

Towards a Single Currency in Natural Syria Region - A Conceptual Monetary Innovation: A Reflection

Wissam Samia

LEFMI (Laboratory of Economics, Finance, Management, and Innovation),
University of Picardie Jules Verne, Amiens, France

E-mail: w.samia@u-picardie.fr

Nada Mallah Boustani

Faculty of Business & Management, Saint Joseph University, Social Science
Campus, Beirut, Lebanon, and LEFMI (Laboratory of Economics, Finance,
Management, and Innovation), Amiens, France

E-mail: nada.mallahboustany@usj.edu.lb

Abstract

This research paper studies the benefits and the feasibility of a Single Currency in the Natural Syria region. The economic crisis that heavily weighs on the countries of this region makes it primordial to join forces and converge resources, potentials, and opportunities to raise the standard of living. A monetary union with its single currency may hold structural remedies to the woes of this region whose ability to face its economic, political, and internal difficulties depends mainly on the logic of support and cooperation. Based on a conceptual model of a currency basket, taking into consideration specific economic and monetary criteria, this potential union is enhanced by a single currency establishment that must be a feature of economic and political relations between the countries of the region which achieve the supreme interest represented in eliminating cases of fragmentation and disintegration and ensuring a comfortable life for the citizen. Hereby, the implementation of a Single Currency in Natural Syria seems to be a real turning point.

Keywords: Single currency, Monetary Union, Production, Innovation, Financial Integration

JEL Classification: E00, E23, E42, E52, E58, F15

Received: 27 October 2022; Received in revised form: 17 November 2022; Accepted: 18 November 2022

1. Introduction

Nations go through periods in their history when chaos spreads and a wave of despair descends upon them, therefore the flame of struggle subsided to raise the nation from what it is in. Suddenly, in this case, a new movement appears that restores all hope of a national revival and saves its forces from the danger of disintegration due to multiple social and political shortcomings. And no matter how different these movements differ from each other in terms of operations and tactics, there are general basic rules that are similar in all of them, such as the nation's leap at the dangerous hour with a decisive and bold leap that guarantees it a free and elegant life. This research might be a focal point proposal for structural remedies and to elevate

the level of life in a region where all its potential and assets are wasted because of the lack of awareness and consciousness. These hopes are more justified today than ever before, the economic crisis that hits the majority of the states in this region, Lebanon, Syria, Iraq, Palestine, Kuwait, and Jordan may force the governments, and opinion leaders to think out of the box and act to find more structural solutions. Scholars are responsible to enhance their studies and contribute to an intellectual production that is much needed to create value.

Syrian inventions, ideas, and advanced knowledge helped spark a cultural revival in Greece, which led to the Greeks' Golden Age and hence the birth of Western civilization. Many features of Syrian life were exported to the west through the Mediterranean Sea and perfected abroad. The Canaanite-Phoenicians brought the civil state into being that later served as a model for the Greeks and the Romans, and they founded other forms of government such as electoral monarchy and the democratic state. (Beshara, 2013).

Syria was filled with splendid and wealthy cities while Greece was in its infancy, and long before Rome was created. This land is endowed with so many cherished memories, brimming with infinite wealth, and its soil surges organically with productiveness (Farely, 2013). Natural Syria is now silently and steadily fading into obscurantism. The political instability, which is shown by the turmoil, the many popular movements, and the general discontent in these countries, can be attributed to the fact that the political systems were not in keeping with the delicate needs of modern national life, and this situation has been exacerbated by the tangible damage resulting from the economic imbalance as a result of the Sykes-Picot agreement which has established artificial political borders in natural Syria, and since that the degradation of the level of life in this region seemed to be its destiny. The Sykes-Picot Agreement was one of the defining moments in the history of the modern Middle East. (Berdine, 2018), without forgetting the catastrophic results of the "Balfour Declaration" (Lustick, 2017). The continuation of this division inevitably leads the country to national bankruptcy, and ultimately leads to political and social ruin. Imperfections in the current economic systems are often attributed to the general global crisis. This statement does not represent the whole truth, whoever analyzes carefully sees that the emerging chaos is the result of the rentier economic system that has destroyed local production, and it is also the result of the economic sanctions imposed by the United States of America through the "Caesar Act" (Congress, 2019). "It is very difficult to find a real economic basis for the Lebanese state outside the Syrian economic cycle. If an economic rupture occurs between Lebanon and Syria, as between Lebanon and Palestine, the Lebanese economies will suffer a great blow, the consequences of which cannot be counted all." (Saadeh, 1948).

The lack of monetary and economic studies on Natural Syria underlines the importance of our paper. The literature on Single Currency is rich, therefore we claim that our article is the first to approach Single Currency for the Syrian region. This research studies the importance of a common single currency in the Syrian region based on socio-economic features that distinguish the Natural Syria region, such as the individual and institutional interaction between territorial communities, the common geographical borders, demographic and cultural similarities, as well as the complementarity of the production structure between the Syrian countries: Syria, Palestine, Iraq, Lebanon, Kuwait, Jordan, and Cyprus.

The purpose of this study is to develop a theoretical/conceptual model that will explore the possibility of a single currency for the Syrian area, and through it, the authors want to address two research questions:

RQ1: Which criteria might a currency basket for the Syrian area be based on?

RQ2: Are there any alternatives to using US dollars as the single currency's coverage?

Before going on to the conceptual model based on particular economic data, the research starts with a theoretical overview of the creation of a single currency by discussing the portfolio theory and monetary theories. It investigates the implications of such a model and offers assessments of the theoretical and practical implications of the work, as well as suggestions for further. Subsequent to the introduction, our research paper is structured as follows: Section 2 identifies the research context and the historical episodes of a Syrian single currency, Section 3 elaborates a theoretical background for single currency foundations, Section 4 illustrates the conceptual model that will allow a better understanding of the economic benefits, Section 5 discusses the and research implications, while Section 6 concludes our research and open new perspectives to be studied.

2. Research context and historical episodes of a Syrian single currency

In the following, the authors stress defining the Syrian region in relation to the territorial interaction in well-defined vital space (geographical factors) which throughout generations has developed an original social and historical memory. Natural Syria will be defined as *“The Syrian homeland is that geographic environment in which the Syrian nation evolved. It has distinct natural boundaries and extends from the Taurus range in the northwest and the Zagros Mountains in the northeast to the Suez Canal and the Red Sea in the south and includes the Sinai Peninsula and the Gulf of Aqaba, and from the Syrian sea in the west, including the island of Cyprus, to the arch of the Arabian desert and the Persian Gulf in the east. (This region is also known as the Syrian Fertile Crescent).”* (Saadeh, 1948).

Syrians excelled in various fields of science and knowledge and pioneered the creation of many civilizational products that promoted human life for the better. “Valuable sources and material from Syria have gone astray, lost, or wrongly attributed to other nationalities, because of poor book-keeping in Syria in those days and because of the constant subjugation of the country by lesser cultured nations.” (Beshara, 2013). In Syria, the constitution of the first villages begins 12000 before our era. The “fertile crescent” enters the Neolithic era, characterized by the appearance of agriculture, animal husbandry, the domestication of animals and seeds, to the detriment of hunting and gathering. The impact on the social organization is immense, with sedentarization and human grouping, as well as the appearance of new techniques (Tannous, 2022). Among the most important innovations made by the inhabitants of Natural Syria were economic methods that affected the nature of economic life in the Old World. They put a lot of materials related to economics into the laws they passed. Their innovation in the monetary system is perhaps one of the most important achievements, as people deal in trade or exchange efforts through different means, such as barter of different types. However, their invention of money is the best way to meet their needs, and for this purpose, they used coins that were struck from copper, silver, or gold. André Parrot, former president of the Museum of Louvre said: *“Every civilized man has two homelands his own and Syria”* (Raimbaud, 2020).

Geopolitics studies the power relations between man as an actor of his destiny, space, and nourishing territory. In other words, we will say that geopolitics is a particular method that locates, identifies, and analyzes conflicting phenomena, offensive or defensive strategies centered on the possession of a territory, under the triple gaze of the influences of the geographical environment, taken in the physical and human sense, of the political arguments of the

protagonists of the conflict, and the heavy tendencies and continuities of history (Lorot, 2009). Geographical and physical borders are the main characteristics of geopolitics, hence Natural Syria constitutes a challenging geopolitical entity, throughout history, it was a center of wealth, production, richness, conflicts, occupation, and wars. Syria in its broadest sense, is a region open primarily to the outside, both to the Mediterranean and to Persia, an arrangement that favored invasions, population mixing, and cultural contacts (Barral and Hanne, 2016). Nowadays, the course of the wars in the Syrian region showed the reality of the organic interdependence between the countries of the Levant. It is a conflict that has led to deep political divisions in these countries, knowing they are linked to a single destiny. The inter-relations between the countries of the Levant take today a strategic dimension, for example, the Syrian-Lebanese relations, and the Iraqi-Jordanian relations, which lie in the depth of the vital interests of the people and at the heart of the necessities of confronting the economic and financial crises that are afflicting.

According to Saadeh¹, the essential element for the formation of a nation are the interaction between the people and the land (Samia, 2020). The nation would thus be a community of human beings living in a geographical environment (i.e. on a specific piece of land); the interaction of this community with and within this environment gives it a personality different from those of other communities living in different geographical environments (Saadeh, 1936), this social-nationalist approach is based on three fusional factors: (1) Interaction, (2) the Urban Range (Geographical Borders), (3) the Socio-Historical memory. We should mention that “Technically, the lack of attention to Saadeh’s work on the part of Western scholars is due to three reasons: firstly, his works have been available only in Arabic; secondly, Saadeh himself during his lifetime did little to promote his work abroad; and thirdly, until very recently, interest among Western scholars and intellectuals in Syrian nationalism has been guarded, even taciturn.” (Beshara, 2020).

Monetary, fiscal, and economic legislations and regulations in Natural Syria are historical. In the Code of Hammurabi (1792-1750 B.C.), which consists of 282 legal articles (Slanski, 2012), in addition to mentioning barley and silver as alternative commodities, we find many economic details that shed light on the monetary system and the sales and purchases during the era of the first Babylonian dynasty (1894-1595 B.C.) Code 49 points to the role of the merchant as a money lender. The merchant is seen as lending money to farmers to finance agricultural operations. Money was in use in the form of commodity money. For example, a shekel is expressed in terms of weight. Fines and compensations in The Code are expressed in terms of weight in silver (Nagarajan, 2011).

3. Theoretical background

In order to build the conceptual model of a single currency for Syria, the researchers delved into the many theories and foundations for creating a single currency basket in this section. To eventually achieve the appropriate combination of the theoretical underpinning of the proposed conceptual model, various theoretical gaps might be addressed in this regard.

Today's money has lost its historical fundamental economic properties, raising the question of whether its other dimensions (psychological, political, technological, and others) are the only ones

¹ Antoun Saadeh (1904-1949). Lebanese philosopher, and institutional leadership advocate. He is the founder of the social-nationalism doctrine. His “philosophy” would thus be based on the permanent interaction between the material and the spiritual and would be called “material-spiritualism”, “al-madrahiyya”.

that have prevailed. The term “money” currently refers to a variety of modifications of the money forms that historically have undergone their process of development.

The question is whether money today still has its physical, and economic essence, or if its psychological aspects like abstraction and trust or political aspects like its use as a weapon of power to influence the behavior of people or sociological and philosophical aspects or ethical or technological aspects are what matter (s). Since the gold standard was abolished in 1971, money has not been a bearer of a certain, undeniable worth but rather has just been a cluster of particular numbers in the financial system.

As a result, the main objective of this study is to conduct an economic analysis to determine if introducing a single currency for these nations using a currency basket model is feasible. The issue is that, as was already noted, Palestine has its currency imposed by the invaders, but if it joins this union, the single currency would offer a dependable monetary system that could ensure price stability for all of these governments. How can long-term price stability be ensured? By building an index for a basket of goods that serves as the “money of account” for the oil- and commodity-dependent economies of these governments and their export-oriented goods.

First, in theory, the currency basket can be constructed with a trade objective. (Branson and Kasteli, 1981) and (Ito and Ogawa, 2002) consider that the optimal currency weights are those that stabilize the external balance. From this point of view, if the value of the Chinese currency is kept stable in relation to those of all its trading partners, the detachment of the exchange rate from the dollar can reduce the variability of the trade balance linked to the volatility of the dollar's exchange rate, because, under a fixed exchange rate regime against the dollar, the renminbi is subject to the maximum variation of the dollar in relation to the other currencies of countries that are also important partners, including Europe. Since the Chinese economy is export-oriented and the import content of exports is high (on average 50%), according to this logic, the composition of the basket should correspond to the structure of foreign trade, taking into account the third market effect.

In theory, foreign exchange intervention can be carried out through a major currency and not necessarily through all the currencies in the basket; the composition of foreign exchange reserves may also not correspond to the structure of the basket of currencies because the objectives of managing foreign exchange reserves and the exchange rate regime are different in nature.

As previously mentioned, our strategy focuses on the inclusion of desirable domestic goals from the perspective of regional integration, specifically steady growth of the domestic economy consistent with low levels of unemployment and inflation, and sustainability of the external position, all of which underpin the equilibrium exchange rate. As a result, the authors defined states as belonging to groups for which (i) coordination of national policies is feasible or desired, and (ii) regional integration may be accomplished easily while maintaining the consistency of a distinctive monetary policy. These requirements are met by the identified group of nations since they have practically many similarities as exposed in previous sections.

In fact, a nation would be more likely—or less armed—to join a monetary union if its “optimal” or sustainable exchange rate path coincided with that of the other members, as the loss of monetary policy autonomy is the fundamental cost associated with membership in a monetary union. We recommend a cluster analysis based on the Hierarchical Ascendant Classification (HAC) method in accordance with (Coudert et al., 2019); this method revealed to the researchers that the selected groups of nations share remarkably homogeneous characteristics without imposing any reference group or leading country.

The bilateral nominal exchange rate that underlies the equilibrium exchange rate would be the main dependent variable for creating a new unified currency. We take into account the approach described in (Coudert et al., 2019) and make use of the trade weights, consumer price index, and calculated equilibrium exchange rates.

While this heterogeneity and/or some conflictual circumstances within the area are cited as obstacles, the study's authors would go further by examining if these nations may genuinely share a comparable sustainable currency despite their differences.

For any of the nations under consideration, a basket peg with considerable flexibility would be preferred rather than a single currency peg or a freely floating exchange rate. Therefore, our study aids in determining if alternative financial arrangements are preferable to the ones in place.

The distribution of weights among the currencies in a currency basket reveals how flexible a given currency is in the foreign exchange market. Understanding currency flexibility is important, especially in light of the fact that many currencies use floating exchange rates in addition to soft pegs to a variety of currencies, namely the US dollar and the euro to a lesser extent.

According to (Reinhart, 2000), most nations that claim to allow their currency rates to float really do not. As a result, it is necessary to assess currency basket weights objectively. One of the three negative results of fixed exchange rate arrangements as mentioned by (Zeev, 2019) is that the absence of exchange rate depreciation in the fixed exchange rate regime is associated with a greater decline in exports than in non-fixed exchange rate regimes. (Reinhart, 2000) provides more evidence that the low relative exchange rate volatility causes extremely high reserve volatility.

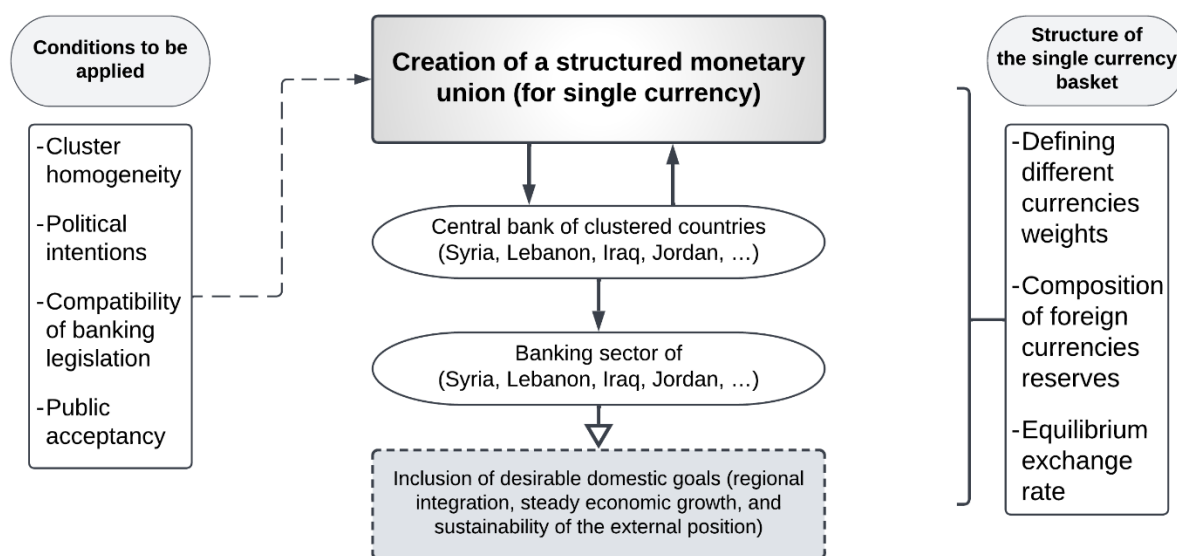
The link between exchange rate regimes and economic development is examined by (Levy-Yeyati, 2003). Their results clearly imply that exchange rate regimes do affect the actual economic performance of developing nations. It has been discovered that fixed exchange rate regimes are associated with slower growth rates and increased output volatility.

Sometimes, monetary authorities using different pegs would like that their exchange rate to be determined by reference to a basket of currencies rather than just one, which is often the US dollar. The authors advocate for a single currency backed by oil but failed to assess reasonable estimations for the weights of the individual currencies that make up a currency basket by taking this information into account.

In addition to the one currency component which is a commodities currency factor, the authors suggest a novel model of currency factors that includes a factor based on trade volumes (a market model frequently employed in equities trading). Currency structures may consist of two or three factors. Both dollar rates and rates in continental and Scandinavian Europe appear to be closely connected. We may make use of a clustering method that (Ormerod and Mounfield, 2000) developed to look at currency clustering right before the Euro was implemented. In order to establish "base assets", (Ahn et al., 2009) applied the algorithm to the development of a stock portfolio. They demonstrate that their approach creates cluster portfolios that exhibit considerable return dispersion, are connected with typical business characteristics, and yield a comparatively well-conditioned return covariance matrix. The smallest distance between totally positively and perfectly negatively linked currency baskets is 0, whereas the maximum distance is 2.

4. Conceptual model: findings of a Syrian Single Currency

To comprehend better the conceptual model of a Syrian Single Currency, the researchers linked the conditions to be applied in order to create a structured monetary union for the single currency as well as define the structure of the single currency basket (Figure 1).



Source: authors' conception.

Figure 1 – Single Currency, conditions and structure

Nowadays the Syrian monetary union remains a lofty goal that must be achieved to establish a strong and coherent Syrian economic entity that achieves prosperity and wealth for its people. The study includes an analysis of the most important external economic factors that affect the common destiny of the countries of the system, as well as the economic aspects that must be strengthened in the medium and long term, based on a comprehensive review of the theoretical and empirical literature on optimal monetary areas according to a set of economic criteria. It also highlights the many disagreements about a set of criteria that should meet in the optimal monetary area because the size of monetary communities is a tricky question. All these theoretical and empirical controversies indicate that (there is no only recipe that fits all) in determining the optimal monetary areas.

The results of the “monetary convention”² were catastrophic, in a lengthy interview published in a local newspaper³, Saadeh emphasized the strategic economic danger of this convention (Saadeh, 1948). In this article, he sets out his vision of monetary sovereignty (Samia and Nenovsky, 2022). The economic actuality that increases the woes of Natural Syria is represented, for example, but is not limited to, the following: The decline in economic growth rates. A decline in the volume of national and foreign investments. Declining consumer purchasing power. The failure of socio-economic development policies for many countries in the region. Wasting national wealth, especially water and oil. Inability to develop agricultural sectors and improve their productivity.

² Convention signed by the Lebanese government and the French government with a refusal from the Syrian government in 1948. This convention established an economic, fiscal, and monetary rupture between Lebanon and Syria.

³ Journal al-jil-aljadid, (The New Generation) April 1948.

Inability to effectively develop human capital. Many economic planning projects failed. The inability of the public sector in many countries of the region to properly meet the needs of citizens. The inability to benefit from the advantages of private-sector production and the division of labor.

Hence, the trade-off between the monetary union project or any other exchange rate system for the Syrian countries depends on the extent to which the side effects of oil price fluctuations are bypassed through economic diversification, intensification of intra-regional trade, and avoidance of imported inflation under the exchange rate policy followed. Large monetary spaces respond to a desire to increase the efficiency of exchanges; monetary spaces thus continue to evolve to adapt to the evolution of society (Raffo, 2021). Money not only has the potential to contribute to global abundance, sustainability, and peace of mind if used wisely; but when restricted in its flow it also has the ability to engender unfathomable suffering and hardship (Lietaer, 2013).

By comparing the requirements that must be provided for the establishment of the monetary union in the experience of the European Union with the Syrian states, which are freedom of movement of labor, freedom of movement of capital, economic diversification, the similarity of production structures, monetary integration, coordination of financial policies, the convergence of inflation rates, it is noted that about freedom of movement employment there isn't any freedom of movement for labor as well as a divergence of inflation rates. In another hand, there is freedom of movement of capital, economic diversification, and the similarity of production structures (De Benedictis and Tajoli, 2007). The convergence and coordination of monetary and fiscal policies are two main elements that the Syrian States should be working on.

The establishment of the Levantine Cooperation Council⁴ eliminates the possibility of the emergence of any sectarian, isolationism or regional tendencies, and thus pushes the direction of the establishment of social unity over the natural extent of Syria, and it is the ideal framework for activating the energies of the military, security, economics, and politics. The strengths that the Levantine Cooperation Council may have are the freedom of movement of population, national labor, and capital, and the complementarity of production structures. The most important aspects of weakness are the dependence on the oil sector, and the weak inter-trade exchange. Hence the scientific study and the orderly control of the industrial condition is a way to ensure growth in industrial production with the least possible damage to economic resources, social collision, and disorder in the producers of all Levantine states.

While the most prominent opportunities that the union will achieve are strengthening the economic negotiating power, strengthening the position of the Syrian economy in the face of external economic shocks, increasing inter-trade initiatives, avoiding money transfer and transfer expenses, diversifying the Levantine economies, as well as reducing speculative opportunities on Syrian currencies. While the most important challenges for the Syrian Monetary Union remain represented in the fluctuations in oil and food prices (Mohammed, 2022), the fluctuations of the global economy, especially the main partners, the less dependency on the US dollar to which the Syrian currencies are still linked (Finger and Hesse, 2009), and the related risks of the uneven economic cycle between the cooperation countries and the United States, and finally imported inflation. Achieving the monetary union requires working to rehabilitate the necessary institutional and legislative system based on efficiency and effectiveness, as its success and sustainability depend on the availability of political will. Rethinking money leads us to reconsider the entire banking sector as a source of money and credit. This has generated some interesting

⁴ A political project proposed and presented by the SSNP in 2013 to the presidents of Lebanon, Syria, and Iraq.

and thought-provoking innovations, some deliberate, others purely serendipitous (Lietaer and Dunne, 2016).

It also requires the convergence of the economic structures of the member states to make them an economic fabric capable of dealing with a single economic decision, in addition to financial and monetary convergence, which is the necessity for the member states' economies to mimic each other in their financial and monetary behavior and the coordination of monetary financial policies, especially inflation and public debt.

As well as the existence of unified banking legislation that is compatible with the monetary union agreement and the adoption of banking legislation and common rules in the field of banking supervision to achieve monetary and financial stability. And completing the implementation of other integrative projects that guarantee the achievement of the maximum benefit from the monetary union requires the completion of the implementation of the customs union and common market projects. As well as creating the structures related to payment systems and their settlement systems necessary for the unified currency and building a unified and integrated statistical system to meet the requirements of the monetary union, activating the regular monitoring of statistical data, and the availability of integrated and homogeneous statistics among member states.

The institutionalization of a Syrian Monetary Union will engender the following: (1) Approximate the fiscal and monetary policies in these countries; (2) Unifying the interest rates within the framework of a unified banking policy; and (3) Establishing a unified Syrian central bank concerned with monitoring and controlling the single currency.

Institutions are thus the expression of the process of socialization of behaviors which ensure essential predictability to human action and the knowledge of society (Maucourant, 2020). In addition to what was previously mentioned, the importance of the cover that can be adopted for the promised currency is something that cannot be ignored it is hence possible to think about liberating the single currency from this cover and finding an appropriate cover according to the developments of the situation, such as returning to gold or considering Syrian oil as a new cover for the expected currency. This last possibility depends on the fact that Syrian oil constitutes a mineral that is no less important than gold and qualifies it for this position as the huge reserves owned by Syrian countries (Balat, 2006).

The foreseeable economic expectations of this project will generate great benefits from the single currency: (1) Reducing the need to keep large amounts of foreign currency reserves, specifically the Dollar, and (2) The Syrian states will become an economic bloc with weight in the world.

Nevertheless, some of the advantages that these countries will have, which have generally financial problems, is that the single currency will reduce the large budget for printing an independent currency as well as the adoption of this unified currency avoids its rapid devaluation. A single currency is not only good for cross-border businesses between these countries, which today need to deal in US dollars (Sadorsky, 2011), once they cross the border, but it is a powerful incentive for companies to converge on both sides of the border, and to establish larger companies, which reduce administrative and capital expenditures, and enhance productivity. And if the developing exchange between these countries had remained on the monetary plurality that exists today, the exchange of currencies would have become the main preoccupation, instead of focusing on business development in purely economic activity.

5. Discussion and research implications

Achieving monetary union in the countries of the Levantine Cooperation Council requires working to rehabilitate the necessary institutional and legislative system, based on efficiency and effectiveness. The creation of the euro invites us to a resolutely forward-looking reflection since it is called upon to play a major international role, both as a transaction, reserve, and investment currency (Dewey, 2002).

Accordingly, the success and sustainability of the Syrian monetary union depend in general on the availability of the following:

1 - Political Will

The monetary union project and the issuance of the unified currency should receive great attention from the leaders of the Syrian states. This interest is embodied through direct follow-up and clear support through several decisions that should be reflected in the monetary union's march and recorded as a clear translation of the vision and political will toward achieving the monetary union. We find an old institutionalist intuition formulated by Commons: there is a "public purpose" specific to each monetary system. Polanyi said something similar when he asserted that it is not possible to abstract the institution of money from essential political determinations (Farah and Maucourant, 2022).

2 - Homogeneity of the economic structures of the member states

Member states are considered natural candidates for achieving monetary union. The homogeneity of their economic structures makes them an economic fabric capable of dealing with a single economic decision. The economy should mean prosperity, not survival it must mean providing the possibilities for progress and enjoyment and raising the level of material, technical and psychological interests of one people.

3 - Financial and monetary convergence

One of the basic pillars of the monetary union is the necessity for the member states' economies to mimic each other in their financial and monetary behavior, to achieve the efficiency of the unified monetary policy. The member states should agree on several variables that ensure the achievement of a high degree of financial and monetary convergence, such as the adequacy of the authority's foreign exchange reserves to cover commodity imports.

4 - Compatibility of banking legislation with the monetary union agreement

The entry of member states into the monetary union requires that several measures are taken to ensure a high degree of legislative convergence to ensure the effectiveness of the monetary union and the implementation of its policies. The Central Bank may exercise its functions and perform its duties. The local central banks shall abide by the instructions issued by the Central Bank in matters related to the competencies of the Central Bank. Unlike commercial banks, the central bank is a public institution. In modern economies, where monetary issuance is no longer linked to any stock of gold, its mission is to contribute to the maintenance of macroeconomic equilibrium (Brender et al., 2021). Ensuring the achievement of the maximum benefit from the monetary union requires the implementation of the customs union and common market projects. The rules for the monetary and lending system must apply in critical times in order to prevent

abuse of the central bank monopoly. While financial stability is a key prerequisite for a workable money-based economy it cannot be maintained by an ever-increasing supply of central bank liquidity (Kooths and van Roye, 2012).

5 - Creating the structures related to payment systems and their settlement systems necessary for the single currency

The existence of a unified currency requires a unified payment system to settle financial transactions that take place in this currency simultaneously as if they were taking place in one country. A technical committee for payment systems must be formed to develop the design options available for this system, where a specialized company is appointed to study the project to link payment systems to countries of the Council. This system is considered one of the major strategic projects that require the assignment of a supervisory institution composed of representatives from all member states.

6 - Building a unified and integrated statistical system to meet the requirements of the monetary union

This system aims to: (i) Activate the regular monitoring of statistical data, which contributes to facilitating the procedures of analytical studies and regular statistical comparisons; (ii) Availability of integrated and homogeneous statistics among member states, which is a necessity for objectively calculating criteria for convergence of economic performance; (iii) Contributing to the effectiveness of the monetary policy, and coordinating the supervisory policies of the monetary union institutions in the next phase, by ensuring the extent of homogeneity and consistency of the relevant statistics and methods of their calculation; and (iv) Avoiding the negative consequences arising from the discrepancy in the mechanism of monitoring and collecting data related to the monetary union among member states.

7 - Adopting banking legislation and common rules in the field of banking supervision to retrieve monetary and financial stability

Whenever the member states decide to achieve the monetary union, they take it upon themselves to jointly protect the single currency area from financial crises and to ensure the establishment of a unified safety net for its financial system. On this basis, the unification and coordination of the system of supervision and control over the banking system are one of the most important requirements of the monetary union in the Levantine Cooperation Council states.

8- Public acceptance

The strength of public habits can greatly compromise the effectiveness of a monetary union. If the public has become accustomed to certain modes of payment or particular types of currencies, it may be slow to change and assume what the new monetary system requires. The euro, for example, is the first major European project that involves all citizens to this extent and calls for their participation. With the euro, European citizens have a concrete symbol of their belonging to the same community. The single European currency will certainly have the power of political and cultural integration, and an impact on the concrete perception of Europe by European citizens (Lager, 2005).

The theoretical results of our article confirm the literature on Single Currencies in a general way. Money symbolizes political sovereignty, at the same time as it constitutes the nutritious liquid essential to any economic activity, as well as a powerful social bond. Money is a human and social

phenomenon, in the sense that it integrates all the components of life in society (cultural, political, social, and economic) and ensures the regulation of all social relations (Lager, 2005). The lack of monetary studies on Natural Syria makes this article brings some reflection and answers. Therefore, the lack of scientific and accurate numbers in current Syrian states such as: gold reserve, exchange rate, foreign currencies stocks, etc... were the limitations in our research.

6. Conclusion and limitations

Our research shows the importance of a Single Currency in Natural Syria, current Syrian states should get implicated and show involvement in achieving such a project. The idea of improving the growth prospects and well-being of the Syrian countries by exploiting the advantages of a monetary union and a common monetary policy must appear on the political and economic agenda of the governors. The implementation of the Levantine Cooperation Council facilitates and paves the way toward a Syrian Single Currency. Our research could be a focal point in increasing awareness and opens the way to further research so that we are conscious of their complementary importance. A new global Syrian Central Bank, a “Central Bank” for current central banks, is a significant field to study.

The researchers are aware that the process to complete the establishment of the Syrian Monetary Union is not moving forward because the Syrian Monetary Council has not been institutionalized and was unable to provide the requirements for coordinating fiscal and monetary policies, in addition to the reform programs that should be implemented by the Cooperation Countries that focus on enhancing the prospects and benefits of the Syrian Monetary Union.

Syria represents a strategic link between Asia, Europe, and Africa, which has given it an important strategic role throughout history. It is a region with presence and influence on the world level, due to its geographical location and a vital role in the movement of global trade, as well as for its wealth of energy sources such as water, oil and gas, and non-oil natural resources, in addition to being a region with human resources and capabilities that enable it to play a key role on a global level. This region, like other regions of the world, faces great challenges related to the globalization of the economy, but it suffers from great internal political difficulties, in addition to a difficult economic situation in most of its countries are going through. Hence the necessity of working to secure the people’s interest, which we believe is above all considerations, and constitutes a consolidation of their steadfastness, and a war against the policy of destruction and impoverishment. The establishment of this monetary unit represents an important strategic step and a new experience that corresponds to a series of successful experiences that have been achieved internationally.

We see in the advanced countries that modern economic and industrial conditions have led to new legislation regulating the increasing intertwining in economic affairs and controlling the issue of clashing interests that are becoming increasingly dangerous in the modern era on a just basis that guarantees society a high form of social justice. This plan is usually supported by legislation that encourages beneficial projects of vital importance to the country, and by reforming laws that are inconsistent with the interests of the nation according to the requirements of the modern national economy. Production is the key to the whole economic issue, without it, states cannot solve any of the economic problems in their society. Therefore, effective participation in production is a condition of participation in the public right. Despite the dark tunnel that Natural Syria is going through now, the controversy of history opens up the necessary and possible opportunity, realistically, for the strategic alignment that is now entrenched between Iraq and

Syria, and what is imposed by the inter-needs to rediscover the importance of the Syrian-Lebanese and Iraqi-Jordanian bilateral relations for their parties. Palestine's membership in a single currency will open a new horizon for its cause.

The ability of this region to face its economic, political, and internal difficulties depends mainly on the logic of support and cooperation, which must be a feature of economic and political relations between the countries of the region, which achieve the supreme interest represented in eliminating cases of fragmentation and disintegration and ensuring a comfortable life for the citizen. Hereby, the implementation of a Single Currency in Natural Syria seems to be a real turning point.

Is trust in money today the only foundation for its existence? We hold that the functioning of money depends on public trust (or, to put it another way, on the functionality of the economic system as a whole with all of its components), and as a result, we believe that today's money (official money no longer has its value) loses its historical fundamental economic properties, which emphasizes the current trends in the use of electronic money and virtual money.

What is the composition of the basket? Is there a fluctuation band? if so, by how much? how are foreign exchange interventions carried out? on one or more currencies? does the composition of foreign exchange reserves correspond to that of the basket of currencies?

The body of information about complementary currencies as a tool for long-term price stability has grown as a result of this research. Future leaders in the area may be motivated to create a single currency based on blockchain technology in order to reconstruct the local economy and provide a secure financial system capable of ensuring price stability and lowering expenses. Although the goal of this research was to create a single Syrian currency, the suggested model did not address the workings of the system or how it will be technically and legally implemented. Future study is advised to address the suggested system's technological implementation, including legal concerns and cryptocurrency and blockchain technologies.

References

- Ahn D J, Conrad, Dittmar R F (2009). Basis Assets. *Review of Financial Studies*. 22(12): 5133-5174.
- Balat M (2006). The position of oil in the Middle East: potential trends, future perspectives, market, and trade. *Energy Sources*. 28(9): 821-828.
- Barral P E, Hanne O (2016). *La Grande Syrie, Des premiers empires aux révoltes arabes*. Edition du Grenadier.
- Berdine M D (2018). *Redrawing the Middle East: Sir Mark Sykes, Imperialism and the Sykes-Picot Agreement*. Bloomsbury Publishing.
- Beshara A (2013). *Syria and the Syrians*. IPhoenix Publishing.
- Beshara A (2020). *Antun Saadeh's Reception in The West*. SURAQIA Publishing.
- Branson W H, Kasteli T L (1981). Currency Baskets and Real Effective Exchange Rates. *National Bureau of Economic Research, Working Paper*, n° 666.

- Brender A, Pisani F, Ganga E (2021). *Economie de la Dette*. La Découverte.
- Congress, Text - H.R.31 - 116th Congress (2019-2020): *Caesar Syria Civilian Protection Act of 2019*, June 2019.
- Coudert V, Couharde C, Grekou C, Mignon V (2019). Heterogeneity Within the Euro Area: New Insights into an Old Story. *Economic Modelling*. 90(C): 428-444.
- De Benedictis L, Tajoli L (2007). Economic Integration and Similarity in Trade Structures. *Empirica*. 34(2): 117-137.
- Dewey S P (2002). Le “Changement” du Siècle: L’euro. *The French Review*. 75(6): 1181-1191.
- Farah F, Maucourant J (2022). *Dettes, Monnaies et Sociétés*. In Kefallonitis A, Dette et Politique, pp. 260-290, Presses Universitaires de Franche-Comté.
- Farely J L (2013). *Syria: Pearl of the Mediterranean*. In Bechara A, Syria and the Syrians, pp. 141-148, IPhoenix Publishing.
- Finger H, Hesse H (2009). Lebanon-Determinants of Commercial Bank Deposits in a Regional Financial Center. *International Monetary Fund Working papers*. 195.
- Ito T, Ogawa E (2002). On the Desirability of a Regional Basket Currency Arrangement. *Journal of the Japanese and International Economies*. 16(3): 317-334.
- Kooths S, Van Roye B (2012). Euro Area: Single Currency-National Money Creation. *Kiel Institute for the World Economy Working Papers*. 1787.
- Lager C (2005). L’euro, Symbole d’Identité Européenne. *Études internationales*. 36(1): 61-82.
- Levy-Yeyati E (2003). To Float or to Fix: Evidence on the Impact of Exchange Rate Regimes on Growth. *American Economic Review*. 93(4): 1173-1193.
- Lietaer B (2013). *The Future of Money*. Random House.
- Lietaer B, Dunne J (2016). *Réinventons la Monnaie*. Gap Yves Michel.
- Lorot P (2009). De la Géopolitique à la Géoéconomie. *Géoéconomie*. 3(50) : 9-19.
- Lustick I S (2017). The Balfour Declaration a Century Later: Accidentally Relevant. *Middle east Policy*. 24(4): 166-167.
- Maucourant J (2020). *L'impossible Effacement du Juste Prix*. In Chankowski V, Lenoble C, Maucourant J, Les Infortunes du Juste Prix, pp. 230-260, Le Bord de L'eau.
- Mohammed R (2022). The Impact of Crude Oil Price on Food Prices in Iraq. *OPEC Energy Review*. 46(1): 106-122.
- Nagarajan K V (2011). The Code of Hammurabi: An Economic Interpretation. *International Journal of Business and Social Science*. 2(8): 108-117.

Ormerod P, Mounfield C (2000). Localized Structures in the Temporal Evolution of Asset Prices. *New Approaches to Financial Economics. Santa Fe Conference.*

Raffo E (2021). *Le Futur des Espèces.* Dunod.

Raimbaud M (2020). *Les Guerres de Syrie.* Éditions Glyphe.

Reinhart C (2000). The Mirage of Floating Exchange Rates. *American Economic Review.* 90(2): 65-70.

Saadeh A (1938). *The Genesis of Nations, "Nushu' al-Umam".* Beirut.

Saadeh A (1948). Monetary Agreement Between Lebanon and France. Foreign Interests and Private Capital. *Al-Jeel-al-Jadeed. The New Generation.* 3(1): 3-6

Saadeh A (1948). *The Complete Works, Al-Athar al-Kamila, (Vol. 14).* Dar Fikir for Research and Publishing Beirut.

Saadeh A (1948). *The Ten Lectures, AL Mouhadarat AL Asbr.* Dar Fikir for Research and Publishing Beirut.

Sadorsky P (2011). Trade and Energy Consumption in the Middle East. *Energy Economics.* 33(5): 739-749.

Samia W (2020). Antûn SAADEH's Social-Nationalist Doctrine. Presenting and Reconstructing an Original Economic and Social Theory. *Economic Alternatives.* (3): 492-504.

Samia W, Nenovsky N (2022). Towards a National Economy Based on Production in the Natural Syria Region. Antoun Saadeh's Theoretical Contributions. *Economic Research Guardian.* 12(1): 30-44.

Slanski K E (2012). The Law of Hammurabi and its audience. *Yale Journal of Law & the Humanities.* (24): 97-110.

Tannous M-N (2022). *La Syrie au-delà de la Guerre.* Le Cavalier Bleu.

Zeev N B (2019). Global credit supply shocks and exchange rate regimes. *Journal of International Economics.* 116: 1-32.