The Impact of Financing Type of the Construction Companies in Managing of Projects Under Implementation (In Iraq)

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Abstract The financing of the construction company plays an important role in determining the efficiency and value of the contracts enters by the company, determining the level of performance of the company, and controls how to maintain the leveling of the financial management of projects correctly.

This research aims to study the reality of the construction companies, their financing (self or public) and its role for the work progress, the level of performance, the number of projects under implementation. A comparison made between Public and self-financing, based on a questionnaire of field information prepared for this purpose and collected from the professionals in those companies. The paper discussed the factors that lead to support the financing by privatization of companies in the construction sector.

The research found that the weakness of financing reflected negatively on the performance of construction companies in general and self-financing companies in particular. Progress work may not be achieved or actually stop in conditions of economic and financial crises, and its poor impact on the performance of workers in these companies will be due to lack or failure of financial funding. The research proposed a privatization of construction companies in order to sustain the work and success.

1- Introduction

The financing of the construction company plays an important and significant role of the production process in all its aspects. On the one hand; it affects in the contracts concluding by the construction company. The financing will be based on the size, nature and complexity of the projects that being implemented by company, also effects on some of skilled and unskilled labor. Successful financial management that be supported by a strong budget, reduces the fiscal deficit resulting from a decrease in the financial (cash) flow during the project life cycle.

Financial financing also affects the number of modern or useful equipment in the production process, based on their quality and origin. Mostly in construction projects the financing consists of financial advances provided by the employer/owner of work to the contractors/construction companies.

It is common that there are several public companies in the construction sector in Iraq in different ministries have the self-financing, and there are companies have the public (central) financing. This funding has a clear impact on the budget owned by the company.

The self-financing process requires the management of the company to think and work seriously in obtaining multiple construction contracts at the same time in order to maintain the existence and continuity of the company’s projects, as well as to maintain (working teams - professional, specialists and efficiently) and provide them the salaries as well as benefits. However, in another side; there is a trend to the privatization for these companies, or some of construction companies. The privatization
has become a method followed by different developed countries and needs to be consistent with the change in the construction sector globally. Will this path (the privatization) be compatible with the current Iraqi work environment?

2- The hypothesis of Research

This research is based on the following hypotheses:

i. The laws and legislations issued in the eighties and nineties of the last century to establish the construction companies are still in force and are currently working, although some paragraphs of these laws have a role in the success of these companies, but the changes of many practical circumstances require to review of these laws and legislations and update and change them in suitable for the current Iraqi work environment and variables occurring locally or internationally.

ii. According to the laws and legislations issued at the time, several companies subjected to public (central) financing and others are subjected to self-financing. There are differences in their performance of the construction sector.

iii. Is there possibility of changing from self-public (central) financing to investment or privatization? With the trend that calls for radical and necessary changes in the construction market to privatizing some of them.

iv. The research problem is that; the study of financing is an economic, financial and accounting, and it is difficult to delve deeply into these subjects in all its aspects, because the research is limited by the engineering direction and the impact of financing on the production process in the construction company.

3- The research objective:

The research aims to identify the impact of financing on the performance of the construction companies.

4- Methodology of research

A following methodology was adopted:

a- Reviewing the literature and studies that deal with the financing / budget and the impact of them for supporting the production process in the construction sector.

b- The practical side represents the collection of data and information on the subject of the research as follows:

b-1 Meeting with experts, engineers and professionals who work in construction companies and discuss the issue of financing for construction companies to prepare the primary a questionnaire for the research.

b-2 Preparing the questionnaire form and amend that form to reach the proposed model, which was distributed to some companies of the construction sector and took into account the simplicity in the preparation of questions to enable responds to understand the questions and the quick answer.

5- Financial budget

5-1 Create a budget: Most companies develop financial forecasting methods and are based on the inevitable estimation of the financial performance of the project. To do so, some basic assumptions are taken into account, such as: timeframe (financial projections covering the project implementation period plus three years after project completion), capital expenditure and financing costs (including any current capital requirements during the reference period), revenues related to the project, expenditures and the structure of capital.

5-2 The definition of the budget: Project Budget is the total amount of funds allocated to complete the project's specific purpose for a specified period of time. The objective of budget management is to control project costs within the approved budget and to achieve the expected project goals. The budget also refers to the financial position contains three main sections: Assets (property, products, buildings, lands and funds of others such as customer debts), obligations (future loans and money to be paid to suppliers for purchases made by installments or the delayed of salaries to the employees), and finally; shareholders equity or the property of company (including the capital they previously paid or any retained profits).

Therefore, the budget includes: the total amount available to implement the project throughout the full project lifecycle. It is a combination of the estimated cost of the project, as well as VAT allowances, land costs, professional fees, inflation, currency fluctuation risks, special costs of the
assets for the owner, etc. Adequate amounts must be included for each of the sudden changes and minor changes, which arise permanently. In order to properly manage the budget [5], the costing process, which is the predictive process used to determine the cost and pricing of the resources required by the project, will be better managed budgets and projects that do not exceed the time and cost range during project implementation.

In this scope, project cost management [6] includes the completion of the project within the budget, as well as the preparation of the budget accurately and economically according to the requirements of the owner. Therefore, issues such as staff and equipment should be considered according to distribution and customization, and project schedule. In addition; the project parties wish to develop a cost-effective plan, which allows continuous cost improvement in their project schedules

6- Financing

6-1 Definition of Financing: In general, financing is defined as [7] the process of creating, distributing and using available cash allocations to ensure the continuation of the process of reproduction at the level both of the national economy and the enterprise, whether this enterprise is productive or service. In other words, the term "financing", refer as ensuring the necessary funding from various sources in the form of cash values or in-kind values, and use in the formation and maintenance of physical assets. The definition of financing in its broad sense includes all financial transactions. This use of financing will result different changes in the composition of physical assets and property relationships.

6-2 Companies (Enterprises) Financing: Financing decisions are very important for all companies [8]. Regardless of the industry to which the companies belong. For construction companies that identify a source of funding, the decision and nature of the funding is an important part of the manager's responsibility. As these companies establish and adopt the projects that require advanced equipment, it is necessary to identify sources of financing that could be instrumental in obtaining such equipment. Managers of these companies should consider the sources of available financing and their relative costs as well as the financial risks that may result.

6-3 Problem of financing: The problem of financing [9] is one of the main obstacles to the development of the enterprise / corporate in the start-up and expansion phase. The institution's reliance on its owning funds as an internal financing source, and it is often insufficient to cover its various needs through its stages of activities.

6-4 Types of financing: Companies make many decisions [10]. The decisions and strategies taken by companies to make a financial impact on the business are corporate the financing decisions. The expansion and growth of companies depends on their ability to determine their financial needs and make decisions about the best option available for financing and to achieve the right capital investment to maximize profits. Therefore, one of the most important financial decisions facing companies, especially the small and medium enterprises, is to choose between debt and equity investments. Capital resources can be classified into internal and external financing. [11] Internal financing is intended for retained earnings. External financing includes all amounts of two types of the financial property, and long-term borrowing funds. It can also be classified as ownership and borrowing. Figure (1) shows the types and composition of sources Finance in general.

The selection of appropriate financing tools [12] depends on the size of the project, the quantity and sustainable of its cash flows, risks, insurances structure and the creditworthiness of the participants, as well as the organizational and legal framework that outlines the processing and suppling guidelines. The risks of foreign financing [13] are when projects are financed debt is obtained mostly from foreign lenders by foreign currencies, whereas project income is generally in local currency. The cost of foreign debt can often increase very dramatically, as the exchange rate varies between the currency of the revenue and the debt currency (funding). Project financing lenders are generally not willing to wait long time (with average periods of about 10 years).

In order to percept the relationship between the suppling or furnishing systems of the project and its financing, [14] it is necessary to know and review the various procedures for the supply or furnishing
that involve the participation of the private sector. There are a range of options for private sector involvement that vary by ownership, operations, maintenance, funding, risk allocation and duration.

![Financial Structure Diagram]

**Figure 1. Available Sources of Financing to the Organization [15]**

7- Construction Companies in Iraq

7-1 Establishment of Contracting Companies Ministry of Housing and Construction:
Several laws and regulations have been issued to establish construction companies and corporations of the Ministry of Construction and Housing (for example). These laws and legislations are still in effect today. Law No. 22 of 1997 is still in effect and is being implemented in the Ministry of Construction and Housing. As well as the Law No. 66 of 1987 [16] which was launched under the name of (the law of construction companies), which contained the clarification for establishing the objectives of the contracting companies.

7-2 The Self and Public (Central) Financing: Self-financing [17] means funds generated from current operations of the company or from contingent sources without recourse to external sources, this funding enables the enterprise to cover the financial requirements for debt repayment, investment and the work capital increase. Also means the self-money from typical source is paid either from issuance premiums related to shareholders' shares during the issue of shares by the corporation, which may be sold at a value greater than their nominal value or through internal financial resources resulting from the partial or total investment of realized profits. In other word the corporation with self-financing has previously mostly the independent entity which has also independent financial accounting. While the central financed corporations are centrally funded, supervise and consult and the salaries of their employees are paid from the Ministry of Finance.

8- Privatization of state-owned enterprises
The process of transferring public assets and service works from the public sector to the private sector, and thus represents activities which involve the sale of state-owned corporations to the private sector. [18]

Negative attitudes towards this process can be attributed to the problems that have emerged in many developing countries. In fact, societies have not benefited from privatization programs to the extent
desired. These programs have redistributed wealth to a number of privatized corporations, while these corporations, Industries, were leaved by workers and those became without jobs, the level of living felled steeply, markets shrank [19]

9- The practical section

The financial crises passed in Iraq in few years ago, which reflected their impact by stopping or suspending of projects due to lack of funding, which caused a clear delay in the completion of projects in Iraq, those projects that were entrusted to construction companies. The financial crisis impact was clear in corporations of self-financing more than corporations of central financing.

To verify the impact / lack of financing in the work of construction companies and to verify the hypotheses mentioned previously, some procedures have been taken to determine the validity of these provisions or not:

9-1 A preliminary questionnaire: for this research has been prepared based on the issue of financing and its support to the company's budget, in addition to the practical experience of the researcher.

9-2 Direct meetings: were held with experts and professionals employed in construction companies. The discussion focused on financing (self and central) and the importance of financing for supporting the production process.

The other meetings with the engineers working as administrators in the departments of corporations / companies and engineers working in the sites each according to specialization and location, as well as that the meetings included with administrators and accountants the part of research dealing with management and accounting.

9-3 The final form of questionnaire was prepared. Questions in consideration should be clear for discussing the financing and its impact on the production process. The questions confined to the engineering aspects. The aim was to be short and avoid random answers or become boring to the respondents.

9-3-1 Distribution of Questionnaires: The distribution was by paper form and electronic. Discussion the answers received with the respondent in both cases (as possible) via e-mail and social media. Table (1) shows the statistics of the distribution. The table included all the forms distributed, including the forms distributed through electronic channels.

| Total number distributed | Total number received | The acceptance number | Uncompleted number | Rejected number | Corporations self-financing | Corporations central financing |
|--------------------------|-----------------------|-----------------------|-------------------|----------------|-----------------------------|-----------------------------|
| 110                      | 91                    | 61                    | 12                | 18             | 6                           | 5                           |

9-3-2 Respondents and their companies / corporations to whom they are affiliated are as follows:

a-Ministry of construction and Housing and Municipalities and Public Works: some of them related to self-financing and the others are related to central (public) financing.

b-In addition to the involvement of some ministries and other directorates in the process of distributing the questionnaire (self and central financing)

9-3-3 Analysis the answers of the questions in the questionnaire: It should be noted that the questionnaire were distributed to the formations above in a non-selective manner (ie, the sample was random). Request from them the desired answer from different employees working in these formations including the non-engineering specialties, as the research has engineering, administrative and accounting aspects. When the questionnaires were received, sorted, rejected the incomplete forms and unacceptable one. Then the valid questionnaires were numbered to be analyzed statistically, taking into account the answers given from each respondent and the relevant information provided.
9-3-3-1 General Information: This section consists of personal information of respondent

a- The scientific level of respondents: the most percent ratio was Bachelors as shown in table (2)

| Scientific Level     | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------------|-----------|---------|---------------|--------------------|
| Valid                | 2         | 2.6     | 3.3           | 3.3                |
| Technical Diploma    | 53        | 67.9    | 86.9          | 90.2               |
| Bachelors            | 1         | 1.3     | 1.6           | 91.8               |
| Higher Diploma       | 3         | 3.8     | 4.9           | 96.7               |
| Master               | 2         | 2.6     | 3.3           | 100.0              |
| Total                | 61        | 78.2    | 100.0         |                    |

b- The Scientific specialization of respondents: the most percent ratio was in engineering as shown in table (3)

| Scientific Specialization | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------------------|-----------|---------|---------------|--------------------|
| Valid                     | 43        | 55.1    | 70.5          | 70.5               |
| Engineering               | 4         | 5.1     | 6.6           | 77.0               |
| Administration            | 2         | 2.6     | 3.3           | 80.3               |
| Economy                   | 2         | 2.6     | 3.3           | 83.6               |
| Statistician              | 6         | 7.7     | 9.8           | 93.4               |
| Accountant                | 1         | 1.3     | 1.6           | 95.1               |
| Law                       | 1         | 1.3     | 1.6           | 96.7               |
| Science of Computer Systems| 1       | 1.3     | 1.6           | 98.4               |
| Sciences of Banking and Financial | 1 | 1.3 | 1.6 | 100.0 |
| Affairs and procurement   | 1         | 1.3     | 1.6           |                    |
| Total                     | 61        | 78.2    | 100.0         |                    |

c- The practical experience: The duration of experience will adds to respondent a perspective of the importance of financing to the company/corporation in which he works. The answer indicated that 80% of those have more than 10 years of experience. Figure 2 illustrates the percentages of years of practical experience.
Figure 2. Years of Practical Experience

d- Field of work: Figure (3) shows the various practical areas of respondents and was the largest proportion of those working in the field of supervision and implementation.

Figure 3. Different of respondents' job

9-3-3-2 The financing and its nature of the corporation:
a- The nature of financing: it is interesting of the financing nature followed by company and focus was on self-financing. The percentage of respondents in the self-financing formations was more than 68% as shown in table (4).

Table 4. Type of Financing

| Type of Financing | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Valid             |           |         |               |                    |
| Self-Financing    | 47        | 60.3    | 77.0          | 77.0               |
| Central           | 14        | 17.9    | 23.0          | 100.0              |
b- The success of self and central financing with good management: Successful management is the cornerstone of project success. Poor management may create administrative and financial failure, the meetings with experts, engineers, and others have indicated the results of mismanagement. See table (5).

Table 5. Success self-financing and central financing together in good management

| Financing         | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Total             | 61        | 78.2    | 100.0         |                    |

| Valid | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------|---------|---------------|--------------------|
| Yes   | 55        | 70.5    | 90.2          | 90.2               |
| No    | 6         | 7.7     | 9.8           | 100.0              |
| Total | 61        | 78.2    | 100.0         |                    |

c- The level of impact of the financing on the work advancing: Financing has a multi-faceted impact on project advancement or failing it. The answer was that its level of strong effective with rate more than 70% according to Figure (4)

Figure 4. Level of effective of financing on work

The analysis of Chi-Square in Table (6) to determine the relationship between the hypothesis that there is a relationship between the level of the effect of financing for supporting the work as a dependent variable with the nature of the work being carried out by the respondent as independent variable. The null hypothesis is that there is no relationship between them, and the alternative hypothesis is that there is a relationship between them. The value of Chi- = 52.708 with degree of freedom = 27 at a significance level (0.05), which is greater than the table value = 40.113. Therefore, it is rejected the null hypothesis and the alternative hypothesis is correct and that there is a relationship between the level of the effect of financing for supporting the work and the nature of work or practical experience practiced by the respondent and this practical experience add to the respondent, this result confirm the importance of practical experience for evaluating the financing.
Table 6. Relationship between the financing and type of work

| Chi-Square Tests                  | Value     | df | Asymp. Sig. (2-sided) |
|----------------------------------|-----------|----|-----------------------|
| Pearson Chi-Square               | 52.708    | 27 | .002                  |
| Likelihood Ratio                 | 26.342    | 27 | .500                  |
| Linear-by-Linear Association     | 6.438     | 1  | .011                  |
| N of Valid Cases                 | 61        |    |                       |

a. 36 cells (90.0%) have expected count less than 5. The minimum expected count is .02.

*The impact of financing on contracting with project owner:* Figure 11 indicated that financing has a strong effective with level of 49.2% on the process of contracting with the client. Obviously, financing and its nature gives force in various areas to implement the project, including the contracting phase and makes it safe in terms of the availability of liquidity.

![Figure 5. The impact of financing on contracting with project owner](image)

**9-3-3-3 The impact of financing of the corporation for implementing the projects:**

*a* As shown in Table (7). The higher percentage has emerged in the fact that financing has a significant impact for determining the duration and completion of the project. This is apparent now in Iraq the discontinuing of some projects because of the lack of financing. This has been reflected in exceeding the time limit for completion of projects, as well as the financing has a significant impact on the cost of the project in the second degree. There is an affected the interest of the respondents was the nature of the project to be implemented, its complexity and the special nature of the project.

Table 7. Impact of financing on contracting requirements

| Vocabulary of Contracting Requirements regarding to impact of financing: | Degree |
|------------------------------------------------------------------------|--------|
| a) The nature of the contracted work shall be at an uncomplicated level and with the possibilities available only to the Company. | 19.45 % |
| b) The nature of the contracted work shall be at a complex level and of a special nature. | 19.48 % |
c) There is a need to determine the duration of the project to be implemented and to follow up continuously.

| Impact of Financing | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------------|-----------|---------|---------------|--------------------|
| Strong effective    | 18        | 29.5    | 29.5          | 29.5               |
| Effective           | 29        | 47.5    | 47.5          | 77.0               |
| Medium effective    | 9         | 14.8    | 14.8          | 91.8               |
| Poor effective      | 5         | 8.2     | 8.2           | 100.0              |
| Total               | 61        | 100.0   | 100.0         |                    |

d) The impact of financing is evident by the interest in the estimated cost of implementing the project.

e) The company can contract all works without affecting the project specifications.

b- Level of impact the financing on numbers of projects under implementation: The results of the questionnaire showed the effect of financing on this and in a cumulative percentage (at a strong effective and effective rate of 77.0%). Table 4 shows the levels of the effect of financing on the volume of work.

| Impact of Financing | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------------|-----------|---------|---------------|--------------------|
| Strong effective    | 20        | 32.8    | 32.8          | 32.8               |
| Effective           | 29        | 47.5    | 47.5          | 80.3               |
| Medium effective    | 9         | 14.8    | 14.8          | 95.1               |
| Poor effective      | 3         | 4.9     | 4.9           | 100.0              |

to verify the relationship between the impact of financing on contracting with the project owner (as previously) and its impact on the number of projects under implementation. The null hypothesis is based on the absence of such a relationship and the alternative hypothesis on existing of relation between them. Table (9) shows that the value of Chi square = 28.375, the degree of freedom = 12 and a significant level of 0.05, this value is greater than the table value = 21.026; so the alternative hypothesis is accepted.

| Impact of Financing | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------------|-----------|---------|---------------|--------------------|
| Strong effective    | 20        | 32.8    | 32.8          | 32.8               |
| Effective           | 29        | 47.5    | 47.5          | 80.3               |
| Medium effective    | 9         | 14.8    | 14.8          | 95.1               |
| Poor effective      | 3         | 4.9     | 4.9           | 100.0              |

c- Impact of financing on numbers of equipment / plant owned by corporation.
d- Impact of financing on human resources employed in corporation; table (11) shows the cumulative percent of the strong effective and effective more than 75.4%

Table 11. Impact of financing on the total number of human resources employed by the company.

| Valid | Strong effective | 23 | 37.7 | 37.7 | 37.7 |
|-------|------------------|----|------|------|------|
|       | Effective        | 23 | 37.7 | 37.7 | 75.4 |
|       | Medium effective | 9  | 14.8 | 14.8 | 90.2 |
|       | Poor effective   | 4  | 6.6  | 6.6  | 96.7 |
|       | Do not effective never | 2 | 3.3 | 3.3 | 100.0 |
| Total |                  | 61 | 100.0| 100.0|      |

- The diminution or failure of financing in the components of the production process: This process will yield one or more of following to bad results of project these mentioned in table (12). The delay of providing the material is the first detriment will happen according to respondents’ opinion.

Table 12. The Results of decreasing or absence of financing the company / corporation

| Item | Results of decreasing or absence of financing | Degree     |
|------|---------------------------------------------|------------|
| a    | Delay / failure in supporting the budget of the company and providing salaries and bonus of employees in a timely manner | 25.79 %    |
| b    | Delay / failure for supporting the supply of materials to the project, delaying the project duration. | 26.77 %    |
| c    | The productivity section / department in the company is not supplied with modern efficient machineries. | 24.31 %    |
| d    | Lack of sufficient financing may cause failure to maintain and repair the machineries owned by the company. | 23.11 %    |

f- The success of self-financing experience in companies / corporations in the Iraqi environment: table (13) shows the percentage of successful of self-financing in Iraq, this scale was covered the last years.

Table 13. The success of self-financing experience in companies / corporations in the Iraqi environment

| Valid | Not successful | 34 | 55.7 | 55.7 | 55.7 |
|-------|----------------|----|------|------|------|
|       | Medium success | 5  | 8.2  | 8.2  | 63.9 |
|       | Success        | 13 | 21.3 | 21.3 | 85.2 |
|       | Very successful | 9  | 14.8 | 14.8 | 100.0 |
| Total |                | 61 | 100.0| 100.0|      |
9.3.3.4 The reasons behind the failure of the experience of self-financing in the Iraqi work environment: - those reasons can be summarized as follows:

i. The experience of self-financing is subjected to the same central finance legislations and laws, although it is not calculated by the same standard of central financing in the preparation the federal budget.

ii. Self-financing companies now do not have more chance in opportunity of work, therefore no revenue, or the profits are useless.

iii. No payments have received by those companies from different clients because of the financial crisis, which made these companies in a lack of liquidity.

iv. Bureaucracy, administrative and financial failure and poor professional evaluation in some formations, which reflected on overall work performance.

v. Delays in the payments like salaries of employees due to inability to provide liquidity.

vi. Inability to buy modern machinery and select the leasing them in some cases.

vii. The overlap of decisions in the financing method and the lack of a clear vision of them.

viii. Inflation in the number of professional cadres, which are witnessing in some formations despite the lack of need for them.

a- possibility of private sector to support central and self-financing companies (the solution is privatization) see table (14).

Table 14. possibility of supporting the public sector by private sector

| Valid | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------|---------|---------------|--------------------|
| Yes   | 26        | 42.6    | 42.6          | 42.6               |
| No    | 35        | 57.4    | 57.4          | 100.0              |
| Total | 61        | 100.0   | 100.0         |                    |

b- Proposed method / methods in support of the private sector for the public sector: - There are many and many aspects of public sector support by the private sector. Table (15) shows the views of the respondents. The answer was to encourage investment and it may be a solution to the financial problems.

Table 15. Proposed methods for financing the public sector by private sector

| Item | The proposed methods for this financing | Degree |
|------|----------------------------------------|--------|
| a-   | Sale a portion of the assets of the Corporation / Company to the private sector. | 23.77 % |
| b-   | Involving the private sector in operational, administrative and financial of the projects activities according to the contracting formulas concluded between the private and public sectors. | 25.95 % |
| c-   | Borrowing amount of money from financiers in private sector for at a certain or specified rate interest. | 23.82 % |
| d-   | Adopting the investment with the private sector (direct and indirect investment) | 26.44 % |

c- Table (16) shows the Obstacles or impediments to the private sector's ability for financing the public sector: it is necessary to study the obstacles that stand in the way, the respondents are almost equal of presented reasons in as obstacles or impediments, it is noteworthy that the most important reason is the laws and legislation which stand at the forefront of reasons and is perhaps the main reason and direct failure. Many laws / legislations are in turn need to be studied and reconsidered.
Table 16. The obstacles against to the private sector for financing the public sector

| Item | Obstacles or impediments | Degree |
|------|--------------------------|--------|
| a-   | The valid legislations / laws do not give the private sector full freedom to participate with the public sector | 17.65 % |
| b-   | The financial capability of some companies / corporations in private sector is insufficient to participate or support. | 16.37 % |
| c-   | The reliance on contracting with the government sector is prevalent even with self-financing companies and the role of the private sector is minimal in construction. | 16.81 % |
| d-   | The public sector reserves for implementing the projects by contracting with the private sector in Iraqi work environment. | 16.47 % |
| e-   | The private sector has not proved its financing for projects as effectively the Iraqi projects. | 16.50 % |
| f-   | Investment in Iraq is a nascent or a modern experience and cannot be relied upon yet. | 16.17 % |

10- Conclusions
The analytical charts / tables show the answers of respondents in all their scientific and practical specialties are listed as follows:
1- Self-financing or central financing has an important role in supporting the budget of the institution company and is as follows:
1-1 Reinforcing of the production movement and this is reflected of increasing in the turnover of the establishment of projects, especially mega projects or infrastructure projects, so that the motivation of the workers in the provision of technical efforts and professional excellence.
1-2 The financing role plays an important role in providing the company with modern machinery and equipment and increasing its numbers. In contrast, it will have to rely on continuous maintenance and repairs. This may affect the productivity of these machines and equipment over time.
1-3 Financing leads to support the company / corporation, and making it an increase in the number of projects contracted and granted financial freedom, otherwise will have to decrease in contracting / implementing or stop. Therefore, there is a need be a financial source is not affected by financial crises. It was noted that the construction movement is affected immediately by financial crises, locally or international.
2- Self-financing had a significant role in managing the work movement and its results have been shown in executing projects at a high level in terms of achieving quality within the required time. It is therefore necessary to rebuild the self-financing structure so that the company / corporation can have a wider autonomy.
3- Some laws and legislations issued in nineties or eighties in the last century, for establishing of construction companies need to be reviewed and updated to suit the changes taking place in the working environment locally and internationally.
4- Increase the numbers of employees without propitious of the structure of company with lack of financing as well as lack of projects are being implementing, this led to a state of disguised unemployment which is one of the negatives that lead to the lack of production and creating of administrative and functional problems.
5- In some cases, (in decreasing of financing) resorting to layoffs of skilled employees and offset by the lack of use of new unskilled employees whose lack in competence and administrative experience and this is a confused work.
6- For avoiding the lack of financing; the private sector is adopted for constructing the projects and implementation, who presents a bid at prices that are not commensurate with the estimated cost. In contrast the public sector is eliminated which presents the bids at higher prices and this situation led to the suspension of some projects at now.
7- Respondents encouraged the use of investment as an alternative solution in cases of financial crisis and support the project reconstruction rather than the current cessation of some projects.

8- There are other alternatives for financing in case of financial crises. Investment or sale of shares may be one of these methods to obtain funding to support the production process taking into account all factors that encourage or fail the success of this trend.

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