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Philosophical treatments of the general budget deficit between acceptance and rejection

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Abstract: The issue of the general budget deficit is a very important issue, as it includes the actual and planned deficit by the government for a full economic cycle approved by the law issued by the government parliament. Perhaps the most prominent goal of the financial deficit is for the government to appear before individuals as being able to address the problems suffered by projects and contractors with the government. Here, it has put itself before a real test that entails a moral obligation before individuals and a financial obligation before how to cover the deficit that may occur if the government does not address it. There are a set of tools through which the government can cover the deficit it has, including resorting to the International Monetary Fund or the World Bank (external borrowing) or through the central bank or government and private banks operating at home and abroad. Most developing countries resort to external borrowing, which is one of the most dangerous types of financing the budget deficit due to the obligations to pay interest on this debt, which burdens the general budget and makes it difficult for most of these countries to fulfill international obligations and thus puts themselves in an embarrassing position. On this basis, there are Others resort to local banks or the Central Bank to borrow to finance this deficit caused by the government's promise to pay obligations to those entitled to them.

Keywords: Philosophical treatments, general budget, acceptance and rejection.

Introduction: Research Methodology

1- The importance of the research: The research gains its importance from the fact that it clarifies one of the general phenomena that most developed and developing countries suffer from, as this phenomenon

is considered in some economies as an undesirable phenomenon if it is associated with some procedures, while this research focused on clarifying that the phenomenon of budget deficit is sometimes an economic goal for the financial policy maker in the economy, while some researchers see it as important if it aims to expand spending towards investment projects.

2- The research problem: The basic problem of the research is based on the fact that most economic literature has dealt with this phenomenon extensively, while some economic schools have ignored government intervention and believe that economic balance can be achieved without government intervention, contrary to what others see that government intervention in directing public spending is an economic goal.

3- The research objective: The research aims to market economic ideas in an easy way, so that researchers have a sound vision based on the major economic schools that have addressed the issue of the financial deficit.

4- Research hypothesis: The research is based on the hypothesis that the phenomenon of financial deficit in developing economies is often to cover the government deficit to meet the demand for resources and for the operational aspect, and neglects the investment aspect.

INTRODUCTION

Economic schools differed in accepting or rejecting the idea of the budget deficit, based on their belief in the size of the state's role and the extent of its intervention in economic activity. Throughout the nineteenth century, state spending was limited to the four main functions: defense, security, the judiciary, and public benefits that do not target profit. The principle of annual budget balance was the principle that countries followed at that time until the global depression crisis occurred in the first third of the twentieth century (1929-1932), when the ideas that were prevalent during that period were unable to address this crisis, and Say's law, which believes that supply creates equal demand, failed. The concept of effective demand and the necessity of increasing public spending emerged, so the problem turned into a demand problem and not a supply problem. It became possible to accept the idea of the budget deficit, and interest became in economic balance and not in the annual budget balance.

Thus, the conflict between economic schools of thought continued, as new ideas emerged that deemed it necessary to reduce the role of the state again, and reduce public spending, which led to continuous deficits in the general budget, resulting in an increase in government borrowing, and an increase in taxes on income and wealth, which weakened the incentive for private investment. These ideas also called for reducing social subsidies that encouraged the phenomenon of unemployment, which contributed to increasing stagflation. It became the state’s duty to cover the shortage in local funding sources, which became difficult to match the continuous increases in public spending, so the funding problem became one of the most prominent problems facing developing countries, which forced them to turn to foreign loans that are often conditional on complex political and economic conditions.The budget deficit is a phenomenon that can be observed even in developed countries. Some of these countries have exceeded the acceptable percentage of the GDP, and this percentage has developed over time. If the budget deficit leads to growth in the GDP at a rate greater than the growth of the deficit, this means that the increase in public expenditures has led to the development of the economy. Thus, the phenomenon of the general budget deficit becomes an acceptable phenomenon that stimulates the economy.

The first section: Theoretical views on the general budget deficit

This section will review the theoretical views of the economic schools that dealt with the phenomenon of the financial deficit in the general budget and the means to get rid of this deficit through a series of financial procedures as follows:

1. Classical (traditional) theory.
2. Keynesian theory.
3. Modern classical theory.
4. Supply side school

1- Classical theory:

Classical thought is based on the assumption that the capitalist system automatically tends towards equilibrium at the level of full employment of all productive resources, relying on Say's law (Santayana: 1979, 28) which states that (supply creates equal demand).

That is, every increase in supply or production creates an equivalent increase in spending, which means that there is a flow of goods that is met by a similar flow of cash, and accordingly a balance occurs, under the principle of the invisible hand, which was invented by the economist Adam Smith in the environment of individual economic freedom, since achieving the sum of individual interests means achieving the public interest of society, at the level of full use of economic resources, and total demand cannot be less than total

supply. The individual, as Adam Smith sees it, is the basis of economic activity, and the invisible hand leads to equilibrium (equilibrium of supply and total demand). The individual is rational and enjoys economic prudence in managing his individual project, so he becomes the basis for reaching a state of equilibrium and economic stability, as the classic assumed the rationality of the individual project, the ability to produce, increase use, and achieve economic stability, which are ideas that were found in Europe in the period following the process of capitalist accumulation (the nineteenth century), but after all this, what is the role of the state? What are its duties and tasks towards society? Classical thought responded to this by reducing government activity and limiting government intervention to only four main areas: defense, security, the judiciary, and public utilities. The government must withdraw from economic activity and focus on how to finance its four aforementioned areas of spending only, so that public revenues are always equal to public expenditures, based on the principle of (annual budget balance), and financing is without any economic, social, or political purposes. The general budget must be compressed so that it covers public expenditures through regular revenues (taxes), and classical thought categorically rejected the idea of resorting to loans or increasing the issuance of currency. From here it becomes clear that this thought categorically rejected the idea of a government budget deficit, and considered loans as deferred taxes, as the government resorts to increasing taxes when the loan is due, and here wealth is transferred from taxpayers to bondholders, i.e. the burden of taxes is transferred from consumers to investors, sinceBondholders are people who are unable to invest. In this case, current consumption will be financed at the expense of savings and then investment, as the classicists believed that taxes should be imposed on consumption and not on savings because they believed that savings are completely converted into investment.

It should be noted that the classicists permitted borrowing (extraordinary revenues) in exceptional cases, such as wars and economic disasters.

Ricardo's opinion on the idea of public debt was that its real burden was not only the annual payments to government bondholders, but also the loss of the principal. As for Adam Smith, he opposed the budget deficit, as it leads to borrowing and thus withholding money from the private sector, directing it to government consumption, and it also resorts to taxes and transferring wealth from taxpayers to bondholders, who direct it to consumption. The classical position on the issue of monetary issuance was also a reductionist position and they considered it an unhealthy situation, because it would generate additional purchasing power that would result in an imbalance between supply and demand, leading to inflationary pressures (Draz: 1989, 83). In any case, we can summarize the financial foundations of classical thought as follows:

1- Defining the aspects of public spending exclusively.

2- Achieving financial neutrality in all economic activities of the state.

3- Full commitment to the principle of budget balance (rejecting the idea of budget deficit) (Al-Qadi: 2011, 65)

4- Savings are completely transformed into investment and individuals do not keep money (it has no value) as it is only a means of exchange and there is no motive to keep it (what is not consumed is invested).

The regular public expenditures were covered by regular revenues only without resorting to loans or increasing the issuance of money (Robinson and D.Wrightsman: 1988, 156)

2-Keynesian thought (counter-revolution):

The classical thought prevailed throughout the nineteenth century and the opinions of its thinkers Adam Smith, Ricardo and others prevailed until the Great Depression (1929-1932) occurred. Then the counter-ideas appeared from the economist John Maynard Keynes, who criticized Say's ideas and his law of markets, because of his complete neglect of the demand side and his emphasis on the supply side only, as Keynes confirmed that the former plays a major and direct role in determining the size of production, income and the level of employment, and he confirmed that the state of imbalance in the economy arises from the failure to achieve a balance between total supply and demand, thus generating economic cycles. In a recession, aggregate supply is greater than aggregate demand (excess supply), causing a crisis in the sale of goods, leading to a decline in prices and profits and an increase in unemployment, which then leads to a decrease in investment. However, if the economy has reached the stage of full employment, at which the volume of production and income cannot increase significantly in the short term, then signs of inflation begin to appear under the effect of any increase in aggregate demand (excess demand), if two cases appear, namely: cyclical depression, and inflation that occurs in the stage of full employment (Al-Shammari: 2018, 46)

Spontaneity, market forces, and economic freedom failed to address the depression crisis at the end of the twenties of the last century, as the Great Depression in that period did not lead to a reduction in prices, and

Say's law was not achieved by making supply create equal demand, so goods piled up in warehouses and unemployment rose to its highest levels.

The depression was the largest economic crisis witnessed by the Western world, and classical economics, at that time, did not have a developed theory explaining persistent unemployment or any policy measures followed to solve the problem, and many economists at that time actually recommended government spending, as a way to reduce unemployment, but they did not have a macroeconomic theory by which their recommendations could be justified. Keynes wrote his important research entitled (The General Theory of Employment, Interest, and Money) in the thirties, after Britain suffered from a double-digit unemployment complex and the United States was in its most severe recession. Keynes's views and analyses appeared against classical thought, as he considered the cause of the crisis to be the lack of effective aggregate demand, and he strongly emphasized the necessity of state intervention in economic activity and considered it the only entity capable of playing the role of the balancing factor in aggregate demand, so it must intervene effectively and directly in economic life, and called for the use of fiscal and monetary policies together, as reducing the interest rate leads to reducing production costs and increasing the incentive for investment, as well as reducing taxes and increasing public spending in the field of services and public works to absorb unemployment, and creating cash incomes, all of which lead to an increase in the volume of aggregate demand for consumer and investment goods, even if this leads to creating a deficit in the general budget. Here, the idea of accepting the financial deficit and rejecting the principle of permanent budget balance appeared for the first time, and these ideas were widely accepted, so state intervention in economic activity increased significantly, and the new thought moved capitalism to a new and advanced stage, which is the stage of state monopoly capitalism, in which capital is mixed with the state apparatus and used for its own benefit. This great expansion of government intervention led to important results in economic reality, some of which we present (Chandler: 1992, 82):

1- The government in capitalist countries exploited this intervention to justify the huge military spending, and monopoly state capitalism emerged.

Government spending expanded from the end of World War II until the early seventies of the last century. For example, government spending in the Federal Republic of Germany reached 47.1% of the total domestic product, in Italy it reached 43.2%, and in America it reached 35.04%, and for the same percentage, according to statistics for the year 1975, part of this2- The above percentages are allocated to social services such as (education, health, housing and public facilities), and transfer payments, such as food support and social security payments.

3- The state owns many basic projects such as transportation, energy and mining, which contributed to increasing the state's revenues or what is known as the public domain revenue.

This intentional or deliberate deficit in the general budget, and the increasing growth of government spending, achieved great gains for the working class and the poor segments, as the real wages of workers increased, and people enjoyed many benefits and guarantees, which are proven, were social costs of capital borne by the bourgeois classes, due to the capitalist prosperity locally and globally (Zaki: 1988, 161)

Keynesian ideas prevailed throughout the forties with their interventionist financial views, and Hans' colleagues and students elaborated on the analysis of financial policy tools, establishing its foundations under the name of compensatory finance and functional finance, and its elements became:

1. Public expenditures: It became a tool to ensure the operation of public facilities as well as a tool to influence the national economy (consumption, investment and development of savings) to create a balance achieved at a higher level of use and income.

2. Revenues: It is divided into:

A. Taxes: It is not used for financial purposes only, but to achieve economic and social goals, such as reducing consumption, encouraging offspring, reducing class inequality and directing investments.

B. Loans: Not only an exceptional means, as we have noted in classical thought, but a normal way to obtain the necessary revenues, and resorting to them has become a means of influencing the financial market and directing capital, and absorbing excess purchasing power to combat inflation, and their importance has increased significantly due to the inability of taxes to cover public spending.

C. Money issuance: It is a means of creating purchasing power that can give the economy a force that increases effective demand, and raises the level of income until the economy reaches the level of full use.

3. State budget: State finances have become a huge pump that absorbs individuals' income to redistribute it to others (raising it through taxes and loans and distributing it through spending) and the aim is to achieve the state's economic and social goals, and the budget has become a reflection of the state's economic

activity, and the principle of arithmetic balance has been abandoned and the goal has become economic balance.

3- The modern classical theory: - The Keynesian interest in fiscal policy and the neglect of the role of monetary policy was faced by Milton Friedman and his colleagues during the fifties, when Friedman presented his views in attacking those who said that monetary policy was sterile in the thirties, in the book he wrote with Schwartz in 1963, which was titled (Monetary History).He stressed that the failure of the Federal Reserve to prevent bankruptcies and the decline in the cash balance, at the end of 1930 to 1933, was responsible for the recession being serious (Rudiger Denbusch, Stanly Fisches: 1993, 61)

The ideas of the neoclassical school led by Friedman in the fifties, which represented a counter-revolution to Keynesian thought, attacked state intervention in economic activity, and confirmed that the capitalist system does not have serious flaws that expose it to crises, but rather the flaws lie outside the system, which represent an obstacle to the work of automatic market forces due to government intervention, as public spending, taxes and control over private economic activity increase, which leads to this system not working freely, as it explained this based on what the American economy suffered during this period in a sharp rise in unemployment rates, and the first prolonged decline occurred during the years 1961-1985, when unemployment reached a peak rate of 7.1%. Since the beginning of the seventies, things have turned upside down, and stagflation has appeared, as unemployment coexisted - for the first time - with inflation, as prices rose with the existence of an economic depression. The neoclassical s believed in the invisible hand that achieves harmony between self-interest and public interest. The Chicago school, known as the monetarist school, attributed all the crises and problems suffered by the capitalist system to Keynesian ideas. Friedman's ideas were among the most important features of this school, as his ideas were concerned with money and monetary policy. He and his supporters attributed all contemporary capitalist problems, such as inflation, unemployment and recession, to the mistakes of monetary policy alone (Bernheim: 1989, 321), which were deepened by Keynes's government intervention policy. Friedman directed most of his attention to achieving monetary stability, not achieving full employment as Keynes wanted when he placed it at the top of the goals of economic policy. Friedman stressed that this stability can only be achieved by controlling the amount of money, in terms of its growth and in a manner proportional to the growth of real output. Therefore, all sources of money supply growth must be curbed, the most important of which is the growth of the state budget deficit, which has worsened with the increased government intervention in economic activity and the increase in its current spending on social security, which is done through the issuance of currency, raising income taxes and increasing the domestic public debt. Accordingly, the monetarists proposed gradually reducing the ratio of this deficit to the GDP by reducing current public spending, especially on social security. This school also called for reducing public investments, and its followers stressed that after reducing the current deficit, the remainder of it should not be financed in the general budget through inflationary financing, and the solution is to resort to interest rates in the short term, which is much better than resorting to taxes in the long term.Raising the interest rate reduces bank credit, increases the money supply, and helps rationalize the use of resources. The monetarists sought to link the movement of the economy to a fixed rule that governs monetary policy (determined by the monetary authorities at a fixed growth rate for the money supply in line with the growth rate of the economy in the long run).

This school sought to prove that the budget deficit leads to raising interest rates and crowding out the private sector if the government seeks to borrow from the public, as the expansionary effect of the government's role is met by a reduction in private sector demand.

4- Supply-side school:

Another trend emerged within the monetarist school (neoclassical), known as the supply-side trend, which has radical origins. This trend emphasized the need to reduce tax rates in order to improve investment and raise the economic growth rate, which in turn increases the total tax revenue.

This trend focused on the supply-side economies, as the problem facing capitalism is how to revive the total supply and not the total demand, relying on the validity of Say's law, and denied the reality of the periodic crises that the capitalist system goes through.

The economic balance between total supply and demand is achieved in the event of recession and idle energy by working to achieve an increase in production (supply), and this increase in production is accompanied by an increase in income, so a demand equal to the increase in supply arises, and the balance is achieved automatically (R.Dornbusch, S.Fischer, 151). Then the new combination emerged that brings together the supporters of the monetary school, calling for reducing the financial deficit (government budget deficit), by reducing the growth rate in the money supply, and distancing the state from economic activity, and supply-

side economics calling for reducing taxes. This combination formulated the Reaganite and Thatcherite economies in both the United States and Britain. By the early seventies of the last century, Keynesianism as a system followed in the capitalist system had reached the peak of its contradictions, with increasing unemployment, severe inflation and economic recession. The time became very suitable for the emergence of ideas that oppose Keynes and government intervention. The conflict was at its most intense between Keynesians and monetarists, as the former exaggerated fiscal policy and neglected monetary policy, while the latter focused on monetary policy and neglected fiscal policy. Former US President Ronald Reagan adopted the combination we Reducing tax rates and following a strict monetary policy by raising interest rates and restricting the amount of credit granted to the government and relying on the private sector and market forces and reducing the large size of the government, as many measures were taken, including reducing employment and selling public projects and transferring many services provided by the government to the private sector (education and electricity) (Zaki: 1998, 211)

What resulted from the Reagan policy was the transformation of the United States, starting in 1985, into the largest debtor country, and its internal deficit (federal budget) did not decrease and its external deficit (balance of payments deficit) tended to increase and the result was economic recession and unemployment.

It is important to note that in 1980, the federal government in the United States was deducting up to 57% of the highest income earned by the citizen. In 1988, the highest tax rate reached 33%. As for the United Kingdom, the maximum tax rate reached 98% of capital income under the Labor government. During Thatcher’s era, this maximum limit was reduced to 40%. The significant increase in the budget deficit in the United States of America had great effects on the entire world, not only in the aforementioned country due to the size and importance of its economy. Also, the policies followed in dealing with this phenomenon are an important part of the structural reform (correction) policies provided by the International Monetary Fund and the World Bank to developing countries, so that international aid and loans continue (Al-Faris: 2002:22).mentioned a little while ago, and aimed The second section: The actual effects of the budget deficit on some monetary variables:

First: The theoretical concept of inflation:

The monetary school defines inflation as any increase in the monetary quantity that leads to an increase in prices (Annaba: 2009, 88)

In many countries of the world, especially countries that cannot activate taxes in a way that covers their expenses, they resort to issuing money or local borrowing to finance the budget deficit, which may lead to inflationary pressures, so the reciprocal relationship between the financial deficit and inflation appears to us, as the higher the inflation rates, the higher the government spending at rates faster than the government's revenues, which forces it to issue more money. The relationship between the money quantity, the financial deficit and inflation can be explained as follows:-

When a monetary increase occurs, prices rise. This increase in inflation leads to an increase in government spending, but without a similar increase in revenues, which leads the government to resort to financing this deficit by creating money, which leads to a greater increase in prices, and thus the value of the currency decreases. (Zaki: 1998, 73)

Based on the analysis of the monetarists, the financial deficit and the growth of money are the main cause of inflation, as the monetary authorities resort to increasing the money supply whenever the budget deficit leads to pressures on interest rates, which leads the monetary and financial authorities to practice their monetary policy by controlling interest rates* in a way that affects the available liquidity.

Second: Financial treatment of inflation:

The financial treatment of inflation differs, whether the country is advanced or backward, as developing countries adjust government spending faster than adjusting revenues, and if these countries try to restrict their spending during periods of inflation, they will find it difficult to reduce their commitments in real values. On the other hand, the situation is reversed in developed countries, as revenues in monetary terms maintain their levels in relation to the increase in prices, while public revenues in developing countries slow down significantly.

The process of money creation, deficit financing, and the government's use of its right to do so, in addition to the use of temporary advances, all led to an expansion in public spending, which was reflected in raising the growth rates of monetary income. Since domestic borrowing is not derived from real savings in the economy, the result is the creation of additional demand that works to raise the volume of aggregate demand, which leads to an imbalance between the monetary and commodity currents (supply and demand), and then prices rise significantly, which is a very clear case in developing countries due to the weak flexibility of the production system.

Third: To address the global issue of monetary inflation:

In developed countries, the matter is different, as increasing government spending leads to an increase in aggregate demand (since the former is one of the items of the latter). Therefore, this increase in public spending leads to real increases in income according to the idea of the multiplier due to the length of the consumption chain and the flexibility of the production apparatus. Thus, there is compatibility between the two currents (monetary and commodity), so there are no major differences in the economic balance.through it to combat the government deficit and curb inflation.

The expansion of the deficit financing process is of course a debt to the economy, and as we have shown above, if there is no commodity flow corresponding to each new monetary unit, the money loses its value, because it does not find what it obtains from national production, whether goods or services, so prices rise, and the purchasing power of money decreases, i.e. its real value deteriorates, and then living standards decrease, because cash incomes are usually characterized by stability, because they are governed by laws, so inflation deducts a significant part of the value of these incomes, and also the prevalence of the deficit financing phenomenon often leads to an increase in the money supply, which is a proven fact in developing countries, and this increase led to an increase in the liquidity of commercial banks and the liquidity of the public, as this increase was directly linked to the deficit, so the expansion of the scope of public spending and its financing by inflation through the growth of current expenditures due to the increase in social services, such as (subsidies and armaments) and the leakage of this liquidity to individuals through wages and salaries, i.e. consumer spending, and to the business sector through sales and contracts with the government, led to an increase in cash liquidity, and the result was resorting to the banking system as well as Further increase in the money supply and so on during sales and contracts with the government, led to an increase in cash liquidity and the result was resorting to the banking system as well as a further increase in the money supply and so on.

Fourth: Criticism and evaluation of the phenomenon of the financial deficit The issue of the budget deficit is one of the issues that enjoy great importance at the general level set by the financial policy maker. In most advanced economies, we notice that the deficit is continuously targeted, and its purpose is to achieve the goals and ensure the success of the economic plan set by the government throughout its term in power. The deficit, from a general perspective, is the insufficiency of public revenues to meet the actual needs of public expenditures that the government needs to meet the requirements of individuals and projects that it wishes to establish during a specific period of time. According to the classical theory, looking at the issue of the deficit was not of great importance as a result of this theory focusing on the real dimensions of the market, as it did not give any significant importance to this phenomenon. It believed that the market mechanism was capable of creating the desired balance that would rid the government of the financial problems that stand in its way, while on the contrary, the Keynesian view of the phenomenon of the deficit was based on the actual and pivotal role of the government in creating the process of balancing between the two sides of revenues and expenditures, while giving the main role to the government in addressing the planned deficit. Depending on the financial procedures followed in the concerned economy, Keynes had a serious and real view of this phenomenon and other financial phenomena that would hinder government work, which depends primarily on the existence of flexibility in terms of spending without falling into financial problems that would hinder the establishment of government projects and the financing of government operating expenses in the short and medium term. These treatments that Keynesian theory contributed to are still working to the present time with high efficiency to reduce the problems that hinder government work, by unifying a series of financial procedures to mitigate the severity of the crisis that may affect the economy at any time as a result of problems.

Certain causes stop the flow of money from abroad to the interior or the occurrence of some monetary phenomena such as the phenomenon of inflation, which is one of the phenomena that has a negative impact on the balance of public revenues and the ease of obtaining them, either through the rise in some global prices of goods of general use or as a result of internal problems resulting from the general policy of the government, then the financial and monetary institutions within the country are exposed to a crisis that requires direct government intervention to address it, and this is either by abandoning some non-sovereign expenditures and moving towards necessary spending, in addition to leaving some projects that need continuous financing, until the crisis is removed and the economy enters with the treatment procedures.

CONCLUSIONS

After this philosophical review of the phenomenon of financial deficit, and the treatment mechanisms proposed by the most important economic schools, the

researchers reached the following:

1-The phenomenon of financial deficit is not a negative phenomenon, but rather a financial goal sometimes by some advanced economies to reach the peak of government performance, by establishing strategic projects with long-term financial returns.

2-The phenomenon of financial deficit is characterized by being one of the old economic phenomena, as it is based on the government's expectation regarding public revenues and their sufficiency to meet the actual need for public spending directed to meet the general needs of individuals and projects.

3-This phenomenon in some economies is considered a negative phenomenon because these economies rely on the method of lavish spending to finance some unnecessary expenses, which contribute to burdening the general budget with expenses that do not necessarily exist in the chapters of public spending.

4- Some economies resort to internal and external borrowing to finance their general budgets in terms of expenditures. This helps solve the problem in the short term, but in the long term, it is one of the problems that burdens revenues, a large part of which will go to cover the interest due as a result of the external debt, the interest of which is very high compared to its value, which limits the achievement of economic growth in this country as a result of adopting the method of external borrowing.

5- Adopting a broad method in directing public spending has a negative impact, especially in rentier countries that depend on a single export commodity to obtain their revenues. This is an important expectation because economic recession or sudden wars are an inevitable result of the rentier economy losing its revenue and being exposed to a large debt shock that may require a long period of time to get rid of.

Recommendations

The research recommends the following points that would address some of the problems facing financial policy makers:

1- That public expenditures be directed effectively to meet public needs (operational and investment) without the need to find new spending doors that do not match the actual expected revenues.

2- That government policy be a clear policy that adopts the principles of global transparency in presenting its expenditures, while giving great importance to developing public revenues by directing public spending towards active economic sectors that can achieve high revenues and develop in the long term.

Avoid borrowing from international institutions (IMF and World Bank) as well as from international banks due to the high interest rate on debts from these institutions, and thus the cost of the debt is greater than its value.

- The expected interest on this debt is zero, and the local banks and the Central Bank are directed if necessary to meet the actual need to increase public expenditures. 4- Finding quick financial solutions by reducing military spending, which has very high costs due to the high prices of modern weapons and their continuous development, requires those who develop the armament plan to keep pace with these developments quickly and accurately.

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