


**THE INVESTMENT BALANCE INDEX AND ITS ROLE IN ECONOMIC DIVERSITY:
SULTANATE OF OMAN, NORTH AL BATINAH GOVERNORATE: SOHAR PROVINCE AS
AN EXAMPLE**

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ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 31 January 2023</p> <p>Accepted 26 April 2023</p>	<p>Purpose: The study aimed to clarify the reflection of the disparity in the growth of the productive sectors on the degree of economic diversification in the Sultanate of Oman, and to propose work according to the standards of the Tawazun Investment Index as an attempt to reduce the disparity and achieve balance in the growth of the non-oil productive sectors, and to find out the extent to which investor segments are satisfied with working according to those standards in an environment investment.</p>
<p>Keywords:</p> <p>The Investment Balance Index; Hirvendahl - Hirschmann Index; Economic Diversity; Economic Growth; Omani Economy.</p>	<p>Theoretical Framework: Many studies that dealt with the issue of economic diversification agreed that despite the many and great efforts that the guardian authorities worked on translating to achieve the goal and strategy of economic diversification, they did not reach the desired level, and this reflects the lack of a specific theory in itself capable of resolving this problem and that it is necessary to focus On other aspects, to find out the extent to which economic diversification programs can succeed and reach the level of complete or required diversification.</p>
	<p>Design/Methodology/Approach: The descriptive and analytical methods were used to cover the theoretical aspect of the study, and the statistical method was used to address the analytical aspects of the subject of the study through a questionnaire designed specifically for this purpose, and the questionnaire was unpacked and analyzed through the statistical analysis program (SPSS).</p> <p>Findings: The results showed that the outputs represented in the growth of the non-oil productive sectors are a reflection of the inputs represented in the number of economic institutions and establishments and the number of workers in the non-oil productive sectors. The results of the statistical analysis showed that all forward-looking economic policies to enable the investment climate are important and serve the investment climate.</p> <p>Practical and Social Implications: This study proposes working according to the Tawazun Investment Index criteria as an attempt to maximize the economic diversification programs in the Sultanate of Oman.</p> <p>Originality/Value: This study provides researchers and decision-makers in the Sultanate of Oman with illumination for an attempt to address the problem of economic diversification and the use of practical solutions to maximize economic diversification programs by working according to the criteria of the proposed Tawazun Investment Index.</p> <p>Doi: https://doi.org/10.26668/businessreview/2023.v8i5.830</p>

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O ÍNDICE DE SALDO DE INVESTIMENTO E SEU PAPEL NA DIVERSIDADE ECONÔMICA: SULTANATO DE OMAN, GOVERNO DO NORTE DE AL BATINAH: PROVÍNCIA DE SOHAR COMO EXEMPLO

RESUMO

Objetivo: O estudo teve como objetivo esclarecer o reflexo da disparidade no crescimento dos setores produtivos sobre o grau de diversificação econômica no Sultanato de Omã, e propor um trabalho de acordo com os padrões do Tawazun Investment Index como tentativa de reduzir a disparidade e equilíbrio no crescimento dos setores produtivos não petrolíferos, e saber até que ponto os segmentos investidores estão satisfeitos em trabalhar de acordo com esses padrões em um investimento ambiental.

Referencial Teórico: Muitos estudos que trataram da questão da diversificação econômica concordam que apesar dos muitos e grandes esforços que as autoridades tutelares trabalharam em traduzir para atingir o objetivo e a estratégia de diversificação econômica, eles não atingiram o nível desejado, e isso reflete a falta de uma teoria específica em si capaz de resolver este problema e que é necessário focar em outros aspectos, para saber até que ponto os programas de diversificação econômica podem ter sucesso e atingir o nível de diversificação completa ou necessária.

Desenho/Metodologia/Abordagem: Os métodos descritivo e analítico foram usados para cobrir o aspecto teórico do estudo, e o método estatístico foi usado para abordar os aspectos analíticos do sujeito do estudo por meio de um questionário elaborado especificamente para esse fim, e o questionário foi descompactado e analisado por meio do programa de análise estatística (SPSS).

Conclusões: Os resultados mostraram que os outputs representados no crescimento dos setores produtivos não petrolíferos são um reflexo dos inputs representados no número de instituições e estabelecimentos econômicos e no número de trabalhadores nos setores produtivos não petrolíferos. Os resultados da análise estatística mostraram que todas as políticas econômicas voltadas para o futuro para permitir o clima de investimento são importantes e atendem ao clima de investimento.

Implicações práticas e sociais: Este estudo propõe trabalhar de acordo com os critérios do Tawazun Investment Index como uma tentativa de maximizar os programas de diversificação econômica no Sultanato de Omã.

Originalidade/Valor: Este estudo fornece aos pesquisadores e tomadores de decisão no Sultanato de Omã iluminação para uma tentativa de abordar o problema da diversificação econômica e o uso de soluções práticas para maximizar os programas de diversificação econômica, trabalhando de acordo com os critérios do Tawazun proposto Índice de Investimento.

Palavras-chave: O Índice de Balanço de Investimento, Índice de Hirvendahl - Hirschmann, Diversidade Econômica, Crescimento Econômico, Economia de Omã.

EL ÍNDICE DE SALDO DE INVERSIÓN Y SU PAPEL EN LA DIVERSIDAD ECONÓMICA: SULTANATO DE OMÁN, GOBERNACIÓN DEL NORTE DE AL BATINAH: LA PROVINCIA DE SOHAR COMO EJEMPLO

RESUMEN

Propósito: El estudio tuvo como objetivo aclarar el reflejo de la disparidad en el crecimiento de los sectores productivos sobre el grado de diversificación económica en el Sultanato de Omán, y proponer el trabajo de acuerdo con los estándares del Tawazun Investment Index como un intento de reducir la disparidad y lograr el equilibrio en el crecimiento de los sectores productivos no petroleros, y conocer en qué medida los segmentos de inversionistas están satisfechos con trabajar de acuerdo con esos estándares en un entorno de inversión.

Marco Teórico: Muchos estudios que trataron el tema de la diversificación económica coincidieron en que a pesar de los muchos y grandes esfuerzos que las autoridades de tutela trabajaron en plasmar para lograr el objetivo y estrategia de diversificación económica, estos no alcanzaron el nivel deseado, y esto refleja la falta una teoría específica por sí misma capaz de resolver este problema y que es necesario centrarse en otros aspectos, para averiguar hasta qué punto los programas de diversificación económica pueden tener éxito y alcanzar el nivel de diversificación completo o requerido.

Diseño/Metodología/Enfoque: Se utilizaron los métodos descriptivo y analítico para cubrir el aspecto teórico del estudio, y el método estadístico para abordar los aspectos analíticos del tema de estudio a través de un cuestionario diseñado específicamente para este fin, y el El cuestionario fue desempaquetado y analizado a través del programa de análisis estadístico (SPSS).

Hallazgos: Los resultados mostraron que los productos representados en el crecimiento de los sectores productivos no petroleros son un reflejo de los insumos representados en el número de instituciones y establecimientos económicos y el número de trabajadores en los sectores productivos no petroleros. Los resultados del análisis

estadístico mostraron que todas las políticas económicas con visión de futuro para permitir el clima de inversión son importantes y sirven al clima de inversión.

Implicaciones prácticas y sociales: este estudio propone trabajar de acuerdo con los criterios del índice de inversión Tawazun como un intento de maximizar los programas de diversificación económica en el Sultanato de Omán.

Originalidad/Valor: este estudio proporciona a los investigadores y a los responsables de la toma de decisiones en el Sultanato de Omán una iluminación para un intento de abordar el problema de la diversificación económica y el uso de soluciones prácticas para maximizar los programas de diversificación económica trabajando de acuerdo con los criterios del Tawazun propuesto. Índice de inversión.

Palabras clave: The Investment Balance Index, Hirvendahl - Hirschmann Index, Diversidad Económica, Crecimiento Económico, Economía Omani.

INTRODUCTION

The Sultanate of Oman has sought for decades to achieve economic growth and economic diversity and planned for the post-oil phase due to fluctuations in oil prices in the international market and because its oil reserves are expected to run out within 20 years. However, despite its continuous growth in GDP over the decades - as the size of its economy doubled 287 times, from 106.8 million Omani riyals in 1970 to 30690.3 million Omani riyals in 2019 - this growth was accompanied by a disparity in the volume and percentage of the productive sector's contribution to the GDP. The petroleum sector contributed (38.9%) of the Omani GDP, the industrial sector contributed (19.2%), the public services sector contributed (40.7%), and the agricultural sector contributed (2.4%) during the year (2019).

This disparity undoubtedly affects the economy's ability to achieve the goal of complete economic diversity. According to the Hervendahl - Hirschman index, the degree of GDP diversity reached (0.19740) in 2019. The result of the index of GDP diversity is relatively low, i.e., closer to zero than one, reflecting a degree of economic diversity. However, the superiority of some non-oil productive sectors at the expense of other sectors in the non-oil GDP may reflect risks no less dangerous than those caused by dependence on oil if any of the non-oil sectors are exposed to instability due to natural disasters, sudden political changes or Other crises, for example, such as the spread of epidemics.

Many studies on the issue of economic diversity in oil-producing countries agree that despite the numerous and significant efforts that the authorities worked on applying to achieve the goal and strategy of economic diversity, they did not reach the desired level. This reflects the lack of a theory that can solve this issue and that it is necessary to focus on other aspects to see how economic diversity programs can succeed and reach the level of complete or required diversity.

This study assumes that the sectoral structure in the Sultanate of Oman has not reached complete diversity due to the concentration of investments and workforce at high rates in specific sectors and lower rates in other sectors in an unstudied manner. (Ali Azhar, 2020) dealt with the reality of foreign direct investments in light of the economic reforms in the Sultanate of Oman. The study indicated that the orientations of investments in the Sultanate are based on criteria related to the extent of investment risks in the productive sectors. This means that the most attractive sectors to investors are those with minimum investment risks, with an appropriate setting for investment.

It is known that the investment rate is the cornerstone of any development plan. It is also considered an influential factor in economic growth because the higher the investment rate, the higher the growth rate that can be achieved, and vice versa. Therefore, investment development is one of the most important issues of economic growth.

This study suggests the Investment Balance Index as an attempt to maximize economic diversity programs in the Sultanate of Oman. It assumes that the outputs expressed in the growth of productive sectors and their contribution to the GDP reflect the inputs represented by investment in those sectors. Moreover, investment trends are often based on criteria related to the extent of the risks, so the economic sectors with minimum risk are the most attractive to investors. This results in the concentration of investments in specific sectors and their weakness in other sectors, which leads to the disparity in the growth of productive sectors and the percentage of their contribution to the GDP, and thus low economic diversity.

The importance of studying the topic stems from the fact that it is considered one of the most important topics in the Omani economy, as economic diversification has become one of the most critical topics at the forefront of economic priorities in the Sultanate of Oman to enhance economic stability.

The study's immediate aim is to clarify the impact of the disparity in productive sectors's growth on the degree of economic diversification in the Sultanate of Oman and the effect of the investment balance in the non-oil productive sectors on the degree of diversification in the non-oil GDP. The study also proposes working according to the criteria of the Investment Balance Index as an attempt to reduce disparity and achieve balance in the growth of the non-oil productive sectors. It also aims to find out the extent of investor satisfaction with working according to these standards in the investment environment.

LITERATURE REVIEW

Many studies have examined the reasons behind the failure of economic diversification programs to reach the level of complete or required diversification in many countries, especially oil-producing countries. Let us mention here, for example, and not be limited to, the conclusions of some studies that dealt with issues related to economic diversification. The study of Zarrouk bin Muwafaq (2019) concluded that the inability of alternative economic sectors to oil in Algeria is not related to a large extent to the scarcity of resources or capabilities in general. To the extent that it is a result of the inability of policies aimed at advancing these sectors, ineffective planning, and the use of ineffective methods that limit their ability to make optimal use of the available capabilities. The study of Rahal Al-Saadi and Barrak Sami Fouad (2020) found that the reason for the failure of economic diversification programs in Algeria is due to the lack of utilization of oil revenues and the lack of a clear strategy to exploit these revenues in a way that allows for advancing economic development and the success of economic diversification programs.

And the study of Murad Rahal and Al-Saeed Breika (2019) concluded that relying on fiscal policy alone does not lead to modifying the structure of the economy in the country, and that the huge government spending through which it aims to develop economic sectors away from oil leads to achieving short-term stability only.

The study of Mamdouh Al-Khatib (2014) found that despite repeated talk about promising economic sectors such as agriculture, industry and tourism, these sectors have not yet succeeded in bringing about noticeable changes in increasing the degree of diversification of the Saudi economy. Oil as a major resource is the reason for the failure of economic diversification programs, and the weakness of the long-term relationship of the impact of economic diversification on economic growth in oil-producing countries. The study of Al-Taher Shlehy (2018) found that despite the numerous and great efforts made by many developing countries to diversify their economies with the aim of reducing dependence on some primary resources and increasing the employment rate, these strategies have not yet achieved the desired results in many countries. developing countries, with the exception of some few countries, and that the goal of developing economic sectors independent of oil revenues is still far from being reached, and that it is necessary to focus on other aspects to see the extent to which economic diversification programs can succeed.

And the study of Fadila Mazouzi and Muhammad Quedari (2020) considered that the reason for the failure of diversification programs to succeed is due to the fact that diversification

programs and comprehensive reform face obstacles to development policies and ill-considered decisions, which lead to poor performance of foreign investment and make it below the required level as a result of the legal and legislative environment and political stability. As well as poor performance in the business environment due to ill-considered government policies and interventions, in addition to the weakness of the small and medium enterprises sector, which faces several obstacles as a result of the lack of clear and unified policies by the guardianship authorities.

And the study of Naji Bin Hussein (2009) considered that the weak investment climate in the State of Algeria is the reason for the Algerian economy not leaving its dependence on the oil sector and diversifying its productive activities, and that the success of diversification programs is not achieved unless investment is encouraged in non-oil activities, and that the economic reforms followed It did not succeed in improving the investment environment to be able to advance economic diversification programs, and attributed the reason for this to the failure of the state institutions' ability to create an appropriate investment environment.

Here we find that many studies that dealt with the issue of economic diversification agreed that despite the many and great efforts that the guardian authorities worked on translating to achieve the goal and strategy of economic diversification, they did not reach the desired level, and this reflects the lack of a specific theory in itself capable of resolving this problem and that We must focus on other aspects to see the extent to which economic diversification programs can succeed and reach the level of complete or required diversification.

MATERIAL AND METHODOLOGY

The descriptive and analytical methods were used to cover the theoretical aspect of the study and to clarify the role of the investment balance index in promoting economic diversification programs. Existence of the indicator and the extent of investor satisfaction with working according to specific criteria in an attempt to address the problems related to the investment environment. The questionnaire was unloaded and analyzed through the statistical analysis program (SPSS).

The study used both descriptive and analytical methods in its theoretical part. In addition, the statistical method was used to clarify the importance of the index and the extent of investor satisfaction with working according to specific criteria in an attempt to address the problems related to the investment and business environments.

The First Axis: The Concepts of the Balanceinvestment Index and Economic Diversification Investment Balance Index (IBI)

It is a proposed indicator or an attempt to draw up balanced and parallel investment policies and procedures for various economic activities in all investment fields and their logistic and field plans. It is also concerned with monitoring the needs of each scheme through measuring indexes of actual licenses for electronically registered databases and linking them to employee numbers indexes. It simultaneously defines clear procedural standards and requirements that employ the indexes optimally to increase economic growth rates, raise economic diversification, and boost competitiveness among regulatory, supportive, and driving investment environments to achieve complete or desired economic diversification.

The criteria of the proposed investment balance index are represented in the statistical data, economic policies and administrative procedures that contribute to achieving a balance in the distribution of institutions and economic establishments and the distribution of the number of workers in the different productive sectors. The proposed investment balance index is measured according to the following data: the degree of workforce diversification, economic institutions and establishments diversification, and GDP diversification. It is assumed that the arithmetic means for each degree of workforce diversification and economic institutions diversification is (approximately equal to) the level of GDP diversification. The investment balance index can be expressed by the following formula:

$$IBI = \frac{(H) D EI + (H) D WF}{2} \approx (H) D GDP$$

Where:

- IBI is Investment Balance Index
- (H) is Herfindahl-Hirschmann index coefficient $1 \leq (H) \leq 0$
- (H) D EI is the Herfindahl-Hirschmann coefficient for Diversification of Economic Institutions.
- (H) D WF is the Herfindahl-Hirschmann coefficient for Workforce Diversification
- (H) D GDP is the Herfindahl-Hirschmann coefficient for Diversification of the GDP

Herfindahl-Hirschmann Index

This coefficient depends on measuring the composition and structure of the variable and the extent of its diversity. It is used to measure diversification in a phenomenon's structure and highlight the structural changes that occur in its components. It was initially designed to measure the amount of concentration in an industry or a particular sector. Moreover, US courts widely used it during the eighties to measure monopoly in a particular industry or sector, as

used by the United Nations Organization for Trade and Development to determine the extent of diversification in the export sector. Hirvendal-Hirschmann coefficient is defined by the following formula (Mamdouh al-Khatib, 2011):

$$H = \frac{\sqrt{\sum_{i=1}^N \left(\frac{x_i}{X}\right)^2} - \sqrt{\frac{1}{N}}}{1 - \sqrt{\frac{1}{N}}}$$

Where (N) represents the number of activities, (ix) denotes the result of activity I, and (X) is the total result of all activities.

The value of the Herchendal-Hirschmann coefficient ranges between zero and one, i.e. ($1 \leq H \leq 0$). The one indicates that the amount of diversification is non-existent, while the zero means complete diversification in the economy. The high values of the Hirvendahl coefficient are evidence of the economy's weakness in equally distributing its activities over a large number of sectors or products, thus limiting them to a few.

The Concept of Economic Diversification (ED)

United Nations experts defined economic diversification as reducing dependence on one sector, looking for new exports and different sources of revenue other than traditional ones, and helping private sectors take the initiative to lead the economy in all economic sectors to ensure sustainable revenues (Nizar Assaf, 2014). The oil-producing countries look at economic diversification through the lens of their economic reality and see it as a process aimed at reducing the contribution of oil to public revenues and GDP through developing non-oil sectors, reducing the role of the government sector, and enhancing the contribution of the private sector to economic activity. (Asmaa Bellama, 2018). Economic diversification is also defined as using oil's money to create a sustainable base for a post-oil economy through establishing heavy industries, infrastructure development, and investment in areas of real production.

The Second Axis: The Development of the Growth and Diversification of Productive Sectors and the Determinants of Diversification in the Sultanate Of Oman

The development of the growth and diversification of productive sectors contributing to the Omani GDP

The GDP in the Sultanate of Oman is distributed over four main sectors, subdivided into eighteen sectors. Table 1 summarizes the sectoral contributions between 2010- 2019.

Table 1 Sectoral contribution to the GDP and the difference in contributions according to the fixed prices for the asset year 2010, on the years 2010,2019

Productive Sectors	2010	2019	Change
Petroleum Activities Sectors	46.0	38.9	(7.1)
Crude Oil	42.2	35.2	(7.0)
Natural Gas	3.8	3.7	(0.1)
Industrial Activities Sectors	17.7	19.2	1.5
Manufacturing Sector	10.3	10.1	(0.2)
Mining and	0.4	0.4	0
Electricity and Water	1.2	2.4	1.2
Construction	5.8	6.3	0.5
Agricultural Activities	1.4	2.4	1
Agriculture	0.9	1.2	0.3
Fisheries	0.5	1.2	0.7
Services Activities	36.3	40.7	4.4
Wholesale and retail trade	7.5	6.8	(0.7)
Hotels and restaurants	0.7	1.0	0.3
Transport, stock, and communication	5.3	6.0	0.7
Finance Liaison	4.4	5.1	0.7
Real estate and commercial activities	4.3	4.2	(0.1)
Public administration and defence	7.1	9.9	2.8
Education	4.3	4.5	0.2
Health	1.5	1.8	0.3
Other community and other social services	1.0	1.0	0
Workers in private houses	0.2	0.4	0.2
Total	100	100	0
GDP (Million Omani Riyal)	225292	306903	% 36.2

Source: Source: National Data, National Statistics Center, Oman, (2020)

The exchange rate of the Omani riyal is 2.6 dollars per riyal, according to the fixed prices for the year 2010.

It is clear from Table 1 that there were changes in the productive structure of the Omani economy, as the contributions of the oil sectors decreased while the contributions of the rest of the sectors increased to varying degrees.

In the following, the researchers attempt to illustrate the degree and development of diversification among the four main sectors of the Sultanate of Oman's GDP through Table 2 and Figure 1 below, based on the results of the Hirvendal-Hirschmann coefficient.

Table 2 The development of GDP diversification in Oman (2010-2019)

Index	2010	2011	2012	2013	2014
The total of Petroleum activities	10388.4	10596.7	11007.2	11277.2	11097.5
The total of industrial activities	4009.5	4138.8	4550.3	4766.8	4881.9
The total of agricultural activities	311.7	310.1	318.1	364.4	371
The total of service activities	8287.9	8843.0	10068.4	10848.5	11473.3
GDP	22529.2	23378.4	25386.9	26679.6	27175.3
Diversification in the GDP	0.23258	0.23295	0.22892	0.22656	0.22877

Index	2015	2016	2017	2018	2019
The total of Petroleum activities	11581.6	12021.3	11656.4	11928.1	11954.0

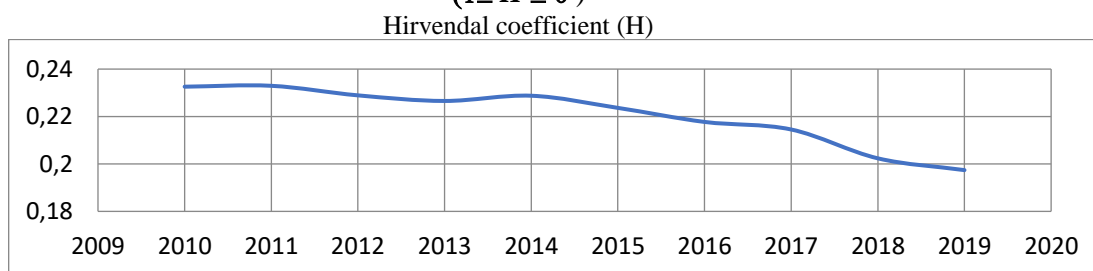
The total of industrial activities	5212.4	5581	5666.2	5767.3	5962.6
The total of agricultural activities	492	532.8	579.3	743.2	757.7
The total of service activities	11960.3	12425.9	12905.0	12729.8	12593.3
GDP	28525.7	29851.5	30133.2	30587.2	30690.3
Diversification in the GDP (H)	0.22364	0.21772	0.21453	0.20237	0.19740

Source: Source: National Data, National Statistics Center, Oman, (2020)

The exchange rate of the Omani riyal is 2.6 dollars per riyal, according to the fixed prices for the year 2010.

(H) is the diversification in the GDP.

Figure 1 Hirvendal-Hirschmann coefficient of GDP in the Sultanate of Oman During the period (2010-2019)
 $(1 \leq H \leq 0)$



Source: Source: prepared by the researcher based on the data of Table No. (2).

As shown in Table No. 2 and Figure No. 1, the Hiervendahl coefficient estimate for the four main sectors that make up the GDP in the Sultanate of Oman shows that the results of the Hiervendahl coefficients are relatively low, that is, closer to zero than to one. We note a decrease in Hiervendahl coefficient, i.e. an increase in the degree of diversification in general during the period (2010-2019), with a small increase in the Hiervendahl coefficient, as it reached (0.23258) in 2010.

The coefficient increased very slightly during the year 2011, reaching (0.23295); then it decreased during the following two years to reach (0.22656) in 2013, and in 2014 the it had a very small increase to reach (0.22877). This was followed by a continuous decline during 2015-2019 until it reached around (0.19740) in 2019. Considering the period (2010-2019), the Hiervendahl coefficient decreased by (0.03518), which indicates a progress in diversification, though to a small extent, in the GDP. Despite the Sultanate of Oman achieving high growth rates in the productive sectors, the degree of diversification in these sectors did not reach the desired complete diversification.

The Determinants of Economic Diversification in Oman

Doubtlessly, some determinants hinder Oman's ambitious plans to reach complete economic diversification. Besides fluctuations in international oil prices and the negative impact of the decrease in the volume of oil revenues and consequently a decrease in public spending, which slows down growth in the non-oil sector and thus affects diversification, other factors affect diversification in Oman, including:

- a. Managing the cycle of local commercial activities, as export revenues go in one direction, i.e. the general budget, causing an imbalance, especially in an economy that is directly affected by external shocks (Yousef Al Balushi, 2021).
- b. The integrity of the relationship between the government, society and corporations. Despite the government's efforts in this regard, integrity did not reach the required level. The government sets national priorities and undertakes investment and employment in light of the modest role of individuals and companies. The diversification process in the Sultanate of Oman is still from top to bottom. It has not yet reached serious general participation, slowing down the shifting from a rentier economy to a productive economy, which needs to balance the relationship between the three parties.
- c. Small and medium enterprises that the Omani government is working to promote through start-up support funds. These companies represent 30% of the total manufactured exports, and they still have a long way to go to contribute to economic diversification. Moreover, they contribute to providing job opportunities, as they provide 50% of the opportunities, of which about 30% go to expatriate workers, which also poses a challenge. These companies can provide thousands of job opportunities for citizens, contributing to diversification (Adham Al Said, 2021).
- d. Investments and the workforce are randomly concentrated at high rates in specific sectors and lower rates in other sectors due to the investment trends in the Sultanate, which are based on criteria related to the size of investment risks in the productive sectors. This means that the most attractive sectors to investors are the sectors with the least investment risks and where the appropriate climate is available for investment.

The third axis: the reality of the investment segments in the state of Sohar and the foundations of the Balance Investment Index

The reality of investment segments indexes, company registers, and licenses in Sohar

The reality of company registers in Sohar

The number of company registries located in Sohar is approximately (28,486) company registries until 2021, according to the database of The Ministry of Commerce, Industry & Investment Promotion. However, this number of company registers does not reflect the actual reality of the volume of investment and commercial activities in the state, as a good part of these registers and their business activities are inactive (unlicensed), according to the approved classification of business activities ISIC CODE. Company registers in Sohar are classified according to the investment segment; the number of active company registers is 18,360, and inactive company registers are 10,126 registers.

Table 3 The number of active and inactive company registers in Sohar and the Free Zone according to legal form

Legal Form	Number of active and inactive company registers in Sohar, except for the free zone, according to the legal form		Number of active and inactive company registers located within the free zone in Sohar according to the legal form	
	Active registers	Inactive registers	Active registers	Inactive registers
Limited Liability company	3903	697	210	25
Limited partnership company	1666	275	1	-
Commercial representation office	1	-	-	-
Joint liability company	2973	627	-	-
Vendors	10	9	-	-
Branch of a foreign company	9	4	-	-
Home-based businesses	715	203	-	-
A closed Omani joint stock company	13	-	1	-
Non-profit organization	136	-	-	-
Individual merchant	8092	8289	73	9
Omani public joint stock company	9	7	-	-
One-person company	833	15	5	-

Source: The Ministry of Commerce, Industry & Investment Promotion, Oman,(2020).

The Reality of Business License of the Activities Practiced According to the ISIC CODE in Sohar

The number of licenses for business activities practiced under the approved classification of economic activities, ISIC code located within Sohar, except for Madayn Industrial Zone and Free Zone, is 109245 licenses. This represents (97.4%) of the total economic licenses in Sohar until the end of 2021 according to Database of The Ministry of Commerce, Industry & Investment Promotion. The number of business licenses of various legal forms of company registers practiced within the state of Sohar, except for Madayn Industrial Zone and the Free Zone in Sohar, varies. The following table shows the most and the least

practised 10 economic licenses within the state of Sohar except for Madayn Industrial Zone and the Free Zone in the state of Sohar.

Table 4 the most and the least practised 10 economic licenses within the state of Sohar except for Madayn Industrial Zone and the Free Zone in the state of Sohar.

The most practised 10 Business licenses within the state of Sohar except for Madayn Industrial Zone and the Free Zone in the state of Sohar.			The least practised 10 economic licenses within the state of Sohar except for Madayn Industrial Zone and the Free Zone in the state of Sohar.		
Activity code	Activity name	No. of licences	Activity code	Activity name	No. of licences
410001	Construction contracts	9088	11101	Cultivation of cereals (wheat, corn, barley, etc.) except rice	1
471103	Shops	3345	11199	Other activities related to the cultivation of cereals, leguminous crops and oilseeds	1
141006	Arabic and non-Arabic women dress tailoring	2994	11200	Cultivation of rice	1
471104	Refrigerators	2704	11399	Other activities related to the cultivation of vegetables, melons, roots and tubers	1
433003	Interior Design	2647	11902	Cultivation of aromatic plants and flowers (flowers and flower buds), and flower seeds	1
471105	Provision	2646	12100	Grape cultivation	1
492301	Road Truck Transport of goods and tools (Scheduled – non-scheduled)	2420	12203	mango cultivation	1
960201	Men Hair Dressing	2204	12300	Citrus cultivation	1
452001	Vehicles Service, repair, and Paint	2036	12400	Cultivation of pome fruit and stone fruits	1
461003	Export and Import offices	1960	12501	Cultivations of pulp fruits	1

Source: The Ministry of Commerce, Industry & Investment Promotion, Oman,(2020).

Small and Medium Enterprises Located Within Sohar

The number of small and medium enterprises located in Sohar is 3,397 until the end of 2021. They are classified according to the legal form and according to Riyada card. The business licenses for holders and non-holders of a Riyada card vary from the various legal forms of commercial records that are practiced. The following table shows the most (10) economic licenses practiced by Riyada card holders and the most (10) economic licenses practiced by non-holders of Riyada card in Sohar.

Table 5 the most (10) economic licenses practiced by Riyada card holders and the most (10) economic licenses practiced by non-holders of Riyada card in Sohar .

The most (10) economic licenses practiced by Riyada card holders		The most (10) economic licenses practiced by non-holders of Riyada card	
No. of licenses	Activity	No. of licenses	Activity
249	Constructions contrasts	309	Constructions contrasts
65	Women's hair dressing and beauty parlour	61	Interior design works (plastering, painting and decorating)
49	Shops	58	Contracts for the construction of water, electricity and telephone networks and stations
42	Arabic and non-Arabic dress tailoring	53	Installation of insulation works (water, heat, sound)
42	Manufacture and installation of metal products made from parts of the same unit and used in building and construction such as windows, doors, stairs, awnings and similar metalwork (blacksmithing shops)	43	Arabic and non-Arabic dress tailoring
42	Aluminium workshops	43	Manufacture and installation of metal products made from parts of the same unit and used in building and construction such as windows, doors, stairs, awnings and similar metalwork (blacksmithing shops)
40	Interior design works (plastering, painting and decorating)	40	Women's hair dressing and beauty parlour
36	Retail sale in stores of fresh fruits, vegetables and dates	35	Aluminium workshops
31	Road trucking of goods, fluids and equipment (scheduled - unscheduled)	32	Shops
30	Vehicle repair, servicing, and painting	29	Documents tracking offices

Source: The Ministry of Commerce, Industry & Investment Promotion, Oman,(2020).

After presenting the reality of company registers and licenses and the reality of medium and small enterprises located in Sohar, we found the lack of a real investment balance between the service and sectoral investment tracks, an imbalance in the distribution of investment activities to the productive sectors, and that many commercial establishments are in the phenomenon of formal employment, especially those in more developed and sought-after economic activities that offer satisfactory employment with lower qualifications and do not create any investment or entrepreneurial culture.

The pillars of the BalanceInvestment Index works

Clearly, when developing a forward-looking economic policy, it is necessary to approve a project that aims to build investment balance, which also requires supporting pillars whose

procedures, tracks and measurement of indicators are based on the proposal of the investment balance index so that it allows all investment fields to determine the centralization and decentralization priorities for governorates and the state in general, in order to maximize various investments, especially direct and sectoral services, and the possibility of directly exploiting natural resources.

It is also clear that these centres must be based on the idea of developing and defining investment segments for categories of investors and identifying them within the authorities concerned with the direct investment environment (The Ministry of Commerce, Industry & Investment Promotion, General Authority for Special Economic Zones and Free Zones, Public Corporation for Industrial Estates Madayn, Small and Medium Enterprises Development Authority Leadership). Moreover, the centres on which the work of the BalanceInvestment Index is based is represented by the establishment of an economic and investment forward-looking council, building a wide and accurate database, setting a balanced investment map, and urban development that establishes balanced investment development, impartiality, flexibility and effectiveness in decision-making, and studied approvals for investment licenses, and addressing the economic behavior of investors, managing education inputs and outputs, granting licenses according to priorities, and economic diversification programs.

Fourth Axis: The Role of the BalanceInvestment Index in Maximizing Economic Diversification Programs

The Role of the BalanceInvestment Index in Maximizing Economic Diversification Programs

To identify the role of the balance index in maximizing economic diversification programs, we will rely on the classification of economic institutions and establishments located in Sohar in terms of productive sectors and the classification of workers in the state of Sohar according to the productive sectors. Next, we compare the ratios of these facilities and institutions in the economic sectors and the the ratios of their employees with the rates of economic growth in the productive sectors. Then, the difference in the growth of the productive sectors are compared with the difference in the ratios of the numbers of economic institutions and establishments and with the proportions of the numbers of workers in the productive sectors. After that, we try to estimate the degree of economic diversification between these sectors, the degree of diversification of economic institutions and establishments, and the degree of labor force diversification.

If there is a correlation between the percentage of the number of establishments and institutions in the productive sectors, the number of workers and the economic growth in those sectors and a correlation between the level of economic diversification between the productive sectors, the level of the degree of diversification of economic institutions and establishments, and the degree of diversification of labor force, this will reflect the role of the investment balance index in the ability to reduce the disparity in the growth of the economic sectors. It thus provides the ability to enhance the economic diversification through the indicator's control over the ratios and numbers of economic institutions and establishments in the productive sectors and numbers of workers.

Measuring the Degree of Diversification in the GDP of the Non-Oil Sectors in the Sultanate of Oman, Economic Institutions and Establishments, and the Labor Force in Sohar During the Two Years 2010 and 2019

In the following, we measure the degree of diversification of each of the non-oil productive sectors, the degree of diversification of economic institutions and establishments, and the degree of diversification of the labor force in Sohar using the Hirvendal - Hirschman index.

Table 6 the degree of diversification in the GDP of the non-oil sectors in the Sultanate of Oman, economic institutions and establishments, and the labor force in Sohar during the two years 2010 and 2019

Item	GDP of non-oil sectors		Economic establishments and institutions in Sohar		Workforce in Sohar	
	2010	2019	2010	2019	2010	2019
Agricultural activities	311.7	757.7	311.7	757.7	956	1615
Industrial	4009.5	5962.6	4009.5	5962.6	21171	48616
Service	8287.9	12593.3	8287.9	12593.3	43168	54261
Total	12609.1	19313.6	12609.1	19313.6	65295	104492
Diversification (H)	0.362569	0.217729	0.362569	0.217729	0.376543	0.180069

Source: Prepared by the researcher based on National Data, National Statistics Center, Oman, (2020) and The degree of diversification of the non-oil sectors by the Herfendal coefficient (H) calculated by the researcher

First, we notice from Table No. 6 that the result of the Hirvendahl coefficient for the non-oil sectors (agriculture, industry, services) amounted to 0.362569 in 2010, and reached 0.217729 in 2019 although it is considered relatively low, meaning that it is closer to zero than to one. It reflects the presence of diversification, but it did not reach the level of proportional or complete diversification, which is evaluated by decreasing the Hervendal coefficient to zero.

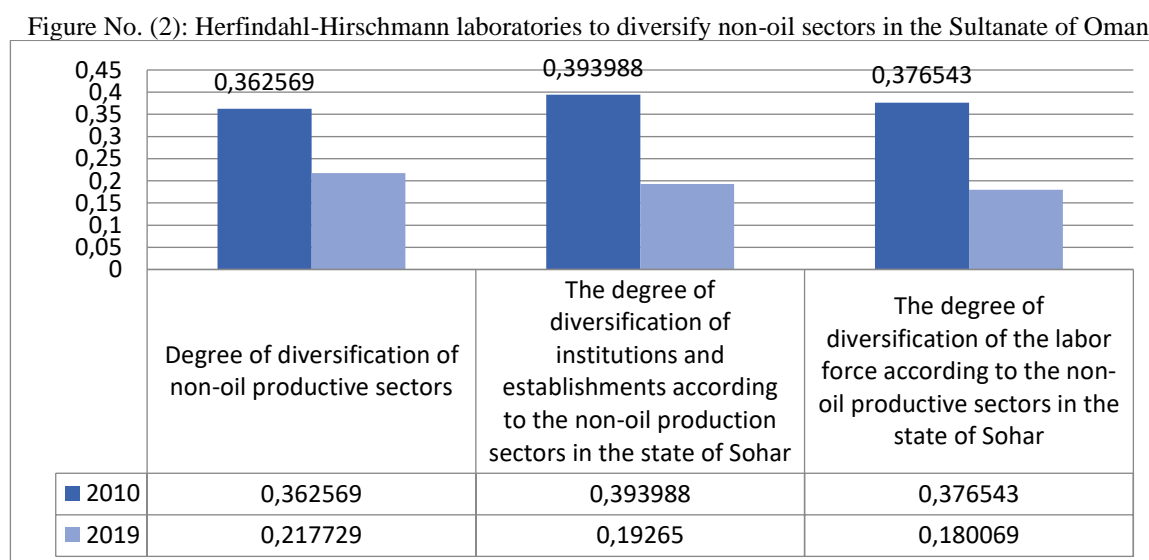
The reason for this is the unbalanced growth of the sectors and the difference in their growth rate and their contribution to the non-oil GDP of the Sultanate of Oman.

The degree of diversification for each of the non-oil productive sectors, economic institutions and establishments, and the labor force reached (0.393988) in 2010 and (0.192650) in 2019. The degree of diversification of the labor force reached (0.376543) in 2010 and (0.180069) in 2019, which indicates a correlation between the degree of diversification of the non-oil productive sectors, the degree of diversification in each of the economic institutions and establishments, and the degree of diversification in the labor force. This means that the outputs represented in the growth of non-oil productive sectors are results of the inputs represented in the number of economic institutions and establishments and the number of workers in the non-oil productive sectors.

The following figure shows the convergence in the degree of diversification for each of the non-oil productive sectors in the Sultanate of Oman, economic institutions and establishments, and the labor force in Sohar.

Herfindal - Hirschmann Coefficient for Diversification of the Non-Oil Sectors in the Sultanate of Oman, Diversification of Institutions, Economic Establishments, and the Workforce in Sohar in the Two Years (2010-2019) ($1 \leq H \leq 0$)

Figure No. (2): Herfindahl-Hirschmann laboratories to diversify non-oil sectors in the Sultanate of Oman, diversify economic institutions and establishments, and diversify the labor force in the state of Sohar in the two years (2010-2019)> Herfindaal coefficient (H)



Source: Prepared by the researcher based on the data of Table No. (6).

The role of the Investment Balance Index to Enhance the Degree of Economic Diversification

The (proposed) BalanceInvestment Index is concerned with drawing balanced and parallel investment policies in the investment and business environments and in managing and directing the workforce in the various productive sectors in a thoughtful manner based on accurate monitoring of the needs of each scheme, indicators of actual licenses in electronically registered databases, and indicators of employee numbers and their specializations. In other words, the criteria of the investment balance index are to achieve balance in the distribution of economic institutions and establishments and in the distribution of the number of employees to the various productive sectors. An attempt is made here to measure the proposed investment balance index according to the following data: the degree of diversification of the workforce, the degree of diversification of economic institutions and establishments, and the degree of diversification of GDP. The arithmetic mean for each of the degree of diversification of the workforce and the degree of diversification of economic institutions is (approximately) equal to the degree of diversification of GDP. To clarify this, we present the following table:

Table 7 the distribution of economic establishments and institutions and workforce according to the non-oil sectors, the volume of non-oil sectors, and the degree of diversification in each sector for the years 2010 and 2019

Sector	Agriculture and other sectors		Industry		services		Diversification (H)	
	2010	2019	2010	2019	2010	2019	2010	2019
The number of institutions and establishments in Sohar	206	271	4572	9557	9972	12736	0.393988	0.192650
The percentage of institutions and establishments out of the total	%1.4	%1.3	%31	%42.3	%67.6	%56.4		
Number of workers in Sohar	956	1615	21171	8616	43168	54261	0.376543	0.180069
The percentage of workers out of the total	%1.5	%1.5	%32.4	%46.5	%66.1	%52		
The volume of non-oil productive sectors	311.7	757.7	4009.5	5962.6	8287.9	12593.3	0.362569	0.217729
The contribution of the sector to the GDP	%2.5	%3.9	%31.8	%30.9	%65.7	%65.2		

Source: Prepared by the researcher based on The official portal for government services, Oman (2020), National Data, National Statistics Center, Oman, (2020), and The degree of diversification of the non-oil sectors is the Herfindal coefficient (H) calculated by the researcher.

Table No. (7) shows the convergence between the percentages of the number of economic institutions and establishments, the percentages of workers in these sectors, and the percentages of the non-oil sectors' contribution to the non-oil GDP. Productivity, that is, the increase in the number of institutions and establishments, and the increase in the number of workers in a particular sector was accompanied by an increase in the volume of the output of

that sector and the percentage of its contribution to the non-oil GDP. On the other hand, the decrease in the number of institutions and establishments and the number of workers in a particular sector was accompanied by a decrease in the size of the sector and the percentage of its contribution in non-oil GDP.

The estimates of the Hirvendahl coefficient show the convergence between the degree of diversification of non-oil GDP, institutions and establishments, and the labor force. The degree of diversification is (0.385265), which is approximately equal to the degree of diversification of non-oil GDP during the same period of 2010, which amounted to (0.362569). In 2019, the degree of diversification of institutions and establishments was (0.192650), and the degree of diversification of the labor force was (0.180069). When taking the arithmetic mean For each of them, the degree of diversification is (0.186359), which is approximately equal to the degree of diversification of non-oil GDP during 2019, amounted to (0.217729).

Therefore, it can be said that the adoption of the BalanceInvestment Index criteria related to the aspect of managing and regulating numbers of licenses, institutions and economic establishments and regulating the number of workers in the productive sectors in a balanced manner contributes to ensuring a balance between investment activities in the different productive sectors and ensures a balance between the numbers of workers in the productive sectors, leading to the growth of the various productive sectors in a balanced manner. This is to ensure the reduction of disparities in the sectors' growth and contribute to the success and maximization of economic diversification programs in order to reach the level of complete or required diversification.

A Field Study of the Role of the BalanceInvestment Index in Maximizing Economic Diversification Programs in the State of Sohar, "Methodology and Procedures of the Study"

To address the analytical aspects of the subject of the study, the researcher resorted to collecting primary data through the questionnaire as a study tool, designed specifically for this purpose to achieve the objectives of the study. The questionnaire included three main sections:

Section 1: Type and nature of investment. It consists of 3 items.

Section 2: Represents the organizational and executive procedures for the investment environment: It consists of 7 items.

Section 3: Foreseeing the economic policy to enable an investment environment. It consists of 10 items.

The five-factor Likert formula was used to build the answer alternatives (strongly satisfied, satisfied, neutral, dissatisfied, strongly dissatisfied). The questionnaire was transcribed and analyzed through the statistical analysis program (SPSS), where the following statistical tools were used:

1. Frequencies & Percentages
2. Arithmetic averages, standard deviations, and the degree of satisfaction and agreement.

The responses of the sample members for the second section were divided into five levels (strongly satisfied, satisfied, neutral, dissatisfied, strongly dissatisfied), to judge the significance of the average responses. The responses of the sample members on the third section were divided into five levels (strongly agree, agree, neutral, not Agree, Strongly Disagree), and for the purposes of analyzing the results, the researcher relied on calculating the degree of respondents' estimates on the questionnaire items as follows:

The first range: the arithmetic mean ranged between (1 to less than 1.80), response score (highly satisfied).

The second range: the arithmetic mean ranges between (1.80 to less than 2.60), the degree of response (satisfied).

The third range: the arithmetic mean ranges between (2.60 to less than 3.40), the degree of response (neutral).

Fourth range: The arithmetic mean ranges between (3.40 to less than 4.20), degree of response (dissatisfied).

Fifth range: the arithmetic mean ranges between (4.20 to 5.00), degree of response (strongly dissatisfied).

RESULTS AND DISCUSSION

Table: 8 Type of economic license

Type of economic license	Frequency	Percentage
manufacturing sector	28	37.3
Education, scientific research and innovation	8	10.7
Cultural/Logistic services activities	21	28.0
Mining and mineral products sector	9	12.0
Agricultural and fisheries sector	9	12.0
Total	75	100

Source: Authors

The second question: What is the commercial establishment or segment registered in the company registry under which the economic license falls?

Table 9 The commercial establishment or the segment registered in the Secretariat of the Company Registry

the commercial establishment or segment registered in the company registry	Frequency	Percentage
The Ministry of Commerce, Industry & Investment Promotion	46	61.3
Small and Medium Enterprises Development Authority (Riyada card / without Riyada card)	23	30.7
General Institution for Industrial Zones (Madayn)	6	8.0
Total	75	100

Source: Authors

Table 10 The time period since you started practicing your the economic license

The time period since you started practicing your economic license	Frequency	Percentage
One year	15	20.0
1 – 2 years	16	21.3
3 years or more	44	58.7
Total	75	100

Source: Authors

Fourth question: What is the extent of satisfaction with the organizational and executive procedures of the investment and business environments?

To answer the fourth question related to the degree of satisfaction with the organizational and executive procedures for the investment and business environment, the arithmetic mean, standard deviation, and degree of satisfaction were calculated for each of the paragraphs and for the total degree after calculating the frequencies and percentages, and the results were as follows:

Table 11 Measuring the degree of satisfaction with the organizational and executive procedures of the investment and business environments.

Measurement	Arithmetic mean	Standard deviation	Degree of dissatisfaction
The executive measures provided by the economic policy by adopting the policy of improving and simplifying the investment and business environment	2.83	1.13	Neutral
The speed and ease of obtaining approvals for applications - registration of the establishment / economic licenses - and the time it may take through the "Invest Easy" system	3.01	1.24	Neutral
	2.88	1.08	Neutral

The growth of your economic license that is practiced in the field with specific-use schemes, and your aspiration for the future to achieve your investment goal towards competition and sustainability in the labor market, and the extent to which this is compatible with the facilities and incentives paid by the parties concerned with economic policies in a desire to increase growth and economic activity.			
The economic behavior practiced by many investors as a field reality, in the absence of an integrative institutional role (regulation and implementation), and the absence of an investment map that would contribute to economic diversification programs aimed at developing the labor market built first, and then investment competition among investors.	2.39	0.96	Dissatisfied
Solutions and treatments that the regulatory and executive authorities are still providing and pushing in the investment and business environments with the aim of stability and increasing growth and economic activity in various vital sectors, and the extent to which this is compatible with the strategies of the announced modern economies (knowledge economy, digital economy) that the concerned authorities seek to secure through role and coordination To be done through the "Invest Easy" system	2.64	1.01	Neutral
The reality of your experience with the application of the facilities and mechanisms provided by the regulatory and executive authorities and motivating them in enabling the investment climate in light of the strategic directions announced in the "Oman Vision 2040", to ensure effective economic management and a developed, diversified and sustainable economy based on the integration of institutional performance	2.93	1.09	Neutral
Measures approved by the economic policy, when compared with models from the countries of the Cooperation Council for the Arab States of the Gulf - according to your follow-up to the emerging economies	2.68	1.10	Neutral
Total	2.77	0.85	

Source: Authors

In general, it was found that the arithmetic mean of all executive procedures came at a (neutral) degree, where the arithmetic mean was (2.77) and with a neutral degree.

The fifth question: What is the extent of approval of the economic policies adopted to enable the investment climate?

To answer the fifth question related to the tired economic policies to enable the investment climate, the arithmetic mean, standard deviation and the degree of approval for each of the paragraphs and for the total score were extracted after calculating the frequencies and percentages, and the results were as follows:

Table 12 Foresight statement for economic policy to enable the investment climate

Item	Arithmetic mean	Standard deviation	Degree of agreement
The absence of a neutral regulatory body for the investment and business environments causes weakness and conflict in the implementation of many economic regulations between the regulatory and executive bodies concerned with investment.	4.39	0.88	Strongly agree
It is important to have an independent neutral regulatory body, which aims to organize, develop, follow-up and activate the decentralized roles of economic diversification programs (the governorate / state / village, neighborhood), and measure the follow-up processes according to what has been approved or approved by the supreme economic sovereignty of the investment and business environments	4.35	0.98	Strongly agree
It has become necessary to create a dynamic drive that adopts procedural processes that contribute to increasing economic activity, settlement and sustainability, taking into account the economic diversification programs in the schemes (the governorate / state / village, neighborhood), provided that this is considered as the investment decision of the “Invest Easy” system so that this contributes to supporting the national priorities of Oman 2040 vision (economic diversification and financial sustainability, the labor and employment market, the private sector, investment and international cooperation)	4.33	0.98	Strongly agree
I think it is time to launch the automatic approval of requests received through the “Invest Easy” system and work with them under the legal framework of the “Investment Action Document - Oman Vision 2040”, which aims to reduce office / electronic bureaucracy, especially with regard to the investment and business environments, which suffered from the applications of company registration and requests for licensing economic activities and licensing work, which may be caused by a lack of awareness of the human staff, intentionally or unintentionally, which led to the slow pace of achievement and the misalignment of the directions of economic policy The goal is to improve and enable the investment climate	4.51	0.72	Strongly agree
I believe that the dynamic drive will have a developmental role through the independent regulator as a unified reference in facilitating and simplifying the procedures and addressing the office and electronic bureaucracy practiced by some of the specialized employees when carrying out verification procedures in the application for transactions received by the regulatory and executive authorities in the investment and business environments, according to the powers granted to them in the system of Invest Easy	4.21	0.76	Strongly agree
	4.36	0.76	

<p>It is appropriate for the "Investment Action Document - Oman Vision 2040" to be a contribution to advancing the investment decision and regulating the relationship between the independent regulator and the investor, provided that this is done within 5 working days to match the requirements and attachments submitted with any request received through the system. "Invest Easy", provided that it is subsequently verified by specialized employees in the investment and business environments, and in the case abuse of the conditions regulated by the document, a violation of the license will be signed with financial penalty, which reflects this trend to obtain quality performance indicators for employees in the environment Investment and business and the increase of growth and economic activity to be confined between institutional performance and the seriousness of investors</p>			<p>Strongly agree</p>
<p>From your personal and public perspective and your understanding of the term development and sustainability, your observation of the emergence of some phenomena in economic behavior that are practiced by some investors in the business environment, especially including commercial cover-up and disguised trade, do you think that the dynamic drive will have a positive role through working with automatic approvals and follow-up and monitoring of field reality addressing such behaviors and development support contribute to the national priority of Oman 2040's vision of (developing governorates and sustainable cities).</p>	<p>4.31</p>	<p>0.80</p>	<p>Strongly agree</p>
<p>The fact that the Ministry of Finance, as a representative of the financial policy, and through its announced program "Tasira" concerned with determining work permit fees for the non-Omani workforce, is a corrective step forward, especially its contribution to the growth and increase of economic activity and improving the investment and business environment www.mof.gov.om, but to follow you Of the field reality and its blatant simulation, represented in the repetition of economic activities in many schemes with a small population density - except for schemes with specialized uses -, do you agree that the program should work through the dynamic engine and also specify the fees for commercial records and licenses for economic activities according to the system (-,=,+). This is a financial decision whose role is represented in the event that the fiscal policy, whether public or private, is directed to reduce or increase financial fees and when also exposed to any economic crises and economic downturn</p>	<p>4.27</p>	<p>0.76</p>	<p>Strongly agree</p>
<p>I see that the dynamic engine will be important in studying the economic reality of the governorate / state / village, neighborhood, by inferring the databases of economic licenses restricted to the "Invest Easy" system and granting them powers in this framework, in support of the national urban development strategy and in pursuit of what it focused Accordingly, His Majesty Sultan Haitham bin Tariq, may God protect him, met with the governors to work towards a decentralization system to give them complementary economic roles with the regulatory and executive bodies of the two investment and business environments.</p>	<p>4.37</p>	<p>0.67</p>	<p>Strongly agree</p>
	<p>4.32</p>	<p>0.82</p>	<p>Strongly agree</p>

I see that the role of a dynamic engine will serve your investment ambitions and achieve a competitive environment that enhances the labor market by increasing the growth of diversified and purposeful economic activity.			
Total	4.34	0.64	Strongly agree

Source: Authors

Table No. 12 indicates that all the forseeing economic policies to enable the investment climate are considered important and serve the investment climate, as the arithmetic average of all items of the axis reached (4.34) (total score out of 5) and a very large degree of approval.

The Omani economy has achieved an increase in the degree of diversification of the gross domestic product (GDP) assessed by a decreasing Hiervendall coefficient from (0.23258) to (0.19740) during the years from 2010 to 2019. The reality of the investment and business environments indicates the absence of a real investment balance between the service and sectoral investment tracks, and the imbalance in the distribution of investment activities to the various productive sectors.

The result of the Hirvendahl coefficient for the non-oil sectors (agriculture, industry, services) amounted to (0.362569) in 2010, and amounted to (0.217729) in 2019. The degree of diversification of economic institutions and establishments amounted to (0.393988) in 2010 and reached (0.192650) in 2019. The degree of labor force diversification was (0.376543) in 2010, and reached (0.180069) in 2019. The convergence between the degree of diversification of non-oil productive sectors, the degree of diversification in each of the economic institutions and establishments, and the degree of diversification in the labor force, indicates a correlation between the three variables. The outputs represented by the growth of the non-oil productive sectors are a reflection of the inputs represented by the number of economic institutions and establishments and the number of workers in the non-oil productive sectors.

The convergence between the ratios of the number of economic establishments in the non-oil productive sectors, and the proportions and numbers of workers in these sectors. The proportions of the contribution of these sectors to the non-oil GDP reflects the impact of the number of establishments and the number of workers in the various productive sectors on the volume of output of these productive sectors. Thus the increase in the number of establishments and establishments, as well as the increase in the number of workers in a particular sector, is associated with an increase in the volume of the output of that sector and the percentage of its contribution to the non-oil GDP. Moreover, the decrease in the number of institutions and

establishments, as well as the number of employees in a particular sector, is associated with a decrease in the size of the sector and the proportion of its contribution to the non-oil GDP .

The previous results indicate that economic diversification is one of the important topics that top the economic priorities in the Sultanate of Oman, given the great importance that economic diversification plays in enhancing economic stability, increasing growth rates, and reducing dependence on the oil sector as a main source of income, and that despite the many and great efforts that the guardian authorities have worked on Translated to achieve the goal and strategy of economic diversification, but it did not reach the desired level, and this indicates that there is no specific theory on its own capable of maximizing diversification programs.

Hence, it was necessary to focus on other aspects to see the extent to which economic diversification programs can succeed and reach the level of complete or required diversification. Investment is the cornerstone of any development plan, and it is also considered an influencing factor on economic growth. The higher the investment rate, the more development and a higher growth rate can be achieved, and vice versa. Therefore, investment development is considered one of the most important issues of economic growth and development, but when economic diversification is placed alongside raising The rate of economic growth is included in the list of economic goals, so it was necessary to take into account that focusing on raising the rate of investment alone is not sufficient to achieve the two goals together. Ensures growth and diversification together.

The study found, by dealing with the subject of research, that there is a concentration of investments and manpower at high rates in specific sectors and at lower rates in other sectors in an unstudied manner, because the investment trends in the Sultanate are based on criteria related to the size of investment risks in the productive sectors, meaning that the sectors are the most attractive to investors. They are the sectors with the least investment risks and in which the appropriate investment climate is available.

The study suggested working according to the criteria of Tawazun Investment Index as an attempt to maximize the economic diversification programs in the Sultanate of Oman. Criteria related to the size of the risks, so that the economic sectors with the least risks are the most attractive to investors, and this results in the concentration of investments in specific sectors and they are weak in other sectors, which leads to the disparity in the growth of the productive sectors and the percentage of their contribution to the gross domestic product, and thus a low level of economic diversification.

The results related to the extent of investor satisfaction with the regulatory and executive procedures currently used in the investment and business environment showed the following:

- 1) (32%) of the study sample companies are satisfied with the executive measures provided by the economic policy by adopting a policy of improving and simplifying the investment and business environment, while (41.3%) are dissatisfied, while the remaining percentage of (26.7%) are neutral, as the arithmetic mean reached (2.83 overall score out of 5), i.e. this paragraph came with a neutral score.
- 2) (45.4%) of the study sample companies are satisfied with the speed and ease of obtaining approvals for applications - establishment registration / economic licenses - and the length of time that it may take through the “Invest Easy” tracks, and (33.3%) are not satisfied, while the remaining percentage of (21.3%) are neutral. The arithmetic mean was (3.01 overall score out of 5), meaning that this paragraph came with a neutral score.
- 3) (34.7%) of the study sample companies are satisfied with the growth of their economic license, which is practiced in field reality with schemes with specific uses, and their aspiration for the future to achieve their investment goal towards competition and sustainability in the labor market, and the extent to which this is compatible with the facilities and incentives paid by the authorities concerned with economic policies Desiring to increase growth and economic activity, (37.3%) are dissatisfied, while the remaining percentage (28%) are neutral. The arithmetic mean was (2.88, the total score out of 5), meaning that this paragraph came with a neutral score.
- 4) In general, it was found that the arithmetic mean of all executive procedures came with a (neutral) degree, as the arithmetic mean was 2.77, with a neutral degree.

A) The above results are due to several different reasons and can be summarized as follows:

1. The uniqueness of some of the organizers of the investment groups in the development of economic programs, and some of them are not convergent, and the failure to take into account the orientations of the general economic policy negatively affected the deterioration of the business environment for a number of types of investments.
2. That some executive authorities take unilateral measures with regard to licensing economic activities by increasing fees for some services and licenses has negatively affected a number of economic activities.
3. Increasing fees by some administrative agencies on some services related to investment categories led to the loss of many fees due to lack of transparency and clarity.

4. Increasing the fees of some executive authorities related to licensing economic activities without the presence of proactive indicators and the failure to measure economic activity (X) in the scheme (X) negatively affected the growth of other economic activities as they are unconsidered and balanced decisions.
5. The absence of a balanced treatment of investors and establishments has led to the concentration of many licenses for economic activities (X) in scheme (X) in an exaggerated manner.
6. The different models for licensing economic activities and the incompatibility of the regulatory and executive authorities led to poor quality in obtaining field economic indicators for each governorate (open data).
7. An internal economic migration between schemes to and from many economic activities without achieving development goals is caused by the lack of flexibility for licenses in the business environment.
8. The absence of a classification for some investment categories in the main database of the Secretariat of the Commercial Register (open data).
9. Sustainability of many commercial enterprises in the phenomenon of formal employment, especially those operating in the most developed and demanding economic activities that provide job opportunities for low qualifications that do not create a kind of investment and entrepreneurial culture.
10. The lack of a real investment balance between the service investment track and the productive sectors undermines the economic diversification programs between investment fields and some urban plans.

B) The results related to the extent of approval of the proposed economic policies according to the criteria of the investment balance index to enable the investment climate showed the following:

1. (93.3%) of the respondents believe that the lack of a neutral regulatory body for the investment and business environments causes weakness and conflict in the implementation of many economic regulations between the regulatory and executive bodies concerned with investment. The arithmetic average for this paragraph was 4.39, with a very high degree of approval.
2. (89.3%) of the respondents believe that there is great importance for the existence of an independent and impartial regulatory body that aims to organize, develop, monitor and activate the decentralized roles of economic diversification

programs (province / state / village). , and the neighborhood), and measure follow-up operations according to what has been adopted or approved by the economic sovereignty. The arithmetic mean for this paragraph was 4.35 (sum of points out of 5), with a very high degree of agreement.

3. The arithmetic mean of the third paragraph, which states: "It has become necessary to develop a dynamic engine that adopts procedural processes that contribute to increasing economic activity, settlement and sustainability, in which the economic diversification programs are taken into account in the plans (province / state / village, neighborhood), provided that this is considered an investment decision For the "Invest Easy" system, as this contributes to supporting the national priorities of Oman's Vision 2040, which are represented in (economic diversification and financial sustainability, the labor market and employment, the private sector, investment and international cooperation)" 4.33 (total score out of 5) and the approval rate for this paragraph is 86.7 % and a very high degree of approval .

4. In general, it was found that all the forward-looking economic policies to enable the investment climate are considered important and serve the investment climate, as the arithmetic mean for all items of the axis was 4.34 (total score out of 5), with a very high degree of approval.

The above results are due to several different reasons and can be summarized as follows:

1. 1) The forward-looking economic policies, which are implemented according The Investment Balance Index for the proposed , give an organizational and contributing role at the same time to redrawing the economic policies of the oversight bodies for the establishments registered under the Commercial Registration Authority Secretariat, and under any oversight body determined by the government, which requires the establishment of an independent administrative body.

2. The proposed indicator has an effective role in the ease and speed of obtaining approvals for licensing economic activities by establishing and defining complementary institutional roles between the administrative bodies of the productive sectors and the tools concerned with achieving sustainable development goals (decentralization in investment decision-making).

3. The proposed indicator has an effective role in the ease and speed of obtaining approvals for licensing economic activities by establishing and defining complementary institutional roles between the administrative bodies of the productive sectors and the

tools concerned with achieving sustainable development goals (decentralization in investment decision-making).

4. The proposed indicator adopts more flexible methodologies and procedures and may limit or slow economic growth in any sector far from implementing the current series of usual procedures for taking any administrative, financial and legal decisions, as these methodologies and procedures give institutions and investors stability and sustainability.

5. The proposed indicator adopts innovative balanced economic programs to achieve service investment paths and investment diversification programs, taking into account the revitalization of local markets and achieving the aspirations and requirements of living life, what is known as (the investment map).

6. The proposed indicator dynamically contributes to the economic adjustment to any developments or crises that may cause direct or side effects on economic growth, as its conclusions are based on standards of field reality indicators that are determined according to the type, category and nature of investment.

7. The proposed indicator supports the authorities concerned with the self-employment system based on job localization paths, which comes within the framework of granting licenses for some professions for one category only or reducing them, in addition to many jobs related to sustainable economic licenses, in a manner consistent with education outcomes, and this can be specified upon request. Licenses for economic activities.

8. The proposed indicator contributes to providing job opportunities for owners of small and medium enterprises, specifying that these economic activities would build a future business culture that creates investment balance with the rest of the investment categories, provided that this is done through developing mechanisms to facilitate and simplify procedures in the business and investment environment.

9. The proposed indicator contributes to building and transferring the investment culture in a balanced manner among the investment groups once it is implemented within the economic policy and the Invest Easy system.

10. The proposed indicator contributes to addressing many practices of economic behavior, especially the phenomenon of commercial concealment and secret trade that may be carried out by some investors or owners of establishments.

11. The proposed indicator contributes to establishing and building a database that includes data of commercial and industrial plans, in terms of the area approved for shops and real estate by the concerned authorities.
12. The proposed indicator contributes to the development of a balanced urban movement in the governorates, through the development priorities that are determined by the extrapolation of the guideline, which aims to diversify the service economy and productive sectors to operate plans according to the type and nature of investment activities.
13. The proposed indicator supports the selection of direct investment opportunities that come within the industrial strategy emanating from the desire of investors and businessmen available through the Invest in Oman platform.
14. The proposed indicator supports the efforts of economic policy in establishing a council known as the “Economic and Investment Foresight Council” and the possibility of defining its functions and terms of reference for forward-looking policies for business and investment environments on the basis of the outputs Of the investment balance index for a specific activity and sector, far from any predictions that may be almost unconsidered.

CONCLUSION

The study aimed to identify the reality of the Omani economy and provide a comprehensive view of the level of economic diversification, and put forward the Tawazun Investment Index as an attempt to ensure balance in the growth of non-oil productive sectors, through the work of the index in organizing investment, managing and directing licenses and investment projects and those working in them effectively to serve the success of diversification programs economy and bring them to the equivalent or required level. The study relied on the descriptive and analytical method to clarify the nature of the relationship between the variables of the study, and the statistical method was used through the preparation of a questionnaire designed specifically to clarify the importance of the presence of the Tawazun Investment Index, and the extent of satisfaction of investor segments to work according to the criteria of the specified indicator in an attempt to address the problems related to the investment environment. The study concluded that the Omani economy has achieved an increase in the degree of diversification of the gross domestic product, evaluated by a decrease in the Herffendal coefficient from (0.23258) in 2010 AD to (0.19740) in 2019 AD, and that the reality

of the investment and business environments in the Sultanate indicates the absence of a real investment balance between the service and sectoral investment paths. And the imbalance in the distribution of investment activities on the different productive sectors, as the result of the Herfindal coefficient for the non-oil sectors (agriculture, industry, services) reached (0.362569) in 2010 AD, and decreased to (0.217729) in 2019 AD, and that the degree of diversification of economic institutions and establishments amounted to (0.393988) In 2010 AD, it decreased to (0.192650) in 2019 AD, and the degree of diversification of the work force reached (0.376543) in 2010 AD, and it decreased to (0.180069) in 2019 AD.

The convergence and degree of change between the degree of diversification of the non-oil productive sectors, the degree of diversification in each of the economic institutions and establishments, and the degree of diversification in the labor force indicate a correlation between the three variables, meaning that the outputs represented in the growth of the non-oil productive sectors are a reflection of the inputs represented in The number of each of the economic establishments and establishments and the number of workers in the non-oil productive sectors, and this reflects the effect of the number of establishments and the number of workers in the different productive sectors on the volume of output for these productive sectors, i. The output of that sector and the percentage of its contribution to the non-oil GDP, and that the decrease in the number of institutions and establishments, as well as the number of workers in a particular sector, is associated with a decrease in the size of the sector and the percentage of its contribution to the non-oil GDP.

The results of the statistical analysis were generally compatible, as it was found that the arithmetic mean of all executive procedures came with a (neutral) degree, as the arithmetic mean was 2.77 with a neutral degree. It is considered important and serves the investment climate, as the arithmetic average of all the paragraphs of the axis was 4.34 (total score out of 5) and a very high degree of agreement.

The study recommended taking more policies that maximize economic diversification programs, which is represented in taking into account the achievement of the goal of economic diversification as well as achieving the goal of economic growth when developing economic legislation and investment stimulus policies in the Sultanate of Oman, adopting digital means, raising the levels of digital transformation and introducing modern technology in a balanced manner in all sectors. The various productive sectors, and achieving a balance in each of the investment activities and the number of workers in the non-oil productive sectors, in order to ensure reducing the disparity in the growth of these sectors, given that the outputs represented

in the growth of the non-oil productive sectors and the percentage of their contribution to the GDP are a reflection of the inputs represented in the size of Investment and the number of workers in those sectors.

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