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EXPERIENCE OF FREE TRADE IN HASHEMI RAFSANJANI
GOVERNMENT IN IRAN

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ABSTRACT

The present research examines the sociology of neoliberal policies in the form of structural adjustment programs in Hashemi Rafsanjani's state. Its purpose is to first identify structural adjustment programs and then the implementation of one of its most important pillars, free trade in post-war Iran. We conducted this study using descriptive-analytical technique, meaning that in the beginning, we used the library method to collect information and raw materials for analysis. Moreover, we used the documentary method to use the reports and statistics available in those years (1989 to 1997) to be able to assess the status of the free trade. Finally, we concluded that the adjustment programs did not have much success in the construction state, at least in this component. The findings indicate that free trade in imports and exports not only did not significantly improve the country's economic situation, but also faced the country with new challenges that needed investigation.

INTRODUCTION

This article examines one of the most important structural adjustment programs in post-war Iran during the presidency of Hashemi Rafsanjani under the title of free trade policies. At the outset, it is important to note that the implementation of free trade policy has not been very successful during this period. Our main goal is to show how Iran, in the context of the recent end of the imposed war, implemented neoliberal programs called structural

adjustment programs and what were the reasons for the implementation of these programs. The implementation of these programs took place under coercion because Iran, as a war-ravaged country, needed to revive its economic power. In addition to all its significant human and inhumane costs, the Iraq-Iran war has made the economic situation much more complicated than it once was; Iran was clearly in a situation where there is a possibility of famine. The war had turned the country into a new phase of crisis and challenge. Such a challenging situation, which coincides with the presidency of Hashemi Rafsanjani as then president, paved the way for the implementation of structural adjustment policies in the country.

Our starting point in this research is to pay attention to some facts in Iran. After subsiding the fever of war and with the coming to power of the Hashemi state, the war-caused crises and the domestic and international conditions urged a group of political elites to move from the state economy to a free market economy (neoliberal economy) through the structural adjustment programs in order to get out of the post-war crisis. Therefore, the country's policymakers tried to implement neoliberal policies in order to save the country from the mentioned critical conditions" (Sadeghi Boroujeni, 2011: 19). The implementation of these policies was not limited only to the fifth and sixth states (Hashemi Rafsanjani state); it has gone through a progressive process so far. So it is not unreasonable to talk about the complete domination of this discourse over the country. The implementation of these policies had proponents and opponents, but in the end, by order of the then president, programs such as privatization, free trade, and the downsizing of the state (relieving the burden of state support) were approved and implemented.

Our thesis in the present research is the conclusion that the implementation of free trade policy in Iran in the early 1990s was not very successful and did not contribute significantly to the economic development of the country.

Research Literature

At the Bretton Woods International Financial and Economic Conference, held a year before the end of the war to resolve the international financial crisis in June 1944 at the invitation of the United States, the decision was made to create two international organizations: the International Bank for Reconstruction and Development (World Bank) and the International Monetary Fund. Later, the World Trade Organization was established alongside the above two institutions. They were responsible for the spread of neoliberalism in the world.

"Structural adjustment programs and their implementation are one of the most important components of globalization, which has always been promoted by the Consensus of Washington and the global financial institutions in which neoliberals play a major role in policy-making. Most of those who have discussed structural adjustment programs had no doubts that the theoretical framework of these programs has a neoclassical approach. We can see this from the emphasis of this program on relying on market forces for

deregulation, privatization of public enterprises, liberalization and in general a lot of attention to the private sector " (Sadeghi Borouni: 20, 2011).

The Structural adjustment Program is a recommend of the International Monetary and Financial Institutions (World Bank and International Monetary Fund) to developing countries to bring about economic transformations in line with the globalization of the economy. "These institutions recommend or impose these policies on countries to lend to developing countries, or to accept deferrals." These loans are very attractive and tempting for developing countries with a half interest rate and a ten-year repayment period that begins 5.5 years after receipt. The countries are willing to accept the conditions for obtaining these facilities. Therefore, the International Monetary Fund, under the influence and pressure of the industrialized countries, has made the payment of these facilities conditional on the implementation of a structural modification program" (Ebrahimi Nejad: 2010, 16).

Lending by the fund is mainly conditional on compliance with a set of policies. These included "Fiscal policies (such as reducing state spending, increasing the price of state goods and services, canceling subsidies, reducing state borrowing from the banking system and indirect tax increase), monetary policies (such as raising domestic interest rates), foreign exchange systems (such as devaluing money, setting a certain level for foreign exchange reserves and facilitating the inflow of foreign capital) and income policies (such as stabilizing the minimum wage and preventing its increase). The adoption of such policies from 1980 to 1997 was a precondition for receiving a loan" (Yousefi: 131, 2016).

"Structural adjustment is an attempt to transform and regulate economic structures and policies in the light of changing a country's economic situation in order to improve its economic performance." The World Bank and the International Monetary Fund equate structural adjustment with stabilization. "This stabilization is mainly designed to generate revenue to pay the debt crisis of indebted countries" (Saif: 2016, 146).

Walden Blue defines structural adjustment as follows: "Structural adjustment is the development paradigm that the World Bank and the International Monetary Fund have prescribed for the countries of the South since 1980. The purpose of this planning was to restructure the world economy as a whole. Long-term structural reforms are for de-controlling the economy, liberalizing trade and investment, privatizing state property, and stabilizing short-term policies such as cutting state spending, raising interest rates, and reducing monetary value (Bio: 1997, 59). "Structural adjustment policy actually pursues a strategy based on which private investment and free trade can be realized in the broad market, and instead of state restraint and control, the forces of competition were put into operation with the cooperation of investment units that pursue the profit goal of their firm" (Raisdana: 2014, 103).

Farshad Momeni specifically identifies the most important executive policies of the structural adjustment Program as follows:

- Reducing the role of state
- Reducing the role of the national currency
- Trade liberalization, especially the removal of all import controls
- Privatization of enterprises and sale of companies
- Eliminating subsidies
- Quick repayment of foreign debts
- Reduction of workers and employees through voluntary and forced dismissal
- Increasing interest rate
- State assistance in the field of exports, especially raw materials, primary products and traditional exports
- Activating exchanges in order to operate the floating exchange system
- Freedom of entry and exit of capital (transfer of concessions to monopolies and multinational companies, borrowing, etc.)
- Effective reduction of state budget and implementation of contractionary policies
- Carrying out institutional reforms such as reviewing the tax system (Momeni: 115, 2007).

Reviewing the policies mentioned above, we mention the following:

- The World Bank and the International Monetary Fund have made the elimination and reduction of subsidies among the principles of structural adjustment programs, with the aim of reducing state spending and facilitating private sector activity.

In the adjustment programs, it is recommended to the implementing country to formally reduce the value of its currency. In defense of this policy, it is argued that if the price of foreign currencies increases against the national currency, the price of imported goods becomes more expensive and as the price of exported goods increases, the incentive to export and produce imported goods will increase” (Momeni: 2007,121).

"According to the adjustment plan, for fighting bureaucracy and increasing efficiency by transferring state organizations and factories to the private sector, the state is required to reduce the number of people working in the public sector before privatization. Consequently, these forces join the unemployed community without paying a limited unemployment pension and any other necessary supportive action.

- According to the International Monetary Fund, the key to economic success is to increase exports, and the adjustment countries should increase their foreign exchange earnings by increasing exports, given their comparative advantage, the source of which is cheap and abundant labor” (Ibid: 122).

- Privatization in the adjustment program has three assumptions: first, that economic growth is a priority and by pursuing it comprehensively, welfare can be maximized and poverty and inequality can be reduced. Second, the best way to achieve rapid growth is to leave economic decisions to competing individuals or institutions. Third, state regulations and interventions prevent

individuals and firms from choosing the most profitable ways of investing, thereby leading to inadequate resource allocation.

Another principle of adjustment plans is to prepare the political, economic and legal environment for foreign investors. In practice, an important part of them is multinational corporations that are emerging in the shadow of privatization. They start their economic activities by buying efficient production institutes and companies at low prices and creating new fields.

According to these policies, "if the investment and free trade are accompanied by removing customs barriers, eliminating tax deterrence policies, the policies of non-protection of wages and non-protection of welfare benefits and the elimination of politics and social justice, in the long run they will make investments more efficient, increase the level of employment, and ultimately cause the growth and prosperity of the country" (Raisadana: 2007, 82).

"Trade liberalization through the reduction or elimination of tariff or non-tariff barriers and the liberalization of exchange rate are also principles of neoliberalism." "Neoliberals believe that trade barriers were a major factor in the decline in world trade, which exacerbated and prolonged the Great Stagnation of the 1930s. The creation of the General Agreement on Tariffs and Trade in 1947 and the change of the GATT to the World Trade Organization, along with various types of regional and bilateral trade agreements, were among the first steps in this direction" (Abdullahzadeh: 100, 2007).

Neoliberals consider international trade as essentially a positive thing and recommend it to all countries. The theoretical substructure of this tendency is the same as Ricardo's traditional theory of "comparative advantage" in foreign trade. "Supporters of this theory argue that the allocation and division of international labor benefits countries participating in international trade. Ricardo's view was that it is beneficial for a country that produces goods even more expensive than other countries to participate in international trade, because in such a country some goods are produced cheaper than other goods and services. Therefore, it is in the interest of this country to concentrate its production resources on the production of goods that have more advantages and import the rest of the goods from abroad. "Ricardo believed that by doing trade between countries, the total world production would increase" (Sharif: 2008, 182).

On this basis, one of the proposed neoliberal policies is trade orientation, increasing exports and presence in the global market. "Increasing the share of exports in GDP is a sign of the success of this approach and increasing the competitiveness of production" (Yousefi: 155, 2009).

Structural Adjustment in Iran

From 1989 onwards, the state leaned on the analysis that the general trend of the country's economy in previous years, despite all the state's efforts to improve economic activity, was unfavorable. It started extensive reforms in

the Iranian economy, which we can describe it as economic reforms or structural adjustment policies. "It was not a few months before the final approval of the first five-year plan in parliament that the Planning and Budget Organization, as the custodian, executor and supervisor for the implementation of the development program, itself devised and developed a new program called the Economic Adjustment Program. From 1990 onwards, economic events are oriented to the economic adjustment plan that had the least relation with the first five-year development plan approved by the system" (Momeni: 1995, 66).

Until now, "the state's economic development strategy in these circumstances was the strategy of substituting imports based on oil resources and with the slogan of self-sufficiency and the denial of dependence on the East and the West. State's complete dominance of the economy, revolutionary policies, imposed war, oil-based intensification, reduction of foreign exchange resources, crises such as inflation, employment, deficit reduction and balance of payments and the emergence of a socio-economic crisis in the country with the reduction of oil revenues caused country's economic inactivity and collapse of political and social structures and crises" (Ibid, 16).

We can summarize the purpose of this set of policies as follows:

1. Removing the historical imbalances of the Iranian economy:

According to the designers of the first development plan, the analysis of macroeconomic issues in Iran indicates the existence of economic imbalances that have manifested themselves in the Iranian economy (at the macro level) for a long time. The most important of these imbalances include:

- "Imbalance between state revenues and expenditures (budget deficit) due to the impossibility of increasing revenues and the large volume of state duties
- Imbalance between money supply and demand (monetary imbalance) due to the increasing trend of liquidity under the influence of state fiscal policies as well as recession in various economic sectors
- Imbalance between investment and savings (financial imbalance) due to the increase in national savings and its use in unproductive commercial and service activities and the lack of mechanisms to encourage and direct society's scarce resources towards production and capital
- Imbalance between imports and exports (imbalance in the balance of payments) due to lack of development of non-oil exports
- Imbalance in the labor market (unemployment) due to the decrease in the volume of economic activities and lack of development of new activities, increasing population growth and the characteristics of young population" (Cultural Group: 1994, 123).

Despite the above imbalances, economic designers, by formulating policies and guidelines within the framework of the development plan, tried to eliminate these imbalances.

2. Achieving economic prosperity:

Evidence shows that there was a recession in the economy before the economic reforms. Achieving economic prosperity is one of the main goals of the first period of these reforms. Efforts to achieve economic reforms led to the application of policies in the field of increasing the return on investments, resulting in increased supply and increased capacities. The most important of these policies were:

• Deregulation and liberalization policy:

It has been a failed idea that we should define all economic relations through the establishment of dry, cumbersome, and unnecessary regulation, and that we should use administrative means to determine economic orientations. Of course, deregulation and liberalization do not mean the release and lack of supreme control and supervision of the state over economic affairs. Rather, it means that economic tools and policies should be used primarily to control and supervise economic affairs rather than administrative tools and law. In addition, we must break and fragment markets.

• Reducing state tenure:

Reducing bureaucracy is not possible without reducing the size of state. Experience has shown that in no country is it possible to carry out reforms without downsizing state agencies and the size of state tenure. Furthermore, downsizing the state means reducing state spending, which itself has very positive effects on fiscal equilibrium and economic stability.

• Privatization

In any case, the government cannot deal with all the infrastructure, long-term and production and short-term affairs, as well as service and financial affairs through its resources. On the other hand, experience has shown that private institutions are more efficient than state-owned enterprises; so privatization has been deemed a necessary step and has been moving towards it.

• Industrialization according to comparative advantages

The industrial structure of our country has been shaped by a prosperous economy relying on high oil revenues, in which the existence of foreign exchange earnings of oil is taken for granted. Therefore, instead of using foreign exchange to import capital goods and technology, it was paid for the import of raw materials. One of the most important moves that the reform state had to make for a stable economic balance was to create an industry that not only can it provide the currency it needs, but also it can also gradually provide the currency for the rest of the sectors. In this regard, designing a program with the aim of developing exports along with industries that are the result of replacing the import strategy was necessary.

- *Support and efficiency in foreign trade*

Foreign trade instruments are very effective in determining the economic structure in both the import and export sectors. Identifying and determining the limits of support for domestic products on the one hand, and producing competitive goods in the global market on the other hand, is essential. Therefore, a suitable policy should be designed by deregulating foreign trade and by determining the specific amount of customs and commerce.

- *Social support and security*

Changing the way of life for creating an efficient society not addicted to support and subsidies is a difficult and time-consuming thing. Moreover, there is always a group in the society that, for various reasons, is of a very low income and unable to live without constant support. Therefore, using a support system for the low-income groups could contribute to the success of economic reforms. Trying to design such a system is another measure of the state in the field of economic reforms (Cultural Group: 125-126, 1994).

At that time, due to the issues and problems that the country was facing, the modernization and reconstruction of the country was inevitable. Thus, the Minister of Economy and Finance, as well as the Head of the Central Bank at the time, stressed the necessity of accepting and implementing neoliberal programs and structural adjustment to get rid of this imbalance in the country. "The country's economy needs reconstruction and modernization, and reforming the structure of the country's economy and leaning towards a neoclassical approach seems necessity" (Azimi: 92, 1992).

The policy of structural adjustment, supported by the institutions of the capitalist world, came to Iran during Hashemi Rafsanjani's reign! Hashemi Rafsanjani was elected president in 1989. With the slogan "We seek to build our country", accompanied by a group of political elites, he prepared an operational plan called structural adjustment executive policies (according to many critics, despite the lack of a proper structural framework in the country).

RESEARCH METHOD

Obviously, research methods in different researches are different. Scientific research should determine its method according to the research conditions and its specific issues. Thus, different methods of each should be used in special time and contexts. Otherwise, not only will they not be useful, but they will also divert the research path.

The method of this research is a combination of library, documentary and descriptive-analytical methods. As for the library method, we should say that the literature and theoretical concepts of the research have been collected using this method. We will use documents to use the available statistics on the implementation process of adjustment programs. (For example, as for the privatization situation during the years 1989 to 1997, using statistical tables provided by the Privatization Organization or the program and budget

organization, we will deal with the upward or downward trend of privatization in the construction state). Furthermore, based on the opinions of the executive officials of that time, we describe the "war-torn Iran" in the years before and after the adjustment, and we recount the situation of the country from their language in order to accept the implementation of these programs. However, after describing the situation, we definitely need to analyze the success or failure of these programs in the government of Hashemi Rafsanjani, and consequently we need to provide an analytical method for the reason for the success and failure of these programs.

RESEARCH FINDINGS

We can say that difference in the economic performance of a country always changes its position in the ranking of the world economy and the emergence and decline of economic powers in the field of international competition. This is the condition for success in economic performance, paying attention to domestic needs and necessities for the development of the country on the one hand, and establishing foreign interaction to meet the desired needs on the other hand.

"The 1980s and 1990s, which coincide with the construction state in Iran, are the period of the domination of neoliberalism on the world economy and the beginning of the link between foreign policy and economics. The neoliberal political economy that shaped the international economy during the construction period includes three basic principles: free trade, privatization, and the elimination of state control. The principle of free trade increases market efficiency, expands competition, and maximizes profits. Supply and demand are in a state of natural equilibrium" (Dolatabadi and Ebrahimi: 155, 2016).

Before the rule of neoliberal economy in the world, Iran's economy did not agree with the establishment of economic relations with other countries, relied on domestic production and import substitution policy, and closed the way to any interaction. "Economic model of the Islamic Republic of Iran until 1989 was a planned state economy. This economic system was based on internal self-sufficiency and self-reliance, in which the state played the most important role. The development model adopted to ensure economic independence was an import substitution strategy. The basis of this introverted strategy, an attempt was made to increase domestic production to the extent that the country does not need foreign imports by relying on domestic resources and facilities with the least interaction and connection with the international economy and the global market" (Dolatabadi And Ebrahimi: 142,2016).

Such a model, on the one hand, spontaneously paved the way for the magnification of economic power, and on the other hand, gave rise to a kind of pessimism or "hypothetical enemy" of the Western world economy. "The self-reliance logic of this model increased the pessimism and distrust of the international economic order and the hegemonic and unjust nature of this economic system. The reason for this was the ideological nature of the system, the idealism and the values that had persisted since the beginning of the

revolution. In fact, in this period, due to the idealist view about the international system, realistic rules and games were not considered until 1989, and consequently economic relations and exchanges with the outside world and influence of world market was reduced to a minimum" (Dehghani: 402, 2011).

With the end of the war, the most important necessity was to begin reconstruct the devastated economy and war-torn areas that needed help and assistance. "In this regard, slogans such as rebuilding the ruins of war, job creation, de-escalation, economic development, supporting foreign investment and creating security of capital were raised with the priority of reconstruction" (quoted by Dolatabadi and Ebrahimi: 162, 2016). This period became the beginning of a new season in Iranian economy and international relations.

"The policy of economic adjustment led to economic growth and attracting foreign investment. Changing the development strategy from import substitution to export development was one of the most important components of this policy" (Dehghani: 405, 2016). "In the framework of these policies, an attempt was made to reduce the restrictions on the import of goods, create the necessary facilities to increase exports in order to provide the necessary grounds for the internationalization of the economy and industry in the world economy" (Ibid: 210).

Thus, one of the most important strategies of the first and second development plans was the expansion of international relations, followed by the expansion of exports to various parts of the world. "Export development meant economic extraversion. The necessary condition of this strategy was local development, free market economy based on economic liberalization and extensive and comprehensive privatization. In this regard, interconnection with the international economy and the world market was inevitable. Therefore, one of the important policies of these two programs is active interaction with influential countries and institutions in the global economy in order to institutionalize economic relations, absorb resources, foreign investment and advanced technology and expand Iran's export markets for increasing Iran's share of world trade and economic growth" (Dehghani: 403, 2011).

"The export development model required developmentalist and extroverted foreign policy. It was believed that the private sector had billions of dollars of stray capital and the state should attract them in the process of free economic activity" (Saif, 29, 2001). According to such definitions, in order to increase foreign relations and attract resources, as well as investment, the construction state liberalized imports and exports.

In post-revolutionary Iran, with the development of trade policies in the country and with the implementation of adjustment programs in the construction state, and increasing the volume of trade, the free trade index began to rise. However, the implementation of free trade policies in the field of import and export of various goods has not followed a unified process.

Given that the types of goods fall into three categories of consumer goods, intermediate goods and capital goods, we can say that most of the goods that entered the country in the first and second development plans, concern the consumer goods. The use of such goods, even when the country was still strengthening its economic power, is not very effective and useful for the country's economy. Unfortunately, we were not able to compile a list of consumer goods in these years. However, in research presented by Yadollah Dadgar on the Iranian economy after the revolution, he mentions the years 1994 and 1995 as examples: "The amount of imports of consumer goods in 1994 and 1995 has accounted for a significant percentage. For example, in these years, consumer goods worth 3238280 million Rials, capital goods worth 2887112 million Rials and intermediate goods worth 1276 million Rials entered the country (Dadgar: 1998, 248). Considering that we faced unstable economic conditions at the end of the war and needed more imports of intermediate, especially capital goods, we can observe that the use of consumer goods, which did not seem so necessary, received more attention and entered the country. This harmed the sick economy of that time.

"During these years, we can observe the construction of revolving towers and restaurants, multi-star hotels, freedom to import all kinds of cosmetics (at least until the end of 1993), freedom to import foreign cigarettes, foreign drinks, art objects, objects of the collections, arrival of original pearls, precious stones, fancy jewelry, artificial flowers, and objects made of human hair etc." (Statistical Yearbook of the country, 1994 to 1996, quoted by Dadgar: 16, 1998).

In this regard, we can say that: "The country's trade balance, which was equivalent to 367 million dollars in 1989, reached 1027 million dollars in 1993, which shows a more than three times increase in the negative trade balance, part of which has been the import of unnecessary and luxurious goods" (Farjloo: Bitā, 14). "The import of consumer goods into the country, which in 1990 was 25 tons, reached 1323 tons in 1993, which is an astonishing figure. The combination of these developments, of course, has included the spread of financial corruption, cultural decline, and value change, and has led to the severe dissatisfaction of the less privileged and oppressed classes" (Shahbazi, quoted by Yarahmadi: 163, 2016).

Moreover, another consequence of the adjustment program of import liberalization was the state's attempt to prioritize the country's assembly and computerization industry: "The use of up-to-date computer technology has led to neglect of the agricultural sector. The import of these technologies was not commensurate with the economic structure of the country, and this led to the loss of the country's limited currency. For example, instead of importing luxury assembly cars, they could import agricultural machinery and materials such as needed fertilizers and poisons. This is while the price of pesticides and fertilizers increased by up to 300 percent in some cases, and this caused great dissatisfaction among farmers and reduced production in this sector" (Salehi: 204, 2014).

Liberalization in the export sector, like imports, took place in a reckless manner. The expansion of our country's non-oil export sector seemed necessary at that time. "Its expansion became so widespread that firstly, a large part of our country's productive force was drawn to trade in the field of imports and exports to make more profits. Secondly, domestic prices were under very high pressure. On the other hand, a significant part of the profits of exports went to the pockets of certain groups such as brokers and intermediaries and did not help the national interest. In these circumstances, intermediaries are greedy and seek more profits. A consequence of the existence of brokers and intermediaries, which led to the brokerage economy with special rents, was people's lack of trust in the economic system and it reduced their production activities" (Saif: 281, 2011). In addition, "the dominant role of the public sector in industry, which reduced motivation and flexibility in this sector, was another reason for weak exports. Increased demand and domestic consumption, which reduced the supply of goods, is not ignorable in this case" (Noshirvani, 1995: 67).

We should note that borrowing foreign loans from the International Monetary Fund and the World Bank also helped to increase the free trade trend in imports and exports. because the economic conditions of the time under study was not such that the state can create the necessary capital in the field of imports and exports, and by taking foreign loans, it was able to create a significant increase in the amount of imports and exports (in the first period of the development plan). However, after the first plan, we are witnessing a decrease in the growth rate of imports and exports. Since the export and import concerned mostly the export of raw materials like oil and the import of non-essential goods, a revival of the unhealthy and sick economy of the country did not become possible and it may have added to the growth of consumerism and adjustment!

Thus, a review of the state of imports and exports in the construction state reveals that this policy has not been very successful. Accordingly, the most part of the imported goods were consumer and non-essential. However, in the unfavorable economic conditions of that time, we needed to import capital goods or intermediaries. Furthermore, the import of inefficient technologies that were not in line with the country's economic system damaged other economic sectors. Liberalization in the export sector also caused a large part of the country's productive force to turn to trade in the field of import and export to make a profit. In addition, after a while, the quality of export goods decreased. Another important reason was the existence of economic brokers and intermediaries who pocketed a significant part of the profits from the export and import of products.

CONCLUSION

According to our research, Iran was facing many problems due to the eight-year imposed war, and the solution of each of these problems required long-term plans and schedules. For officials at the time, the war-torn people were not happy with the long-term policies and wanted to improve their situation and that of the society as soon as possible. As say one of them, they were

sufficiently deprived of their basic needs during the war. After the end of the war, the same people expected the state and officials to access the minimum necessary facilities as soon as possible and get out of the crisis. In fact, we can consider war as one of the important factors in the formation of Iran's ailing economy (although before the war, Iran was known as a dependent country that, apart from exporting oil to other countries, did not take any big step for the development of country). The description of the crisis, as well as the decision of the officials to change the economic structure of Iran in 1989, shows that the construction state, despite the opponents who want to revive the Iranian economy with the same "closed door" policy, implemented policies called structural adjustment.

There are many structural adjustment policy programs in Iran and the present research examines one of its most important pillars called trade liberalization. Finally, the research concluded that in the field of free trade (import and export) although the amount of non-oil exports increased, but the quality of the products gradually decreased, and this policy also led to the formation of an intermediary economy in this field. In terms of the imports, instead of importing essential products, the emphasis was more on the consumption and non-essential imports, which resulted in nothing but the prevalence of consumerism in the country, and finally the crisis-stricken country became a consumer society.

The deprivation of many social and cultural facilities certainly provides the ground for the intensification of inequality in society. In general, the implementation of economic adjustment programs has led to consequences such as increasing class distance, increasing economic corruption, increasing poverty in society, increasing foreign debt, dependence on foreign countries, reducing economic growth and increasing rate of unemployment. In the social and political spheres, it led to a lack of public confidence in the state and an increase in public dissatisfactions. It seems that adjustment policies not only did not resolve any economic problem of the country in the crisis period, but also in other aspects of life, by making fundamental changes in political and especially cultural patterns, did not show the "right" path of development.

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