

In the name of God

**A Comparative Study of "Doing Business" Indices in Iran,
the World, and the MENA Region**

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April 2008**

Abstract

High unemployment has been a serious challenge facing Iranian economy over the past years. One of the most important rigidities in labor market, which needs to be overcome, is the regulatory environment in Iran. There is a strong positive link between the quality of an economy's regulatory environment and its economic performance. Good business regulation encourages employment, promotes formal over informal economy and enhances protection to consumers, investors and public at large. However, in Iran, bureaucratic procedures and strict regulations to start up and formally operate a business such as difficulties in the way of obtaining all necessary licenses and permits have adversely affected business climate. It seems that despite policy makers' attempts to support economic enterprises through various measures such as raising banking facilities and cutting interest rates, these initiatives have not been able to enhance production to the expected level. Burdensome entry regulations also constrain private investment, reflected mostly in increase in demand and consumer prices. In other words, the amount of liquidity injected resulted in price rise rather than production; and productive sectors, despite abundant liquidity, still suffer from shortage of liquidity.

The present report tries to measure the performance of Iranian economy across a range of "doing business" indices, in comparison with the best performing nations in the world and in the MENA region. It also stresses the importance of adopting a number of simplifications that should make "doing business" procedures somewhat less difficult.

In sum, the study expresses the significance of deregulating ongoing mechanism in such a manner that each of 10 stages of a business life has to be simplified to a lower procedure and less sophisticated official ordinances.