

The implementation of the article 44 means the boom and development of the country's economy

In regards to the disclosure of the general policies of the article 44 of the Constitution, issued by the supreme leader Mr. Ali Naghi Khamooshi, The ICCIM president, in an interview, elaborated on his ideas regarding the implementation mechanisms of these policies, the forceable problems, and the impact of these policies on the private sector activities and Iran Chamber's programs, which is stated below.

• What is the impact of enforcement of article 44 of the Constitutional Law on the private sector and the whole economy?

By communique of these policies, all legal obstacles which existed in different areas of the economy, arising from the state monopolized economy, will be removed.

I believe, if the means for enforcement of Law are provided, the size of private and non governmental sectors will grow rapidly, and the state tenure will be reduced drastically.

Enforcement of those policies will improve economic development, private sector investment, job creation, inflation rate and will also expand the volume of foreign trade. Then after achieving these goals, establishing social welfare and eliminating poverty will be possible.

• What is the view point of non governmental sector in regard to these policies? Is the private sector prepared to participate in this area?

The ability of private sector for enforcing these policies is firmly related to the availability



of the tools for implementing them. For time being, 90 percent of these tools are in the hands of government, therefore it is capable of expanding the private sector. If the ways and grounds for achieving these goals are considered by government, it may result in the formation of a

powerful private sector.

We must notice, when we speak of ability or disability of private sector, the management methods of private sector is not the matter of discussion. Because, changing managers in our bureaucratic economy, only causes dislocation of them, which means they are considered as state managers at one time and non governmental managers at the other times.

The main issue for attending the private sector in the above mentioned grounds is the financial power of the private sector and non governmental sector.

Unfortunately at one hand, despite the existence of high volume liquidity in our economy, we have not been yet able to absorb these wealth for investment in a correct way.

On the other hand, it is

expected that the private and nongovernmental sectors enjoy investment facilities to the same extent as the public sector. Taking advantage of foreign direct investment is another important factor for nongovernmental sector to participate in the mentioned economic activities.

- **What actions should be taken by public sector for contributing to enforcement of these policies? What are the plans of ICCIM in this regard?**

We must notice that the government is prepared with all kinds of means and tools. I really do not intend to accuse the government, but what was attributed to constitution article 44, was the existence of number of huge industrial and capital intensive monopolies, which the nongovernmental sector had not been allowed to get involved with. Therefore there had not been any chances for NGOs to make huge investments.

After coming into force of sections A and B of the mentioned communique, some of the state monopolies were prevented the new grounds for participation of the private and non governmental sectors in different economic activities.

Since attracting the financial sources and having access to local and foreign bank facilities, by the private sector, is the main challenge in implementing these policies. Therefore it is the task of government to prepare necessary tools to facilitate the

enforcement of the law.

Before communique of the mentioned policies the government had no feeling towards the presence of non-governmental sector in the economic scene. But now it is necessary that the strengthening of non governmental sector be taken into consideration by the government.

After clarifying the new policies of constitution article 44 by the Supreme leader. ICCIM had resumed taking serious measures in regard to, the presence of private sector in the above mentioned economic activities. Among them, formation of strategic committees in ICCIM and the provincial chambers can be mentioned.

These Committees consist of different members who work in different branches, such as investment, legal and industrial activities, they are committed to investigate the problems related to implementation of these policies, in order to show the policy makers, the proper ways of removing encumbrances.

Moreover, we took great measures to establish common joint investment companies, whose shareholders are considered economic activists. The shares of these companies have been presented to the stock exchange market. As a matter of fact, these holding companies are capable of accessing the foreign credits and finance. Thus certainly invigorates the

confidence in investors and provides them with necessary grounds to enjoy local capital market and bank finance.

For the time being, the private sector has aimed to get involved in heavy and large industries, mentioned in section A of constitution article 44, thus other activities in regard to section (j) of the said article are considered less important. Truly, along with removing state monopolies from these industries, we try to strengthen the private sector to make new investments.

Since enforcing section (A) policies are more effective than transferring 80 percent of the state shared, subject to section (j) of article 44, therefore we must exercise section (A) gradually.

- **Considering current state policies, what is the effect of implementing article 44 policies on government activities?**

We should watch the state economic activities from now on. Because article 44 policies will change the economic structure of the country. Now government is in the position to take effective steps towards economic development. I believe government is capable of preparing necessary basis for enforcing the mentioned policies. Of course when we speak about the governments, we are not focused on the president or ministers, but we should note if the middle management actually

believes in making changes or is causing problems. In the latter case, it is obvious that transition from centralized economy to decentralized system will be faced with lots of obstacles, and to abandon current system is not that simple for the government body.

- In addition to the formation of the necessary strategy by the government, what would be the internal challenges and difficulties before private sector for enforcing these policies?

The private sector has no expectations from the government except preparing a proper ground for participation in economic activities. Nongovernmental sectors will do every thing to be present at the scene, within the framework of their duties. We do not expect the government to take responsibility for the private sector tasks, but some work, such as preparation of land, electricity, water supply etc for establishing private industries and removed of obstacles in regard to opening L/Cs, must be done by the government.

The private sector is equipped with the art of financing for participation. The formation of 4 or 5 private banks explains the strengths of the non-governmental sector which has been able to collect more deposit than the state banks. So we are not worried about the ability of the private sector, but there are

some points worth mentioning. When we talk about investment, it does not mean that disguised liquidity is to be injected to the economy. Usually liquidates are collected by banks. These sources of money should be employed by private investors; however Bank Credit System has so far blocked this process. Because it has always argued that the private sector intends to use public sources for investment. We have much suffered during the past years. Private sector was considered as hirudinoid. It was very difficult and time consuming to convince opponents of privatization to find out the fact that act of investment, creates jobs, eliminates unemployment and social corruption. Of course it took almost 27 years for them to understand this fact.

- Some people believe that the suffering companies should be transferred unless they are improved. What is your opinion on this matter?

This is a wrong idea, if the government was capable of securing the suffering companies, certainly it would have been done, thus far. Moreover the mentioned companies will be transferred in a good shape, if the communique prepared the proper grounds for transferring. Certainly the private and non-governmental sectors will have effective cooperation for implementing these policies.

I believe the only way to approach the goals of 20 years perspective development bill and 5 years development plans, is the enforcement of these policies. Also along with this, the price system should follow the competitive market.

For instance, some airline companies that are subject to transfer in spite of receiving subsidies are not profitable. This caused dissatisfaction for people and the companies themselves. Right now we enjoy 120 weekly flights from Iran to Dubai; this is due to the high economic capacity of the country. Why shouldn't we use our full capacity? These companies should be transferred to the private sector and the ticket price should follow the competitive world market. This certainly will improve quality of services and renewal of air transportation means. I can truly say that the private sector is able to do the job well. Although non-governmental sectors were able to invest, but the bureaucratic obstacles did not let them to have vigorous presence in this matter. Also at the same time the government performances in regard to the difficulties and encumbrances relating to the enforcement of these policies should be challenged and criticized by the mass media. This will help the state related organizations to be able to eliminate obstacles and correct their methods of fulfilling these policies.