Structural analysis of budget system issues in the Islamic Republic of Iran

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Article Info	Abstract
	Since the structural reforms of the budgeting system depend on the identification of the issues and components affecting the current structure, the current research seeks to investigate the basic issues of the budgeting system in the Islamic Republic of Iran. In this research, the method of structural analysis has been used to extract strategic issues in reforming the budget structure. The structural analysis method extracts and specifies the necessary variables for the evolution of the system by examining the direct and indirect relationships between the calculated factors. Based on the obtained results, the strategic variables are: "budget dependence on oil", "rent mentality in budgeting, approval and implementation" and "lack of systematic monitoring". In addition, the results show that the variable related to "informational and cognitive weakness of provincial budget and program organizations" has the most influence and the variables "continuous budget deficit" and "hidden or non-transparent budget deficit" have the most influence.

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Extended Abstract

Background

Budget and public sector management in Iran is mainly carried out under two bodies: the Planning and Budget Organization and the Ministry of Economic Affairs and Finance. In terms of budget components, the budget expenditure dimension is under the control of the Planning and Budget Organization. This is while budget resources are mainly provided through the Ministry of Economic Affairs and Finance and the Ministry of Oil. On the other hand, during the implementation of the budget in its current form, the allocation process is carried out by the Planning and Budget Organization and the payment by the Treasury. Thus, the issue that arises is what challenges and issues the country's budgeting system faces to implement structural reforms in the budget in light of the economic war. Identifying the challenges in the country's budgeting system makes structural reforms in the budget possible.

Aims

This research aims to answer the question, using the perspectives of experts in the field of budgeting and macroeconomics, of what are the most important issues and challenges affecting the country's budgeting system? Since structural reforms of the budgeting system depend on identifying the issues and components affecting the current structure, the present study seeks to examine the fundamental issues of the budgeting system in the Islamic Republic of Iran.

Methods

Structural analysis is a tool designed to relate ideas. This method makes it possible to describe a system with the help of a matrix that connects all its constituent elements. The structural analysis method extracts and identifies the variables necessary for the evolution of the system by examining the direct and indirect relationships between the identified factors. Structural analysis is used to qualitatively examine very different systems. The system under study is presented as a group of elements (variables/ dependent factors). The structure of relationships is expressed through a hierarchy of factors and based on the influence that each factor has on the others (activity) and the influence that the factor receives from the others (dependence). The network of relationships between the elements, that is, the structure of the system, constitutes their dynamic key and remains completely constant. Accordingly, it should be noted that in this method, the structure of relationships between the identified variables is analyzed and examined, and not the structure of the subject under study. In other words, in this research, the budget structure is not analyzed, but a structural analysis of the country's budgeting issues is carried out.

Results

The strategic variables are: "budget dependence on oil", "rent mentality in budgeting, approval and implementation" and "lack of systemic oversight". In addition, the variables related to "information and cognitive weakness of provincial program and budget organizations" have the most impact and then, the variables "continuous budget deficit" and "hidden or opaque budget deficit" have the most impact.

Conclusion

Regarding strategic variables, strategies were proposed, given their large size. There are various policies in the economic literature to reduce the budget's dependence on oil, but what is strategically important in the process of reforming the budget structure is the use of precise and compelling financial rules to reduce the budget's dependence on oil. Another variable that was identified as a strategic variable is the "lack of systemic monitoring". In this context, it should be said that systemic monitoring will not be possible without the use of online systems with the aim of collecting and analyzing information that, on the one hand, monitors the current situation and, on the other hand, adapts it to planned goals.

Conflict of interest

The authors declared no conflicts of interest.

Ethical considerations

The author has completely considered ethical issues, including informed consent, plagiarism, data fabrication, misconduct, and/or falsification, double publication and/or redundancy, submission, etc. This article was not authored by artificial intelligence.

Data availability

The dataset generated and analyzed during the current study is available from the author on reasonable request.

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