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Ahmadreza Zare
International Economy Department,
Faculty of management and marketing
National Technical University of Ukraine “Igor Sikorsky Kyiv Polytechnic Institute”
Shiraz, Iran

Nataliya Yudina
Laureate of the President of Ukraine Prize for young scientists,
Ph.D. in Economics, Associate professor, orcid: 0000-0002-1730-9341,
Associate professor of the Industrial Marketing Department
National Technical University of Ukraine “Igor Sikorsky Kyiv Polytechnic Institute”,
the founder of the Group of companies «Factory of Decisions «Red Sails»,
Portal Futurolog (http://futurolog.com.ua)
Kyiv, Ukraine

PRIVATIZATION IN IRAN ECONOMY

From different point of view every privatization processes are to increase efficiency of the company by transferring its assets (ownership, property, technology and so on) from the state to the private sector of economic. In Iran privatization plays a big role in government policies, we hear many speeches from presidents of Iran about it but why it didn’t work as well as it should?

In the legislation of Iran privatization is declared as one of priority growth areas. Sure, for making it happen in Iran the two important factors have to exist. Firstly, most private managers are sure to make the most efficiency possible in their section. On the one hand we know that the whole purpose of privatization follows some goals and strategies that a government and companies want to change and make them happen. On the other hand the environment outside of the companies has to be ready for this change and this is the government duties to provide well compatible environment for companies that start private businesses to and with this, help them with more efficiency. Then inside and outside environment can be ready for this new system.

But what is needed in this environment and what the Iranian government has to change or provide is exactly the problem of Iran’s economy. For instance, anti monopoly acts by the government are very popular to talk about in the country. But actually, the corruption schemes, monopoly or oligopoly of some companies are spreading and quite clear in Iran’s economy. So when competitiveness, that is the most important reason for being more efficient, does not exist in the market, there will be a big problem also the level of easiness starting business in Iran is really in a low position in the world.

Branding and advertising of the Iranian companies will be difficult for them in the global market. The continually changing governments and the consequences of continually changing country goals will make it unclear for the Iranian companies which way in privatization they should keep.

The other problem is sanctions (Fig. 1) and the fact that Iran doesn’t have a good communication with the world and the global markets. So providing raw material and import the goods and services will be a really big challenge for companies, also innovative part of all companies will be effected by this problem. It will complicate too much the process of reaching the main goal of privatization that is efficiency. Also one of the factors that the government should prepare for business and make foreign investors and Iranians also be interested to invest in their banking system with low risks and stability of currency. But during some last years currency of Iran never have had the stability. It always has many changes. And it turns into a big risk for investors. Lack of the banking system makes it really hard for companies to provide the materials they want and harder to sell it in the global market and help the government and country.

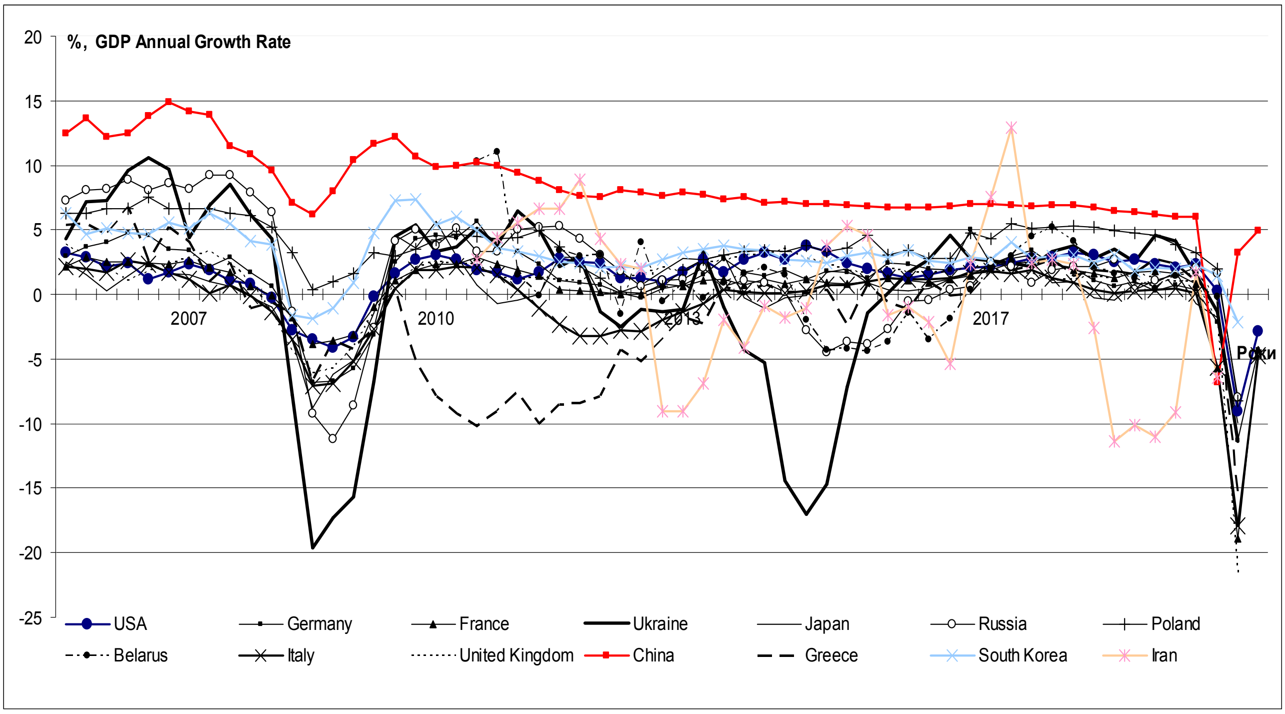

Fig. 1. *Iran's economy compared with other countries [4-6].*

So in contrast to popularity privatization processes in Iran there is a long way of its practical implementation. For example, India went for privatization in the historic reforms budget of 1991, also known as 'New Economic Policy or LPG policy' [1; 2]. Ukraine started its privatization from cooperative societies that were founded on the basis of big government organizations. The first cooperative founders united in small groups prospective likeminded individuals. Step by step assets of the state organizations were concentrated in such the cooperative organizations. This process included different documentations, property, technologies, capital equipments, some workers, intellectual resources and so on. Later these cooperative organizations turned into the first strong private companies in Ukraine. Such the way is now similar in order to the Ukrainian startup development. Many contemporary startups appear in Ukraine on the basis of existing big private companies and state organizations. And actually they have all the opportunities to repeat the Ukrainian privatization process of the 1990s in new manner as re-privatization on the basis of the private and state property.

In contrast to the global events of putting the global economy out of its global synchronization [3], the coronavirus pandemic has set to zero all of them and most of economics of different countries are synchronic again [4]. As we can see on Fig. 1, now Iran's economics is on the similar positions with most other economics of the world. This means that the Iranian economics has the second chance to restart its privatization processes and reach economic goals of it.

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