

Iran's Public-Private Dialogue Council

By

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1. Background and Context

Public-private dialogue is introduced as a new mechanism to identify and resolve problems and constraints faced by the private sector manufacturers and business people. For this reason, Islamic Republic of Iran has identified the same need and so included the article 75 of the Fifth Five-Year Development Plan Law in 2010, as proposed by Iran Chamber of Commerce, Industries, Mines and Agriculture (ICCIMA).

Following the announcement and enforcement of the Fifth Five-Year Development Plan Law, the country's public-private council was established in the beginning of 2011 in ICCIMA. The council ratified a "directive on holding and governing the council's meetings" on 16 May 2011. The council set out efforts to establish dialogue among public, cooperative and private sectors besides facilitating their economic efforts. Identifying and removing business barriers, making decisions to be effective in regard with the current laws and regulations, and proposing administrative recommendations and solutions to incumbent authorities.

The public-private council is a formal institution providing an opportunity to improve interaction and collaborations between the state's branches, especially the executive (government) branch and the private sector. The interaction is aimed at achieving synergy and cooperation among the council's members to eliminate barriers of doing business and facilitating economic activities.

2. Youth and Inclusion dimension

Employment situation of young people, especially the educated youth is the main problem of Iran's current society. One of the Dialogue Council's mandates is to upgrade job skills and entrepreneurship. So the council cooperate with private institutions related to youth employment, such as ICCIMA's Special Commission of Youth and Employment. Also, with the launch of dialogue provincial councils, it utilize the capacity of educated youth when review and

examine the economic issues presented to the Council and give Incentives to them with allocation of funds for the recruitment of scientific experts in the provincial Councils and their training.

The focus of the Council is on improving the business environment and try to solve the problems of labor relations and employment, and review the relevant laws, for the aim of job creation and unemployment reduction.

An objectives of the Council, is promoting economic culture and business ethics, so for implementing of these values, we outsource some research projects and will deliver the results to public and private organs.

3. Partnership, Structure and Processes

In accordance with the Article 75 of the Fifth Five-Year Development Plan Law and relevant amendments, the council consists of the following members:

- Minister of Economic Affairs and Finance (Council's president)
- Chairman of the IRI's Central Bank
- President's Deputy of Strategic Planning and Control
- Five economic Ministers
- Two deputies of the judicial branch(selected by the judicial chairman)
- Four Parliament members from various Commissions.
- President of ICCIMA
- Secretary General of IRI's Chamber of Cooperatives
- Chairman of Chamber of Business Associations
- Tehran's Mayor
- Eight CEO's of Superior private companies and cooperatives from various sectors and fields

The PPD council's secretariat has been founded by ICCIMA. The secretariat seeks opinions of manufacturing and exporting associations which would be categorized for further expert reviews at the secretariat. Expert discussion sessions would be held where representatives from chamber of cooperatives, chamber of business associations and relevant executive bodies attend. Depending upon the exigencies of the case, appropriate solutions would be determined and is proposed to the council.

3.1 Role of Council

The councils' duties stipulated by law are as follow:

1. Proposing amendment or omission to existing regulations or commanding new ones in order to improve the country's business environment in the form of reports prepared by the council's secretariat. This would be applicable to any kind of regulations such as circulars, directives, bylaws and procedural practices.
2. Listening to the opinions and proposals of economic assemblies or business associations' representatives proposed in the council's meetings at which the

chairman of chamber of business associations or the associations' directors would attend. Propositions would be placed on the council's secretariat agenda.

3. Proposing recommendations to enhance the country's economic culture, business ethics, and entrepreneurial and occupational skills.
4. Reviewing committee reports on article 76 of the Fifth Five-Year Development Plan Law while paving the path for decision making.
5. Following up the reports submitted by chambers on grants and privileges observed in laws and regulations for businesses owned by sectors other than private or cooperatives, while attempting at their removal.
6. Proposing recommendations on contracts concluded between administrative bodies and economic operators from private and cooperatives sectors in order to reach reconciliation and avoid the imposition of any undesirable and unfair terms and conditions.
7. Due to the Iran's supreme leader has emphasized, our approach in this year is to focus on production and employment problems and removing them. These two issues are two main criteria in determining the priority issues for consideration in the Council's Program.

3.2 Processes

In order to eliminate economic problems faced by business people, the council embarks on identifying and tracking economic barriers and problems being put forward by businessmen, through its legal and economic experts at the secretariat. Going under initial reviews and being reflected in relevant reports, issues would be taken at expert discussion sessions where both sides' attendants are present. The decisions made at the council would be followed up by the secretariat through relevant organizations or administrative bodies such as Social Security Organization and State Tax Collection Agency. The issues which are to be discussed at the council should meet the following prerequisites:

- Being a widespread and all-inclusive issue (a large number of individuals or parties would be affected either directly or indirectly by its outcome).
- Being a preliminary step toward resolving other issues and problems.
- Being absolutely a verifiable issue upon which a consensus can be reached.
- Preferably being applicable without the need to amend the existing laws and regulations.
- Having an impact on reducing the time and cost of performing processes in executive agencies.
- Being impossible to be resolved by other bodies and authorities in terms of speed and the expected comprehensiveness.

Most government ministers are the members of the council and when examining the issues, they align the solutions with the country's policies. But the Minister of Economy and Chairman of the Chamber of Commerce, have a central role in meetings and jointly run the sessions.

4. Achieved results so far

From its very foundation up to now, the PPD council has held main meeting sessions plus other expert discussion sessions to discuss and resolve the barriers and problems faced by business people in areas such as social security, taxation, banking, customs, and smuggling. Frequently, expert discussion sessions are held prior to the council's meeting session at which qualified executive authorities attend. A good deal of issues may be resolved at these meetings and the result would only be announced to the council.

The main achievements of the Council as a result of the Council's decisions have been made, especially in recent years are the improving tax cases, hearing the cases of worker-employer relations, and improvement of banking system to facilitate the granting of loans to SMEs, obligation of the government to survey from economic entities before to codify a regulation.

Follow-up and effective enforcement of existing laws for improving the business environment and proposing amendment or omission to existing regulations or commanding new ones (including all circulars, directives, bylaws and procedural practices) in order to improve the country's business environment and reduce economic barriers to trade, besides facilitating economic activities.

Total meetings of the Working Committee to investigate the matters within five years the Council, are more than 150 sessions. It also has tried at least two Conferences held a year, and so far 6 meetings with economic issues and 3 seminars with cooperate of provincial council was held.

The mechanism of dialogue in the Council makes the requests and suggestions of the private sector handover directly to senior government officials without bureaucratic procedures. And above all, with the approval of new ruling, the decisions of the Council will be put on the agenda of the government cabinet within 30 days.

5. Expected Results

Taking the council's duties stipulated by law into consideration, the following results would be expected:

- Enhance the country's economic culture, business ethics, and entrepreneurial and occupational skills which impact doing business at another level.
- and regulations for businesses owned by sectors other than private or cooperatives, or generalizing the grants to other sectors as well in order to create a level playing field among these sectors.
- Removing the imposition of any undesirable and unfair terms and conditions in contracts between administrative bodies and economic operators from private and cooperatives sectors which are imposed unilaterally by executive bodies.
- Broadening the tax base by receiving tax from all eligible taxpayers in order to gradually to break dependence from an oil-based economy and its ensuing problems.

Thus, ICCIMA has set out to ensure the enforcement of the adopted decisions by way of binding their implementation. Within 30 days the decisions must be proposed in the Council of Ministers, and then the decisions will be communicated in the form applicable regulations. So the council's influence on government decisions and follow-up are provided and this will be an effective tool for the future.

6- Challenges

The main challenge facing the Council due to the new law enactment is how to write decisions of the Council, so that have become law and regulation. Nature of the Council was an advisory body, and now changed to a decision-maker one.

The solution predicted for this issue is to benefit more of the views of legal experts when examine and write the decisions.

Biographies of Author:

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Education:

PhD in Business Administration, University of IUIM, Iran

MS in Industrial Engineering, Islamic Azad University, Iran

Experience:

Current:

- Vice President of Iran Chamber of Commerce, Industries, Mines and Agriculture (ICCIMA)
- Deputy President of Public Private Dialogue council, ICCIMA

Previous:

- Head of Khorramabad Chamber of Commerce, Industries and Mines and Agriculture (Lorestan Province)
- Vice President of Iranian Employer's High Confederation