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Comparative Analysis of Financial Markets and the Public Sector in Iran and Norway

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Abstract
Financial development is one of the issues in recent decades in order to achieve economic growth and development, as improve performance, especially in terms of oversight has led the government to curb corruption and to set rules and regulations. In most developing countries, the public sector plays an important role in the market. The aim of this study is to compare the situation between Iran and Norway during the period 1970 -2014 in the financial markets and the public. The results of the comparative two oil economies suggest that variables, including oil revenues share of GDP in the economy and how to deal with this income, has been affected the state and public of sector financial indicators examined in the two countries. Norway's economy has failed to manage this income, to help improve their financial situation. Aldo comparing the financial status of the situation, Iran has been more stable during the period under review. Besides, the financial indicators in Norway are more dynamic than Iran.

Keywords: Financial markets; public sector; comparative comparison

I. Introduction

Mobilization and allocation of investment resources to economic activities is carried out by the financial market which bank credit market is a significant part of the market. The main activity of banks is gathering funds and allocating them to various economic sectors. In spite of the financial crisis, most developing countries in recent decades have taken positive steps in the direction of economic and financial liberalization. Including discussions on financial liberalization, financial position banks and financial institutions in terms of risk is the profitability, prudential regulation, capital adequacy, supervisory regulations and policies of capital flows. Reviewing financial market in recent years suggests that Iran's financial market cannot be an isolated island and away from global developments in the financial arena imagine.

The government needs to play different roles to revenue sources to finance its spending. Since our country's vast oil resources, income from these sources is one of the most important sources of income for the government. There are important points concerning the use of oil revenues. Oil-dependent economy problems such as Dutch disease, lack of attention to the capabilities and advantages of the country and others will follow. Also, due to being such renewable resources, if the dependence on oil revenues continue with the depletion of these resources, many problems will occur in the economy. Another thing aggravating the works dependence influence the domestic economy from other economies and thus its impact on economic stability. In economies dependent on oil revenues, due to fluctuations in oil revenues, determining the amount of the deficit is simply not possible. In fact, if there was no uncertainty in oil revenues, the government could easily estimate the non-oil budget deficit, and based on that plan with such problems, it is necessary to gradually reduce dependence on oil. To reduce this dependence, they have found a suitable replacement for this source of income. In this regard, tax revenues are presented as the best alternative. Many economic experts with advanced and progressive countries such as Norway recalling how to handle large oil reserves at its disposal believe that to run the country cannot always be relied on oil revenues and it is necessary to supply much of the cost of public services to be provided by those which take advantage from these facilities. But in developing countries, including Iran, due to inflation and inefficiency of the tax system, tax revenues constitute a small percentage of the GDP of these countries.

II. Review of literature

A) Financial Markets

Financial market institution within the framework of the exchanges includes the exchange of goods, services and financial assets, between suppliers and demanders. In the financial market, supply and demand of funds and other financial assets in the form of various types of securities against each other, and to determine the exchange price, were traded. Some economic experts such as Levine and Zervos (1996) and Demirguc-Kunt & Levine (1996), argue that these financial markets play a key role in growth and economic development. This group of economists believes in the importance of the role of money and credit growth and economic development are in the process of economic development and expansion of the relationship between financial markets and economic growth are essential. Their argument is that banks and finance identify employers that are most likely to produce innovative new products and projects, they can be led to technological innovations and the services provided by financial intermediaries such as displacement of the savings, project valuation, risk management and facilitate exchanges, etc. essential for economic development. But in the view of the above, there is another view in perspective "demand side" known by theories that was founded by Robinson (1952). The supporters of this view, the financial system, Dnbalh Rvy only as a servant of the real economy and the industry and they believe that the financial markets compared with other factors that influence differences in economic growth period. For example, passive and in indeed, changes in financial markets, reactive to economic growth.

Financial intermediaries are firms in exchange for deposits and lending them out to create savings. Specifically, it can be said that financial intermediaries play their role, the exchange costs reduced by providing long-term loans from short-term deposits of depositors (in the bank) liquidity increase and in practice assessment plans to invest resources to provide the best designs equip and facilitate their risk management.

B) Public Sector

The literature review to determine the scope of the public sector suggests that using four approaches can be used to define and determine the scope of the public sector:

1) *Use the tasks assigned:* The problem with using task-based approach to determine the scope of the public sector is that many of the tasks performed by the government in the private sector can also be performed. For example, providing health care, education, social security and environmental protection is shared between the public and private sectors. Some of the activities and services (such as national defense) are also monopolized by the public sector and private sector entities interested to enter them. However, in some countries, such activities by multiple organizations and even the private sector done. Therefore, it is observed that the distinction between public and private sectors is not only through assigned tasks, because in today's world many of the tasks assigned to the state also run by private sector entities.

2) *The use of the concept of ownership*: Ownership of basic concepts to distinguish the public sector from the private sector. Ownership means that ownership of property is considered to be the property owner's control. Movable or immovable property may be financial or non-financial. Property rights granted to the owner that would normally be supported by case law. The private sector can be regarded as economic units that are owned by this section. Many private sector entities have been established according to the law and purpose of their establishment. In contrast, state-owned units that are part of the public sector will be changing. The majority of the units are doing non-profit work, but some public sector entities, profit-making activities are doing well. Also, households and non-profit organizations owned by the private sector should also be in the realm of the private sector. As you can see, the distinction between public and private sectors is also not possible only through the concept of ownership.

3) *The use of the concept of control*: Control is one of the main criteria to distinguish many countries in the public sector from the private sector. One of the difficulties of control to determine the scope of the public sector is that the people who comment about this concept is not the same. For example, statisticians and accountants have different views about government control. According to statisticians, when a control unit has the ability to determine the general policies, it will be the same (United Nation, 1993). This sense of control is more consistent with political control. The accounting perspective on the concept of control corresponds with financial control.

4) *Use of regulations*: Many leading countries in the field of public accounting experience has shown that using the aforementioned concepts (tasks, ownership and control) cannot be determined within the public sector. Difficulties related to the above approaches led to a different approach (the regulations) to determine the scope of the public sector. Under this approach, the units are named in laws and regulations, such as the budget lodged in the public sector. As with previous approaches, the laws and regulations to determine the scope of the public sector has pros and cons. On the other hand, proponents of this approach is the previous difficulties in determining the scope of the public sector and the lack of integrity they point out (Chan, 2002)

C) The relationship between financial markets and the public sector:

Typically, monetary policy is set by the Monetary Authority of measures taken to control economic activity. The important variables influencing the money supply are interest rates, exchange rates, inflation and economic production of goods and services. Fluctuations in the money supply can affect the return on investment, the prices of goods and services and favorable economic situation (Hubbard, 2008).

More developed financial markets like the stock market, bond market and government bonds, mortgage market and foreign exchange market quickly apply this new information. So, the more direct effects of sudden changes in monetary policy instruments using financial data can be recognized. Government to carry out its tasks (except Policies task that is responsible for state-owned companies) in public funds to equip and resource allocation framework document compiled by the national economy acts. In general, the sources of tax revenues are assets and wealth (such as oil revenues) and debt (liability) equipment. Government consumption (resources) takes place in the form of consumer spending, investment spending and debt (liabilities).

Finger (1994) returns to the past to predict the future cash flow and profits to be examined. He calculated data related to annual profit and cash flow from operation now for 24 years, 87-1935 through analyzed time-series regression models. The results indicate that the previous studies using the benefit of future earnings significantly predict 88 percent of the sample companies.

A survey conducted by BARS et al (2000) concludes that more than two-thirds of the 182 countries of the International Monetary Fund have experienced financial crisis in the last 20 years. The crisis has happened in countries all over the world and from all levels of economic development. According to relevant sources, high performance financial systems to conduct effective funds from savers to invest in production capacities is an important issue, as is the case acknowledged that the financial system boost economic development, and for clarifying this matter, the size of financial system, the composition of financial system and proprietary financial systems of countries are studied and the result is to prevent the domination of the banks to process financial intermediaries that must develop capital markets.

Alper (2000), in Turkey and Mexico showed the obvious facts and compare the results obtained for the two countries with America's economy. A better understanding of the business cycle in developing countries is offered. The inflation rate for America's economy, unlike Turkey and Mexico variable is calculated in line with business cycles.

In the 51 countries using panel data emerging in the period (1995 to 2003), Kim and Wu (2008) have examined the effect of variables including good governance index of financial development. They used a system of indicators, such as credit-based private bank with deposit money banks to GDP.

Asyma and Mblajy (2011) used panel data to study the effect of economic openness in African countries (Mali - commercial) on financial development and institutional quality.

Koray (2012) investigated the role of the government's financial development. In this study, data from 71 developing and developed countries and in the period (1990-2005) have been used. Indicators of good governance has a positive effect on the size and efficiency of the financial sector and inequality and inflation are worsening financial conditions and ultimately democracy is a good factor for financial development.

Ltvnbas and Thornton (2012) investigated the effect of financial development (share of private sector credit to GDP) focused on reducing corruption and reducing corruption on financial development. This study is based on panel data of 107 developed and developing countries on average 5-year period (1984-2007).

Rukavina and Zrhvshng (2014) examined the macroeconomic indices and government of Turkey, Iran, Russia and China in the period of 2010 to 2000 to show the negative impact of oil revenues on economic performance. The results show that institutional quality is critical to sustainable economic development. Norway oil as a successful country showed that institutions can be of natural resources to become a great blessing, while Iran and Russia have never failed to have success.

III. Materials and Methods

Obviously, it is one of the main comparative methods in the social sciences, especially sociology, that is, comparative and historical sciences. Based on a comparison to understand the similarities and differences, comparative method is one of the oldest methods in social thought and social sciences. Aristotle have compared the world between different city states of Greece and Greek and non-Greek Herodotus. This method attention was the founder of sociology. Email Durkheim in sociology rules of procedure, as most classic methodological sociology text, has introduced comparative method, not a branch of technique, but of sociology itself. In other words, all that is comparative sociology, social life is understood by comparison with reality, even when it is limited to describing and evaluating facts. Even in the face of an experiment with two experimental and control groups, and the differences between the two groups, except for comparative analysis. Thus, the adaptive nature of language and any comparative one is described (Smelser, 2003). McKay consider it necessary to march for two reasons. First, to avoid ethnocentrism analysis and second, to create, test and reshaping theories, concepts and hypotheses. It has diversity among and within interdisciplinary approaches to the study of comparative analysis (Hantrays, 2009). In the field of political sciences, Rose (1991) defines comparative method in the way that systematically tries to provide empirical evidence to compare the political reality.

I) Comparative Comparison of the Financial Market Situation in both Norway and Iran

Figure 1 shows interest rates (including interest rates on bank deposits, real interest rates, and interest rates on loans) during the period 1980-2014 in Norway. The interest rate on deposits is the rate paid by commercial banks or similar to the demand for maintenance and time spent. This rate varies from one country to another depending on the terms and conditions, but it can be compared with any restrictions (World Bank, 2016). The borrowing rate is also the interest rate that commercial banks determine for short-term and long-term financing needs in the private sector. These rates are usually determined by the creditworthiness of borrowers and their financial goals. This rate varies from one country to another depending on the terms and conditions, but can be compared with the imposition of restrictions.

In European countries such as Norway, which has a low and low inflation rate relative to the third world countries, such as Iran, real interest rates are often positive and low, while in our country due to the acceleration of inflation and its fluctuation, we will have a real and negative interest rate.

Now that the variables in the banking situation of the two countries have been studied, we look at stock market variables. Figure (3) shows the total volume of traded shares (percent of GDP) during the 1980-2000 period for Norway. The size of the stock exchanged is the total number of traded stocks, whether domestic or foreign, multiplied by their comparative prices (World Bank, 2016). Based on international studies, this criterion can be used as one of the indicators of the brand. The shareholder of the stock market in each country is aware that the high figure is indicative of the dynamics of the stock market and the high demand for its stock trades, as a result of the high mobility of the financial market in that country.

II) Comparative Comparison of the Public Sector Situation in both Norway and Iran

Figure (5) shows the structure of the public sector in Norway.

It is seen that the public sector structure in Norway is divided into two main parts of the public administration and state-owned companies, each of which includes sub-sectors that include sub-units under central and local extensions.

Figure 6 shows the amount of tax revenue (share of GDP) in Norway. The tax revenue of each country is an income compulsorily transferred to the central government for general purposes. Some compulsory transfers, such as fines and more compensation, are aimed at maintaining social security (World Bank, 2016). Tax revenues in most of the world's economies are one of the most important sources of government funding and are considered as an effective tool for financial policy making. Comparing this resource as the largest and most stable source of government revenue suggests that the greater the share of taxes in securing government expenditures will be greatly prevented from creating undesirable economic effects. The state institution requires income to exercise collective sovereignty, the most important of which is tax revenues. On the other hand, government issues and problems increase with the growing responsibilities of the government over the past, especially in the field of economics. Given that both Iran and Norway are oil-rich and oil-rich countries, a share of GDP derived from oil revenues can also be a good benchmark for comparing the two countries. Data on the share of oil revenue (% of GDP) is taken from the World Bank and available since 1970. Net oil income means the difference in the value of crude oil production based on global prices of total production costs (World Bank, 2016).

The share of oil revenue from GDP for both Iran and Norway over the period 1970-2014 is shown in Figure 8) and (9).

The rise in oil prices will increase the foreign exchange reserves of the oil-exporting countries and will increase the power of prescribing these revenues to the domestic economy. Evidence suggests that in other years, apart from years of falling prices, the cost of producing oil is less than 10%. In other words, 90% proceeds from net oil production or profits. (Samti, Khanzadi and Yazdani, 2009). The increase in oil revenues, according to historical experience, has not only led to economic growth and welfare, but also increased military spending and increased the quality of weapons. The foundation of the Iranian public finance system was founded about a century ago. On the one hand, in the last century, there have been many changes in the structure of the Iranian public sector, and, on the other hand, the basis for managing the public finance sector has undergone many changes and significant advances in the techniques of procurement, adjustment and implementation of public finance and supervision it has been achieved. Despite the developments, the financial system of Iran in the last 100 years has not only failed to adapt to the requirements of time, but has also retreated in some areas. Worrying about the implementation of the annual budget in Iran, severe non-compliance and disregard for the law, the dangers of financial monitoring, delays in the reporting of budget diversions, lack of legal and administrative support for diversion, waste, loss of part of the budget and so on, has created a critical situation in the legal system of the budget.

IV. Conclusion

Given that both Iran and Norway are both oil-rich and oil-rich countries, there are many views. In other words, Iran is a representative of developing countries, which, despite the passing of a century of discoveries of oil reserves in the country and the possession of huge energy resources that it describes as the second largest country in terms of gas reserves, has not been able to experiencing high economic growth while the country of Norway, as the representative of the developed countries, which has been undergoing less than forty years of discovery of oil reserves, has been able to achieve high growth by adopting appropriate measures.

The important function of financial markets is the transfer of cash from funds with surplus funds, to those who have a shortage of liquidity due to their higher spending on their income. This transfer of funds and financing is done in two ways, directly and indirectly. In direct financing of borrowers' financial markets by selling securities, they directly receive cash from borrowers. In an indirect financing, a financial intermediary carries out this by borrowing the borrower's funds and then uses these funds to lend to the borrower. The process of indirect financing using financial intermediaries is called financial intermediation, which is the main route of transferring funds from the lender to the borrower. In developed countries such as Norway, due to high efficiency of the banking system and the payment of costs at a minimum, in comparison with developing countries, the rate of interest paid to depositors is lower than the interest received from the beneficiaries. This means that the difference between the interest rate received from the beneficiaries and the interest paid to depositors in developed countries is lower than in developing countries. The high rate of interest received from facilities in developing countries such as Iran eliminates the desirability of using facilities for parts of the economy and pushes funds to service and business sectors.

Some policy makers and economic experts in Iran believe that raising interest rates will increase production costs and, consequently, increase prices and inflation. On the other hand, according to economic theories, rising inflation will raise interest rates. There is a two-way causal relationship between the nominal interest rate and the inflation rate. Concerns for lowering interest rates in developing countries, including Iran, are low investment volumes and low competitiveness of manufacturers. Their main argument is that by lowering the bank interest rate as part of the investment cost, the volume of investment can be increased and the finished product cost can be reduced, which also reduces inflation. In contrast, opponents of this view are concerned about the high inflation rate and the escape of deposits in banks on the one hand, the increase in demand for bank facilities and the intensification of the rental of facilities on the other as well as the negative effects of lowering interest rates without reducing inflation. The main condition for lowering interest rates is the reduction of inflation and, consequently, the adjustment of the inflationary expectations of the people and ultimately the relative positive effect of the interest rate on the bank. According to them, lowering the bank interest rate is possible only in a long-term horizon, in the context of a gradual reduction of the inflation rate.

According what has been mentioned above, it is clear that one of the main factors causing these differences in these two countries is the inflation factor. Looking at the inflation rate in Norway and Iran, one can see that one of the reasons for the high interest rates on deposits and loans to Norway is due to the high inflation that we see in Iran. Therefore, one of the main factors that led to banking performance and ultimately leads to higher financial performance of the two Norwegian economies is the fact that the inflation rate in the country is low. In our country, due to the current state of the economy, the problems in developing the fields of production, the efficient use of private savings and the guidance and supervision of productive activities is led to the expansion of productive capacities and, finally, while economic growth prevents exacerbation of inflationary pressures. The main drawbacks and weaknesses associated with the attraction of deposit resources in some developing countries, including Iran, are the issue of low interest rates of banks compared to inflation. As during the vast period of the country, inflation has surpassed the interest rate on bank deposits, and, in practice, negative interest rates on these deposits are earned as seen in the real interest rate figure (12).

In Norway, interest rates play a major role in guiding, implementing and securing monetary policy objectives. In such a way that the central bank adjusts monetary policy by changing the short-term market interest rate as an operational objective and then using open market operations and other monetary policy instruments to keep rates within the target's operational range. In addition to the operational goal, the country has set targets such as liquidity growth rates to achieve price stability and growth. In this case, the operational purpose of short-term interest rates depends not only on the intermediate goals, but also on available information, as well as on the Central Bank's implications for the diffusion mechanism.

After comparing the two countries' banking situation, we will compare the stock market situation of the two countries. For this purpose, the total volume of the stock exchanged (percent of GDP) has been used as the stock market index of the two countries. Chart (13) shows the total volume of traded shares (percent of GDP) during the 1980-2000 period for both Norway and Iran.

The results of the comparison of the stock market activity of the two countries of Iran and Norway, according to figure (13), indicate that:

•In all selected years of the course, which has access to data, the volume of stock exchanged in Iran has been significantly lower than the volume of stock exchanged in the Norwegian stock market, reflecting the higher activity of the Nez Rossi stock market in comparison With Iran.

• On the chart of stock volumes, the Norwegian economy has seen a dramatic upward growth over the past decade, which is continuing until the end of the period. Perhaps this growth could be attributed to the opening of the Norwegian National Wealth in the 1990s. In 1990, the Norwegian government established the oil fund as a financial instrument for improving its long-term management of its oil revenues. Through this fund, the government was not able to save the proceeds from the exploitation of oil resources, and would only be able to reap the gains realized.

One of the important factors influencing financial development is oil revenues, with different perspectives on how it affects financial development. A group believes that oil revenues through the Dutch disease mechanism reduce reliance on tax revenues, reduce social and human investment, instability in the economy and reduce physical investment, all of which contribute to undermining and reducing the level of financial development. But in another group, the arrival of oil revenues could increase the level of financial development and achieve higher growth. In other words, if oil resources are considered as an additional source for financial institutions, it will strengthen the relationship between financial development and economic growth. But if these resources are considered as a substitute for private savings, it could reduce the efficiency of investment projects and prevent the proper functioning of the system of prices, which would reduce economic growth. Nevertheless, some oil countries such as Norway have been able to achieve significant economic growth by adopting appropriate measures and managing successfully in controlling and allocating oil and gas revenues. Norway's long-term fluctuations in foreign exchange earnings is resulted from the country's oil sales. This achievement relates to how funds are managed from oil and gas sales.

According to the economics of the public sector, the optimal tax system, along with the optimal government, is considered to be the pivotal element of advanced economic systems. Experiences from different countries also show that the efficiency of the public sector and the health of the tax system play a key role in the sustainability of development. The optimal tax system along with the optimal government is to increase the satisfaction of the majority of citizens. The optimal tax, along with the provision of public sector costs, also leads to the redistribution of revenue and required wealth. Governments need costly ways to carry out their services, and the most acceptable tax is in this regard. Of course, there are other ways in which emergency situations do not have any effect on the long-term effectiveness of taxes. Selling raw materials to countries (such as oil) is one of the ways, which in many cases has become a rentier for government structures. For example, a government in an oil-rich country like Iran has become one of the most troublesome governments in the world by using this tool. Rational government, in addition to the ground that causes a lot of economic corruption, will weaken the tax system and, in the medium term, destabilize the social and political system. Therefore, it is a natural and rational necessity to form an efficient tax system to provide public sector costs. In this way, you can move towards the formation of government and optimal taxes.

One of the important steps taken by Norway in this regard is the establishment of a state oil fund aimed at helping the government manage long-term management and stabilize economic conditions. Despite the large amount of financial resources, Norway has not encouraged the government to continue to grow and grow because of increased oil and gas production and its resources, and the government of the country is most in need of its taxes in taxes. This has led to the government funding from the tax base and the lack of funds from the sale of oil and gas to the government, and most of the resources obtained to prevent the fluctuating effects of prices as well as its inflationary impact on the domestic economy outside of Norway Invest in.

Thus, the formation of an efficient tax system for the calculation of public sector costs is a natural and rational necessity. In this way, it is possible to move towards the formation of a government and optimal taxes. In the event of state formation and optimal taxation, economic corruption will decrease, effective and meaningful linkages will be created between the private sector and the public sector, and public sector spending will naturally be achieved through the standard functioning of the private sector. In a general and transitory view of the state and taxation situation in Iran today, the tax inefficiency is very serious. Currently, economic corruption in the country has been unremarkable. Dutch disease and rentier state have dominated the economic system. Finally, the country's tax system does not meet the standard requirements as a means of public expenditure, and more than 75% of the costs are provided through oil and not through taxes. As a result, there is a deep divide between the current state and taxation situation in Iran with a standard and desirable situation.

The Iranian economy's dependence on revenues from crude oil exports and the existence of its monopolies and rents in various sectors of the economy has led the tax to always account for a small share of government revenue. Due to the lack of suitable platforms for the development and expansion of the private sector in productive and productive activities, taxes have included a small portion of government revenue and have never seriously taken into account the tax system and the appropriate and optimal ways of obtaining it. Thus, tax has always been a source of government revenue for many.

The oil price trend survey shows that over the past seven years, oil prices have more than doubled over the past six years. If the price of oil remains at the same level, the country will face significant foreign exchange reserves. Rational economic behavior does not allow the sale of natural capital to cover current costs, especially since these resources and underground resources are not just owned by the current generation, but also by future generations. The principle of optimal use of these reserves is that these revenues are not spent on current affairs and the use of these revenues should be taken into account in the welfare of future generations. But unfortunately, in spite of the recognition of the principle of optimal consumption of oil and gas revenues, this rule is not respected in our country. In Iran, oil revenues are transferred to the state treasury by transferring funds from public funds to the consumption of current costs and the acquisition of capital assets. In the post-revolutionary period, the operational deficit of the budget has increased, which means that a larger portion of oil and gas revenues will be used to finance current budget expenditures; as long as energy consumption in the country is related, the high energy subsidies in the country are high and this has led to an untapped use of intergenerational oil wealth.

Norway's oil revenues come in three ways:

3) Direct government contribution: The share the government receives from each production license.

2) Statoil Stocks: Over the past few years, Osteo shares have been privatized and the company has entered the New York Stock Exchange and Oslo Stock Exchange. Which the Norwegian government earns from its stock dividend at Statoil.

3) Tariffs (taxes, equity interest, carbon dioxide and carbon taxes).

Norway faces the aging population, which should increase the payment of retirement pensions and nursing care services. All tax revenues and equity interest earned on petroleum activities, carbon dioxide taxes, direct government interest gains, Statoil dividends, oil insurance benefits, continental shelf revenues, stock sales of government direct fiscal interests, as well as revenues from Investing in financial assets. Along with these revenues, the government uses fund revenues to finance non-oil deficit. The only payment from the fund is to finance the non-oil deficit of the government and, on the other hand, when the budget surplus, the surplus is deposited into the fund. Fund funds are invested in foreign financial instruments, such as bonds, securities, corporate shares, and financial market instruments. In this way, in addition to income from oil activities, the return on capital generated by financial activities is also considered to be the income of the fund.

Managing the fund to generate continuing earnings and reduce risk capital invests resources with appropriate and diverse financial portfolios in financial markets to minimize risk and maintain the principle of capital to maximize purchasing power. In Norway, the returns and continuing earnings generated by the Fund's assets as a new source of income are intended to meet the government's public credit needs in the form of public funds or to strengthen the fund's capital. The inflationary effect is perhaps the most important effect that countries face when it comes to untapped use of these revenues. In Iran, over the years, we have been using oil revenues, and this has been a more damaging asset as oil prices rise. In addition, the short-term look at these revenues will destroy the right of future generations, because this national wealth is not only for the present generation, but also for future generations. Obviously, oil or any other natural source of evil is not evil. What matters is the arrangements and institutions governing a society that determines the final outcome. As a result, oil countries, including Iran, should have a long-term vision of oil revenues. In other words, using oil revenues, they do not have daily routine and problems such as Dutch disease, inflation, economic instability, competitiveness and so on, and intergenerational justice. That is, the consumption and export of these natural resources, taking into account future generations. But since maintenance of unexploited resources is associated with alternative energy sources, asset management is better than maintaining natural resources (as the Norwegian government does), natural resources in the form of stock portfolios of companies to maintain intergenerational justice and the return on stockholding to enter the economy of the country.

V. Results:

Calculating the amount of oil resources in the general budget of Iran, contrary to its simple appearance, is complex and requires sufficient control over the general layers of the general budget of the country, so that the public resources of the general budget are not in a row, but in different rows and with different names. There are also several laws in the country, each of which has issued licenses for the use of the public sector from oil resources, and without regard to them, it is not possible to determine the exact level of dependence of the budget on oil. Since 2000, the currency reserve has been launched in the country, which affects the government's perceptions of this account either in the form of public funds or elsewhere, of the percentage of government-owned dependence on oil. In addition, in the years of the fourth development plan, a new mechanism for the financial relationship between the government and the National Iranian Oil Company was developed and new national economy was governed, and the budget of the National Iranian Oil Company was separated from the general budget and the resources allocated to it in total and the country's total resources were not counted. Since 2010, with the establishment of the National Development Fund, a separate part of the oil resources has been separated from the public budget. Sources of oil have entered the public budget through a number of rows:

Revenues from the value of crude oil in row 210101, which is included in the title of asset allocation in the budget.

-The resources derived from the withdrawal of the reserve currency account, which is included under the title of transfer of financial assets to the budget, is also of a totally oil nature and total oil resources should be included.

-Some of the oil resources are dedicated to the import of pre-deposited funds directly into the treasury, as a result of which such resources are added to the total amount of oil resources.

-The resources obtained from the export of petroleum products were provided to the oil company in accordance with Article 120 of the Third Plan Law, and as a result, during the years of the third plan (1383-1999), it was withdrawn from the general resources of the government. After the end of the third plan, a specific decree on these resources was not issued in the fourth plan, and it remained in the hands of the National Iranian Oil Company, according to the previous procedure. In 2009, with the insistence of the members of the Islamic Consultative Assembly, sources of oil products exports to the general resources were introduced, which was added to the total amount of oil resources for the exact calculation of the percentage of budget dependence on oil in 2009.

- According to the provisions of the general budget article of the whole country in the years 2005 to 1389, the percentage of crude oil was considered to be taxed by the National Iranian Oil Company and another percentage of crude oil production was considered as the government's dividend in the oil company. Given that these taxes and dividends were not related to the company's performance and only part of the oil resources was renamed in the revenue headings, it seems that in order to calculate the real dependence of the general budget on oil resources, these resources should also be aggregated Oil resources will be added to the budget. Of course, since 2010, this procedure has been reformed, and the tax and dividends of the oil company, like other companies, are derived from the company's actual performance.

According to Article 132 of the Fifth Development Plan, 2% of the proceeds from the export of crude oil and natural gas are allocated to oil and gas provinces and less developed regions. As a result, resources of the 210109 general budget in 2011 and 2012 will be added to the total amount of oil resources.

-In the budget law of 1390, a row was defined as the difference between the exchange rate obtained from the sale of crude oil and gas condensate (row 160139). The function of this row has been defined so that due to the official exchange rate increase throughout the year and with regard to the determination of the currency exchange rate to row 210101, the Rial obtained from the sale of the currency is greater than that of the riyal ceiling. As a result, the difference between the currency exchange rate on the market during the year and the 211,011 Rial ceiling line will be added to the new revenue stream. Clearly, this row is also of a completely oil nature and is included in the calculation.

-In paragraph two of the articles of the budget law of 2011 and paragraph 3 of the single article of the budget law of 1391, in the decision of the contrary to the fifth program, the oil law and general policy of the system, part of the oil revenues before the deposit to the account of the custodial currency to the general issues and without the row Dedicated. Although the amount of these resources is set in dollars, but to calculate the percentage of budget dependence on oil, the amounts were converted into Rials and added to the total.

- Using the unsuccessful exchange currency account, the structure of the National Development Fund in the fifth development plan was designed in such a way that the existence of the currency reserve was only maintained to balance the public budget and maintain its stability, and to convert part of the proceeds from oil to the resources and capital generating assets of the National Development Fund. The Fifth Development Plan Bill was proposed to make the Exchange Savings Account into a National Development Fund. However, according to a study carried out by the Islamic Consultative Assembly at the end of Article 85 of the Fifth Development Plan, the continuation of the reserve currency account was approved with more limited tasks. Article 84 of the Fifth Development Policy Law was also allocated to the Statute of the National Fund. Detailed information on the performance of the National Development Fund is not available, but according to unofficial information, since 2010, more than $ 30 billion of oil resources have been deposited into the fund.

Determining the actual rate of utilization of the Iranian public sector from oil resources is difficult. In addition to calculating a number of generic public budgets that are of a purely oil nature, in order to better understand the dependence of the state budget on oil and government uses of the reserve currency account, a large part of which is out

of budget lines, as well as allocated resources of the oil revenues to the National Iranian Oil Company, which is not included in the public budget, the calculations show that although the percentage of budget dependence on oil has declined slightly in recent years, which still more than 50 percentage of general budget resources is oil and set according to the classical definitions of the Iranian government.
Another issue is about the share of tax revenue from GDP, which we covered in the previous seasons. In the Iranian tax system due to the existence of multiple exemptions and the absence of a general tax on consumption, the tax base is not used properly. For example, the agricultural sector's income, which is part of GDP (as the total tax base), is exempted from tax. In other words, in practice, our tax base is smaller than the total tax base. Obviously, this is low. The ratio of tax revenues to gross domestic product or national (GDP / T) is effective in Iran. Comparison of GDP / T ratio of a country like our country with advanced countries does not seem comparable, because advanced countries not only have tax laws and the modes of operation are more coherent and efficient, but they have a different structure and texture. They are in line with the tax system of progress and have a more developed social security system and advanced economic sectors, while developing countries face a duality phenomenon, meaning that the economic structure of these societies is composed of two modern and traditional sectors. Obviously, the device is collecting Taxation cannot deal with these two parts in a modern and traditional way. In addition, developing countries lack the proper social security system. The existence of an effective social security system in advanced countries has been very effective in promoting tax culture in these societies. In other words, only the design of a tax system (including rules and procedures) (not efficient enough, but different sectors of the economy), agriculture, services, industry, financial markets ... (and the social security system must also be in line with the system In fact, the low ratio (GDP / T) is partly to the shortcomings of the Iranian tax system (structural and administrative problems) in this discussion, so that policies, comparisons and correct judgments within the framework of the tax system should be changed, the structure of the tax system and the lack of performance of the existing tax system and the inability to it should be changed and corrected.

As to the situation of the stock market in Iran, the reasons behind its backwardness and its problems, it should be said that the Iranian Stock Exchange has been in recession with various ups and downs and has failed to play a major role in providing financial resources for economic enterprises which have several factors that affected this inefficiency, which include:
-The lack of economic policy
-The lack of stock culture as the appropriate funding institution
-High stock sensitivity to marginal issues
-Inflation and other economic fluctuations
-Lack of financial and investment advisory services and lack of specialized institutions (this has been provided to stock brokers)
-The weakness of business management
-The lack of clarity of production and development policies in the country.
Since Tehran Stock Exchange has not been able to play a significant role in providing financial resources to economic agents due to the abovementioned factors, it has not been effective in the country's economic growth and development. While the stock exchange in Norway provides a large part of the resources needed by its country's businesses. Another pole of financial markets, the Iranian banking system, is currently faced with many challenges, most notably the challenge or the identity crisis. Unfortunately, the banking system faces a kind of bilingual function, on the one hand and in its executive machinery, it has a container of conventional bankruptcy requirements and, on the other hand, within the container incompletely experiences some of the subjects of banknote-free banking. In fact, there is a kind of eclecticism between the container and that which is the biggest challenge.
Many problems with the banking system of Iran are mostly structural, and among them, the biggest and most serious challenge is the government of banks, because banking is one of the sectors and areas that should be within the scope of the private sector. But in Iran, the government has replaced the private sector and this replacement has brought ineffective. If businesses that are to be private in nature should be run by the state, their costs will be increased and inefficient. The most fundamental problem in the banking system of Iran is the uniformity of the rate of profit for all sectors, so that productive and developmental sectors and unproductive sectors pay both the same interest rates. These conditions create barriers both for the banking system and for investors. As the main solution, it is necessary to equip the economic structures in order to develop productive forces as the economic strategy of the banking system. In this way, the banking system will fully support the productive and developmental forces of the country. Therefore, with the model of Islamic banking and taking into account different profits, it should receive less interest from the facilities paid by the forces that have invested in strategic activities such as information technology, nano-biotechnology, automotive industry, petrochemical industry, oil and its derivatives. Another solution is to expand services in banks so that people's capital is absorbed and, if necessary, provided at low rates to target applicants. Prevent the establishment of branches of expensive shopping centers, the development and promotion of e-banking and the development of accelerated networks, etc., which would significantly reduce costs, equipping banks with accurate information networks and, finally, connecting with banks The external development of the productive and development sectors is one of the most useful ways in this regard.

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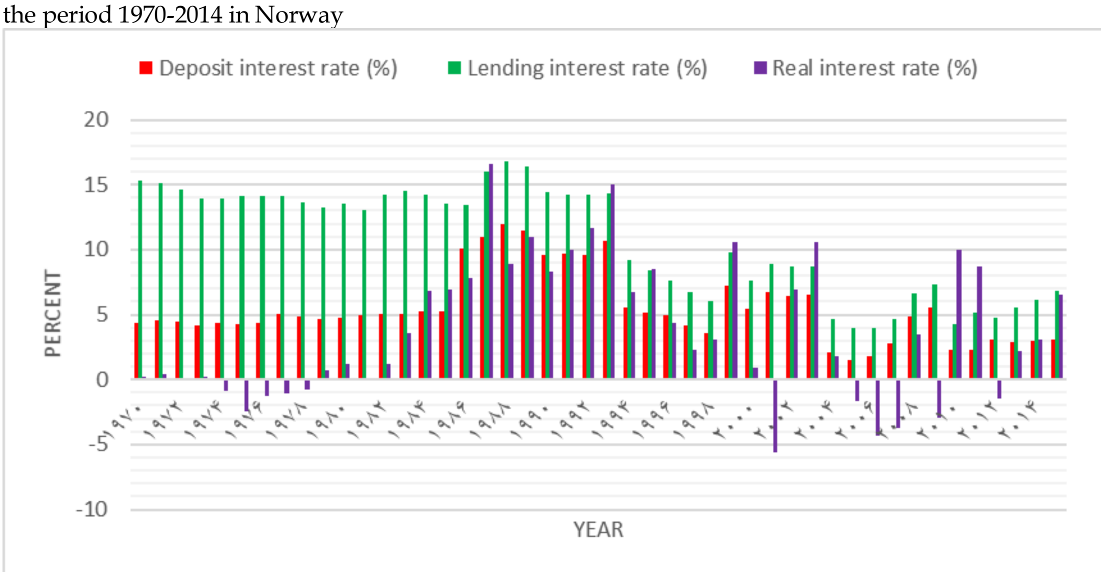
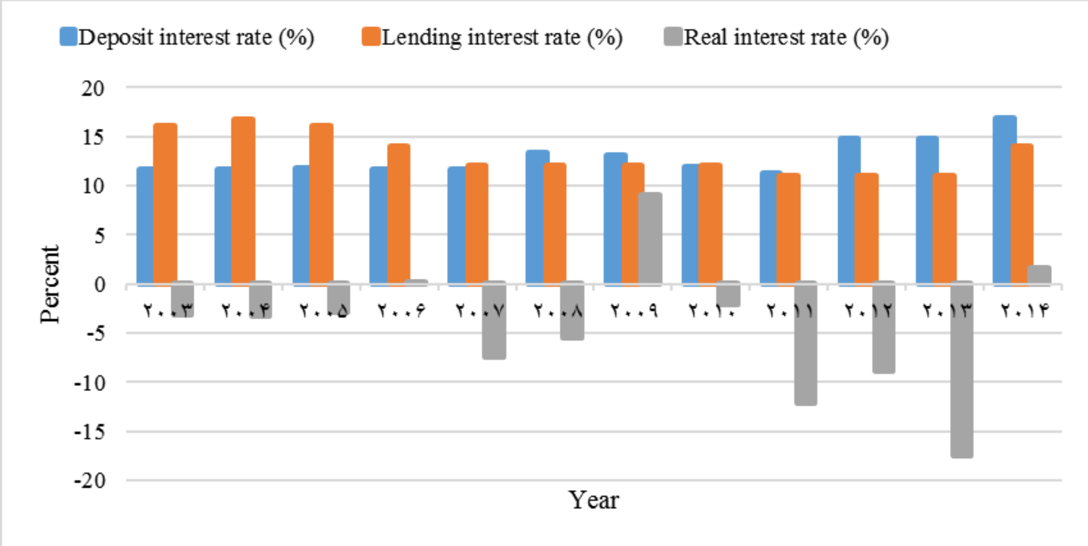
Figures:

Figure (1): Interest rates (including interest rates on bank deposits, real interest rates and interest rates on loans) during the period 1970-2014 in Norway



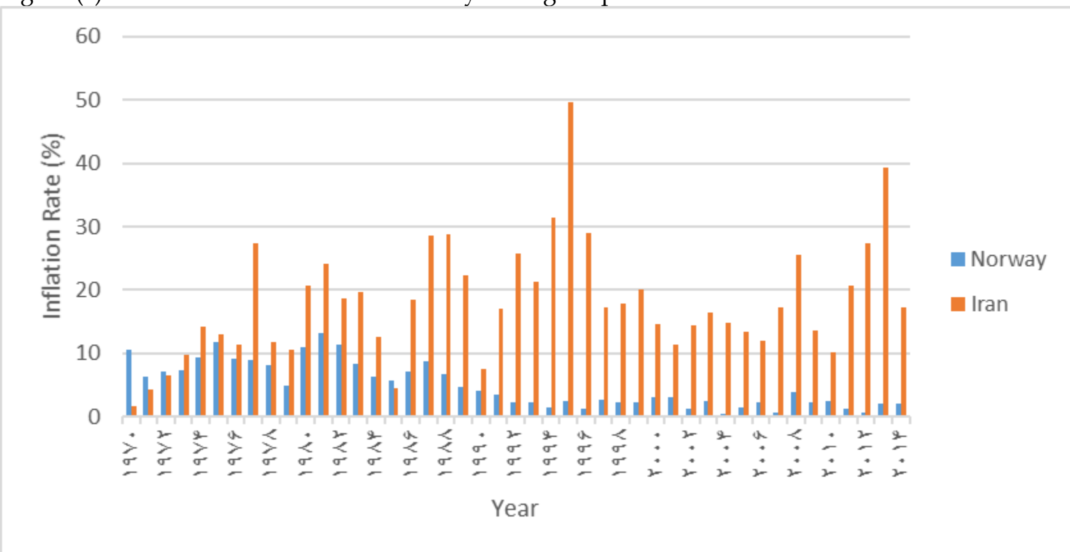
Source: World Bank

Figure (2): Interest rates on bank deposits, real interest rates and interest rates on loans in Iran during the period 1970-2014



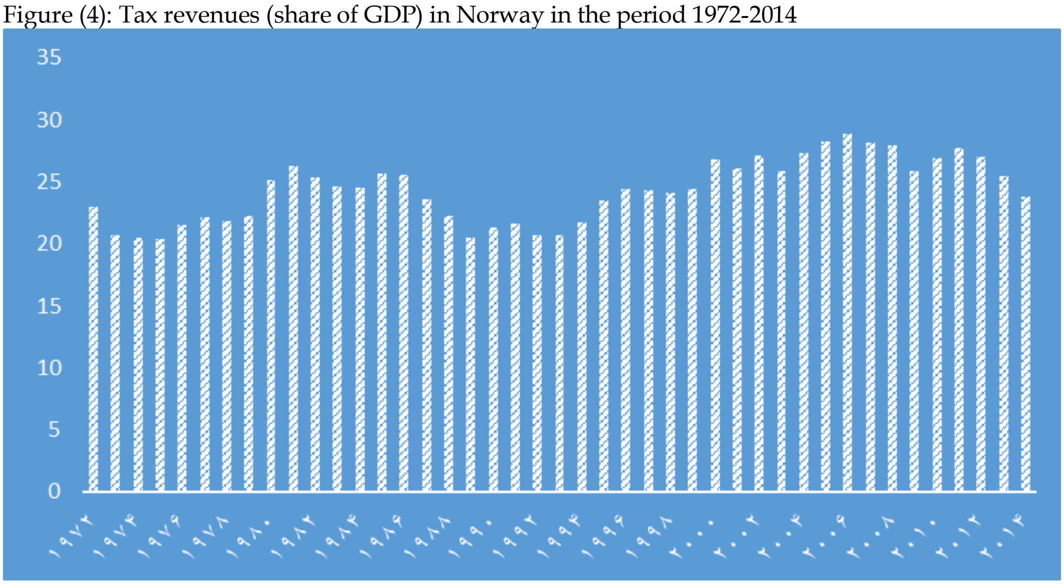
Source: World Bank

Figure (3): Inflation in both Iran and Norway during the period 1970-2014



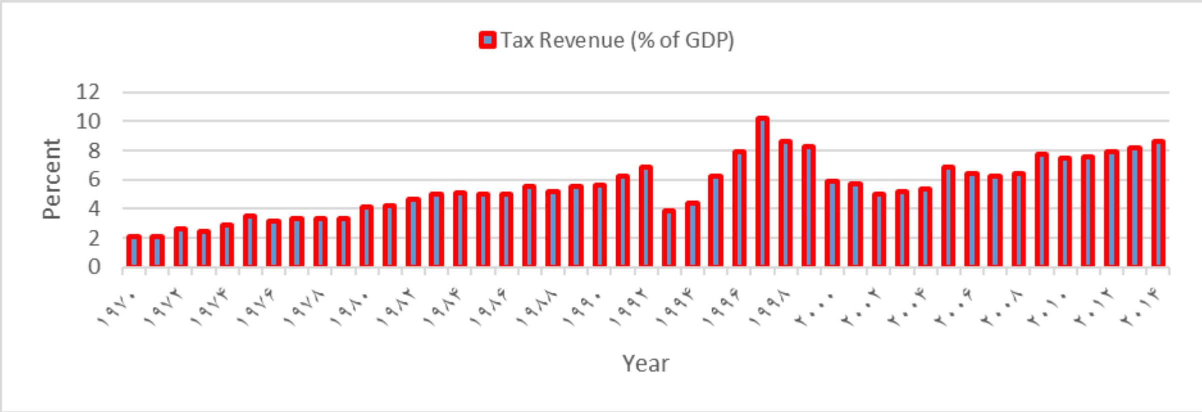
Source: World Bank

Figure (4): Tax revenues (share of GDP) in Norway in the period 1972-2014



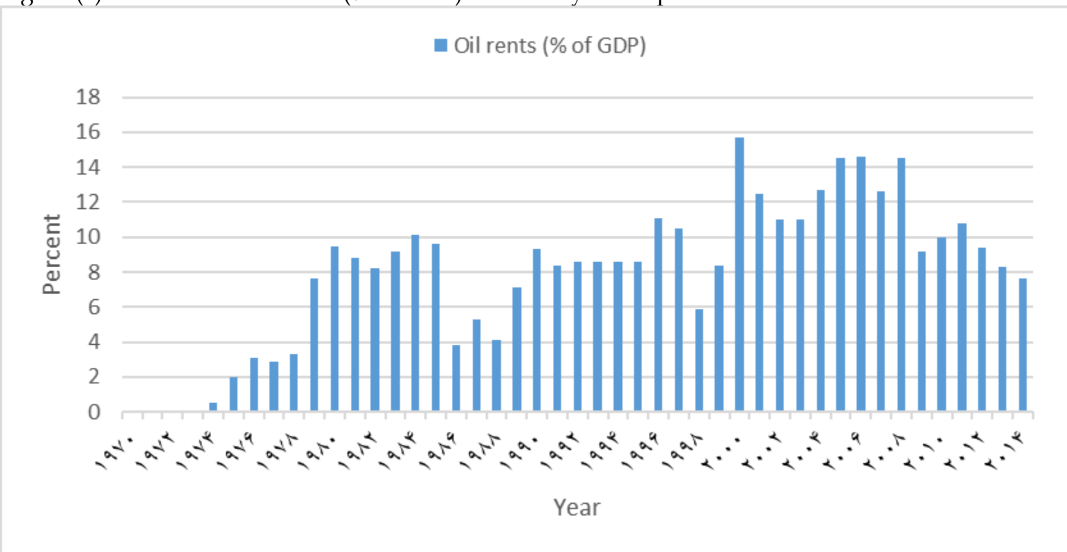
Source: World Bank

Figure (5): Tax revenues (share of GDP) in Iran in the period 1970-2014



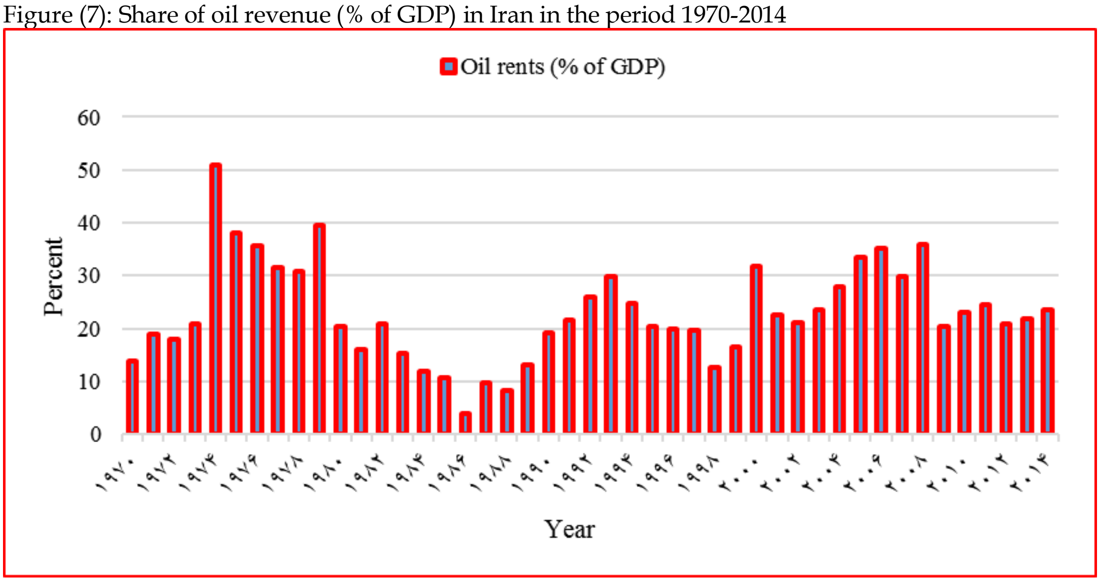
Source: World Bank

Figure (6): Share of oil revenues (% of GDP) in Norway in the period 1970-2014



Source: World Bank

Figure (7): Share of oil revenue (% of GDP) in Iran in the period 1970-2014



Source: World Bank