oil prices, Iraq was suffering from the problem of not properly implementing the financial allocations in the general budget (Saleh: 27, 2018). That is, when approving the government's general budget every year, there is a deficit due to the increase in public expenditures over public revenues. However, the practical reality and when implementing the items of the general budget becomes clear that public expenditures are less than public revenues, due to the weak ability of government institutions to implement financial allocations .

It is possible from the data of Table (3) to clarify the state of deficit and surplus in the general budget for the period (2004-2021) in Iraq. Other revenues (taxes and fees). At a time when public spending was concentrated on current spending mainly, public revenues exceeded the increase in public spending, which led to a surplus in the general budget amounting to about (1.009) million dollars for the year (2004) In the year (2005), the surplus in the general budget increased to about (6.539) million dollars, achieving an annual growth rate of about (548.1%) compared to the year (2004). The general budget achieved a fiscal surplus until the year (2008), which amounted to about (11.181) million dollars, due to the rise in global oil prices and the increase in oil exports to meet the global demand for crude oil. The period (2004-2008) achieved a compound growth rate of about (0.61). And the ratio of the surplus to the gross domestic product was about (8.5%), while in the year (2009) the general budget achieved a financial deficit amounting to about (0.295) million dollars, due to the effects of the global financial crisis on the Iraqi economy, after that the surplus returned to the general budget during The years (2010, 2011, and 2012) with varying returns, as it amounted to about (7,816, 20,796, and 12,588) million dollars, respectively, as a result of the rise in global oil prices, which was reflected in oil revenues and the total public revenues, in addition to the total public spending in the general budget for these years. It was lower than the total public revenues. As for the period (2013-2016), it achieved an increase in the deficit in varying proportions, as it reached the highest annual growth rate of the deficit in the year (2015) by about (145.9%) compared to the year (2014), and the reason for the deficit for this period was Increasing government public spending on military operations to confront attacks by terrorist organizations in the regions of western and northern Iraq, offset by a decrease in public revenues as a result of the drop in oil prices, which affected oil revenues, in addition to the increase in shale oil production by the United States of America, which was a major reason for the decline in demand for oil. Crude oil and its lower prices in global markets. As for the years (2017 and 2018), a fiscal surplus was achieved for the general budget, amounting to about (1.623 and 21.594) million dollars, respectively. The ratio of the surplus to GDP for the two years mentioned was about (0.87% and 9.5%). %) in a row, and the reason for this was the government's pressure on public expenditures, especially investment, as an attempt to avoid or reduce the deficit in the general budget, in addition to the recovery of global oil prices as a result of the increase in demand for crude oil. As for the period (2019-2021), the deficit returned to the

budget. Public expenditures due to the increase in public expenditures, despite the increase in public revenues, and the reason for the increase in spending was to confront the global health crisis (Corona pandemic), as the highest deficit during the study period was in the year (2021), as it amounted to about (17.426) million dollars.

**table (3)**

**The evolution of the deficit and surplus in the general budget in Iraq for the period (2004-2021) (million dollars)**

the years	total public revenue	Percentage of oil revenues to total revenues	total overhead	The surplus and deficit of the general budget
2004	22.703	%98.8	21.694	1.009
2005	27.526	%97.5	20.987	6.539
2006	33.439	%95.6	25.557	7.882
2007	43.796	%96.7	31.320	12.476
2008	67.574	%96.2	56.393	11.181
2009	47.216	%93.6	47.511	(0.295)
2010	59.981	%93.3	52.165	7.816
2011	88.879	%98.5	68.083	20.796
2012	102.759	%97.8	90.171	12.588
2013	97.632	%97.6	102.167	(4.535)
2014	90.526	%91.9	96.219	(5.693)
2015	56.958	%77.2	70.962	(14.004)
2016	44.885	%82.8	61.824	(16.939)
2017	65.060	%84.0	63.437	1.623
2018	89.554	%89.7	67.960	21.593
2019	90.392	%92.2	93.885	(3.493)
2020	52.666	%86.1	63.402	(10.736)
2021	90.901	%87.3	108.327	(17.426)

**Source: Table prepared by the researcher based on:**

- Iraqi Ministry of Finance, General Budget Department, different years for the period (2004-2021).

-Iraqi Ministry of Planning and Development Cooperation, Central Statistical Organization, Annual Statistical Report, Separate Years.

- Central Bank of Iraq, General Directorate of Statistics and Research, annual statistical report, separate years.

- Data of the annual report of the Arab Monetary Fund for the year (2021).

-The numbers in brackets are negative.

From the foregoing, it is clear that the nature of the general budget in Iraq has been linked to a large extent with oil revenues, which are determined according to oil prices in global markets as an external factor and the amount of domestic oil production as an internal factor. Therefore, the change in these factors will have a direct impact on the country's general budget, while The cases

of financial surplus that were achieved during the study period may not indicate an improvement in conditions, as the preparation of the estimated budget is often done with a certain deficit (although the estimate depends on a price lower than the price of a barrel of crude oil), and when the government implements the expenditure items and according to the approved allocations In the general budget, difficulties arise that hinder the implementation processes, which leads to delaying the completion of most investment projects, and therefore the amounts allocated for these projects are not fully spent, and at the end of the fiscal year, a financial surplus appears in the general budget, which is often caused by slow implementation in public spending, especially investment.

#### **Fourth: Conclusions and Recommendations:**

And through what was discussed in the previous axes with description and analysis, and depending on the findings of the research on the reality of the three economies and the development of the state of the general budget in each of them, the researchers were able to monitor a number of conclusions and reach a set of proposals and recommendations that can be adopted to address the budget deficit in the countries under study. and get rid of its negative effects.

#### **Conclusions:**

1. The general budget deficit was a prominent feature of the countries under study, despite the large financial returns and the establishment of sovereign funds. External factors and influences that control it.
2. Low sovereign revenues (taxes) in the pilot countries. Algeria suffers from the weak efficiency of the tax system and the large number of exemptions and tax evasion. As for Saudi Arabia, it suffers from a low tax base, where taxes consist of customs taxes and some taxes on corporate profits, to the exclusion of other taxes. It makes fiscal policy in these countries depend on one tool, which is public spending, and as a result deprives it of one of the most important tools of fiscal policy to influence economic activity.
3. The public budget in Iraq faced two types of imbalances during the study period, the first was the surplus and the second was the deficit, and the two types were caused by the confusing economic situation and the fluctuations in oil prices and the imbalances that the Iraqi economy suffers from, and therefore the imbalance that the general budget faced was of two types, cyclical and structural.
4. The continuous increase and waste in public expenditures, and the inability to implement and activate the rules of fiscal policy and financial control, were the main reason for the exacerbation of the deficit in the country's general budget during the study period (2004-2021).

#### **Recommendations:**

1. Determining government spending and not responding to successive annual increases as a result of the increase in oil revenues, by determining its percentage of the gross domestic product so that it does not exceed (50%), for example, regardless of the amount of oil revenues, or that the increase in current spending is not higher than the growth of non-oil output And work to direct the increase in oil revenues towards investment spending to develop the economic and social infrastructure, and this is one of the elements of stability.

2. Work to achieve financial sustainability by using the financial surplus in the general budget to establish sovereign funds through which these surpluses are invested, or to pay off the country's external and internal debts, or to cover the deficit in the general budget.
3. Work on diversifying revenue sources to reduce dependence on oil revenues, by paying attention to the financing role of taxes by enacting and enacting the necessary laws, and activating the oversight role in government institutions to implement financial allocations efficiently and reduce financial corruption.
4. Working on adopting an economic reform program that includes strengthening the role of the private sector and correcting structural imbalances, through a gradual shift from the rentier nature of the economy to supporting productive sectoral growth in the sectors (agriculture, industry and services), in order to raise their contribution to the formation of the gross domestic product, and that By increasing allocations in the general budget and by granting tax exemptions and privileges to local and foreign investors and encouraging them to enter into productive projects.

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