

INFLUENCE PRIVATIZATION ON IMPROVEMENT OF EFFECTIVENESS OF PRIVATIZED PUBLIC BANKS IN IRAN?

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ABSTRACT

Increase of effectiveness is one of the aims of privatization. In Iran also, privatization of governmental enterprises to the aim of effectiveness has gained huge concern from the system soon after notification of general policies of the Principle 44 of the Constitution.

To answer the question that has Privatization influence on Improvement of Effectiveness of Privatized public banks? Following a SFA approach, a number of Privatized public banks after and before Privatization, were measured in terms of their effectiveness .the findings show that the effectiveness of the whole range of the Privatized public, compared to that when they were part of public sphere, was less effective. Therefore, no direct cause effect relationship between privatization and effectiveness. Thus, the only alternative to making the public enterprises effective is not made possible by the privatization of these businesses.

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