



**Identification of Key Effective Factors in the Success of the Process of Supplying
Basic Commodities (wheat) from the Public Sector to the Private Sector**

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Commodities (wheat) from the Public Sector to the Private Sector**

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ABSTRACT

The launch of privatization programs in Iran is about implementing IMF and international economic adjustment policies during the construction phase. For a successful privatization, at least the privilege and efficiency of the private sector from the government should not be less, otherwise the main objective of privatization, which is the same as increasing efficiency, will not be realized. The purpose of this paper is to identify the factors that play a key role in the process of assigning basic goods from the public sector to the private sector. In this research, 10 variables have been considered for the mentioned factors. A questionnaire was compiled of 20 questions to identify the impact of these factors. The questionnaires were distributed among 120 public sector and private sector managers across the country. The results of the questionnaire were analyzed by SPSS software. Findings of this study indicate that factors such as "investment security", "empowerment of the private sector" and "competitive environment" can have a significant impact on the success of the assignment.

Keywords: key factors, privatization, agricultural Jihad, basic commodity, wheat



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1. INTRODUCTION

After World War II, state interference in the economy increased so much that the government played an active role through its executive levers (state-owned enterprises) in most of the free and mixed economies that were similar to the planned economy (Komeijani, 2003, p. 20). Until the beginning of the 1970s, the economic problems and failures of the Western world provided grounds for criticism and doubt about government interference in economic matters. In the years after World War II, European countries gain full experience in the management of state-owned companies and national monopolies. The result of these experiences, which was summarized in the ineffectiveness of state-owned companies, led to the nationalization slogan becoming anti-nationalization and returning to the market mechanism (Motevasseli, 1994, p. 190) Thus, theoretical controversy in academic circles about state interference and convincing managers and the executive and political decision makers of countries towards the non-optimal and inefficient allocation of production resources due to the expansion of government volume and the occurrence of disorders in various economic dimensions, the idea and the idea of revision in the share and size of government intervention became more serious and again, classical theories could overcome rival theories. Finally, at the end of the 1970s and the beginning of the 1980s, in England and subsequent industrialized countries, developed, and some developing countries, the debate about privatization policy and reducing the volume of government intervention to resolve disruptions were seriously considered. . The culmination of this issue among developing countries was simultaneously with the defeat of the socialist empire. The socialist countries, by abandoning their slogans and policies, provided the grounds and the incentive to reduce government interference on the one hand and the private sector on the other hand. and thus, since the mid-1980s, privatization policy was considered one of the most important economic adjustment policies in developing countries (Komeijani, 2003, p. 2). The government of the Islamic Republic of Iran, in view of the many years of experience of the state-owned companies in the country's economy, and the experience of managing and operating previously established companies in the private sector, and the need to create the conditions for a rapid rise towards the economic and social development of society and in order to optimize the use of national resources, existing opportunities and community assets, decided to compensate for the



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inefficiencies of the past, by implementing the policy of divesting state-owned companies and by reducing the volume of its own ownership, utilize the existing opportunities and forces as more desirable as possible (Komeijani, 2003, p. 19).

According to government regulations and in line with the process of privatization, the ministries of agriculture, law, and mining and trade are about to hand over some of their executive activities to the private sector. Among these activities is the supply of basic and strategic goods of the country.

In this regard, the ministries are responsible for overseeing the implementation of assigned activities to ensure the quantity and quality of supplied goods. as well as ensuring the operational health of these activities, they decide to design and implement a comprehensive system and by implementing it in addition to applying the required monitoring, they can ensure from strong and proper management of the timely supply of essential goods by the private sector. In this study, in order to achieve a comprehensive system on how to divide the activities of supplying basic commodities (wheat) to the private sector in such a way that the type of transfer of activity can be guaranteed by the full, healthy and accurate implementation of this section, requires a complete understanding of the current supply chain of the underlying commodity. The complete and accurate identification of the existing system leads to more practical solutions and suggestions. The structure of supplying and distributing the basic commodity (wheat) in Iran is almost state-owned and because of the policies of the country, it is necessary to transfer the process to the private sector for its quantitative and qualitative improvement. The transfer of the supply chain and the distribution of the basic commodity (wheat) to the private sector has certain characteristics. In this paper, we try to examine and identify the important factors in its success. Therefore, the main purpose of this research is to identify the key factors that affect the success of the process of supplying the basic commodity (wheat) from the public sector to the private sector. Therefore, the following questions should be considered in this research.

1. What are the key factors affecting the success of the process of supplying the basic commodity (wheat), from the public sector to the private sector?
2. How is the Ranking Key Success Factors in the Submission of the Supply of Basic commodities?



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2. THEORETICAL EXPRESSION OF RESEARCH

• Basic commodity

It is said to be goods that maintenance (long term) is not possible by people and (the amount) of people's consumption in these commodities is high. In fact, the underlying commodity is the goods and services that supply the basic customer needs, such as water and wheat. (Belal, 2009).

• Wheat

Wheat is one of the first crops to be domesticated and cultivated by humans. From the end of the year 1930, preliminary experiments on cereals and seed germination were carried out in Ferdows Gardens in Karaj Agricultural College. In the year 1935, the Correctional Plant was established in Karaj, Iran, initially under the responsibility of Dr. Schneider, who remained in this section for 6 years by the General Directorate of Agriculture. Since the end of 1935, it has been working to provide various varieties of wheat suitable for the temperate and tropical regions. Wheat varieties of Shah Pasand, Omid, Roshan, four thousand eight hundred and twenty varieties of California barley for the Karaj region and Basil, Italian, and Tabas varieties of wheat, were distributed to Varamin region among farmers.

• Privatization

Privatization is referred to as a set of actions in which various levels and fields, control, or ownership or management are out of the hands of the public sector and are left to the private sector. (Behkesh, 2002, p. 111-111), privatization is the transfer of existing state-owned enterprises to private-ownership or any transfer of management or ownership from the public sector to the private sector (Glinkina, 2006). The thinking of international financial institutions and free market economists is that the government must persuade itself to regulate itself and transfer the ownership of the industrial and profitable companies to the private sector (Hassan Khan, 2003). In other words, privatization can be considered as an attempt to fill the role of the market against the government's decisions as an economic agent. In fact, the concept of privatization is wider than the mere shift in ownership of manufacturing firms, we can say that privatization means a method for relying on the market in allocating resources (research journals and economic policies). The main idea in privatization thinking is to rule the market mechanism



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on economic decisions which results in the creation of a competitive environment for private enterprises, thereby enhancing the efficiency of firms in relation to the public sector.

Research Background

Adel Azar 2010 presented an article entitled "Designing a Comprehensive Model for the Privatization and Transfer of Governmental Enterprises in Iran with a Policy Approach: Petrochemical Industry" in the year 1389. In the proposed model, privatization is centered on two sets of goals:

1- Financial objectives of the firm (micro purposes)

2. Public Purpose (Major Objectives)

The former includes productivity, competitiveness and profitability, and the latter includes employment, the environment, general welfare and justice.

Heydari Kord Zanganeh (2007) presented an article entitled "A Model for Promotion and Development of Privatization in Iran", which aims to provide a model for the promotion and development of the privatization system in the country. In order to achieve this goal, the literature of organized research has been reviewed by experts and experts of the country. And then the researchers' experiences in ten dimensions (1. World 2. Political 3. Legal and Legal 4. Institutional and Organizational 5. Planning 6. Economic 7. Management and Executive 8. Social and Cultural 9. Virtual and 10. Privatization Method) 190 components were extracted and utilized using dynamic modeling and vectoring techniques and then presented in the form of a model and it is confirmed by X² and coefficient of explanation of phenomena: RMSR and PD = 0.9234. The root mean number of residues, which indicates the model's desirability and the appropriateness of the proposed model with a total average of 12.4 out of 5.

Research Methodology

This research is in terms of purpose is applicable as it identifies the key factors that contribute to the success of the process of supplying basic goods to the statistical community. Considering the main objective of this research, which is to identify the key factors affecting the success of the process of supplying the basic commodity (wheat) from the public sector to the private sector, the method of this research is descriptive-survey. The statistical population of this study is the managers of governmental and public sector private sector active in the field of basic



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commodities (wheat), a sample of 120 people selected randomly. According to the research goals and characteristics of the statistical society, for data gathering, interviews and questionnaires were used. In this research, the indices presented in valid scientific research have been used to formulate research questionnaires. The questionnaire consists of 20 questions and follows a Likert scale of 5. The calculated value for Cronbach's offspring is 0.936, which is more than 0.7, indicating the reliability of the questionnaire. In order to determine the validity of the content of the questionnaires of the present study, we first tried to use standard questionnaires whose validity had been previously determined and approved. In addition to this method, face validity method was used, so that from 12 professors of opinion polls about questionnaires were asked and the questionnaires were corrected and approved. To analyze the data, a Kolmogorov-Smirnov test will first be used to verify the normality of the data and then the t test. Finally, we will use the Friedman test to rank the variables.

3. Data analysis

• Kolmogorov-Smirnov test

According to table (1), the significance level of the Kolmogorov-Smirnov test for all variables is 0.00. As a result, the assumption of the normalization of the data is rejected and the nonparametric tests (single-sample test) are used for analysis.

Table (1): Results of the Kolmogorov-Smirnov test

Rules and regulations	Employment Security	Research and Development	Corporate restructuring	clarification	Strengthening governance of government	Strengthening the stock exchange	competitive environment	Empowering the private sector	Investment security	
120	120	120	120	120	120	120	120	120	120	Number
0.30	0.27	0.38	0.30	0.39	0.28	0.30	0.38	0.30	0.21	Test statistic
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Significance level



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• Sign test results for research variables

In this section, the test ($H_0 \leq 3$ and $H_1 > 3$) will be used, which means that the H_1 rejection means that this variable does not affect the transfer of wheat from the public sector to the private sector. The acceptance of H_1 means that this variable affects the transfer of wheat from the public sector to the private sector (Zareinejad et al., 2014) We tested this test in three sectors: public, private, and cooperative, which, according to Table 2, assumed H_1 for all variables and in all sectors, in other words, all the variables specified in the transfer of wheat from the public sector to the private sector It works in all sectors.

Table 2. Results of the sign test for model variables in the public sector, in particular, cooperative and all sectors

All sectors		Cooperative sector		Private sector		Public sector		Components Variables)	Dimensions
Test result	significance level	Test result	significance level	Test result	significance level	Test result	significance level		
H1 Acceptance	0.00	H1 Acceptance	0.00	H1 Acceptance	0.00	H1 Acceptance	0.00	Investment security	1
H1 Acceptance	0.00	H1 Acceptance	0.00	H1 Acceptance	0.00	H1 Acceptance	0.00	Empowering the private sector	2
H1 Acceptance	0.00	H1 Acceptance	0.00	H1 Acceptance	0.00	H1 Acceptance	0.00	competitive	3



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ptanc e		ptanc e		ptanc e		ptanc e		enviro nment	
H1 Acce ptanc e	0.00	H1 Acce ptanc e	0.00	H1 Acce ptanc e	0.00	H1 Acce ptanc e	0.00	Streng then the stock excha nge	4
H1 Acce ptanc e	0.00	H1 Acce ptanc e	0.00	H1 Acce ptanc e	0.00	H1 Acce ptanc e	0.00	Streng thenin g govern ance of govern ance	5
H1 Acce ptanc e	0.00	H1 Acce ptanc e	0.00	H1 Acce ptanc e	0.00	H1 Acce ptanc e	0.00	clarifi cation	6
H1 Acce ptanc e	0.00	H1 Acce ptanc e	0.00	H1 Acce ptanc e	0.00	H1 Acce ptanc e	0.00	Corpo rate restruc turing	7
H1 Acce ptanc e	0.00	H1 Acce ptanc e	0.00	H1 Acce ptanc e	0.00	H1 Acce ptanc e	0.00	Resear ch and Devel	8



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								opmen t	
H1	0.00	H1	0.00	H1	0.00	H1	0.00	Emplo yee Securi ty	9
Acce ptanc e		Acce ptanc e		Acce ptanc e		Acce ptanc e			
H1	0.00	H1	0.00	H1	0.00	H1	0.00	Rules and regulat ions	10
Acce ptanc e		Acce ptanc e		Acce ptanc e		Acce ptanc e			

Friedman ranking results

According to table (3) we get the following results:

In the public sector, the Friedman rank test results for these variables are as follows:

1) Competitive environment 2) Clarification 3) Strengthening the stock exchange 4) Research and development 5) Strengthening of Governance Supervision 6) Private sector empowerment 7) Adjustment of laws 8) Corporate restructuring 9) Employee security 10) Investment security.

In the private sector, the Friedman rank test results for these variables are as follows:

1) Clarification 2) Research and development 3) Private sector empowerment 4) Competitive environment 5) Modification of laws 6) Corporate restructuring 7) Employee job security 8) Strengthening of the stock exchange 9) Investment security 10) Strengthening of Governance Supervision oversight

In the cooperative sector, the Friedman rank test results for these variables are as follows:

1) Clarification 2) R & D 3) Competitive environment 4) Private sector empowerment 5) Employee security 6) Corporate restructuring 7) Settlement of laws 8) Strengthening the stock exchange 9) Strengthening of Governance Supervision 10) Investment security

In all sections, the Friedman rank test results for these variables are in order of priority:



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1) Clarification 2) Competitive environment 3) Research and development 4) Empowerment
Section 5) Modification of laws 6) Strengthening of stock exchanges 7) Corporate restructuring
8) Job security 9) Strengthening of Governance Supervision 10) Investment security

Table 3: Results of Friedman Ranking in the Public, Private, Cooperative and All Sectors

All		Cooperative		Private		Public	
Average rating	Variable	Average rating	Variable	Average rating	Variable	Average rating	Variable
6/54	clarification	6/66	clarification	6/38	clarification	6/73	competitive environment
6/41	competitive environment	6/41	research and	6/34	Research and Development	6/58	clarification
6/18	Research and Development	6/38	Development	6/16	Empowering the private sector	5/85	Strengthen the stock exchange
5/8	Empowering the private sector	5/93	competitive environment	6/14	competitive environment	5/79	Research and Development
5/37	Rules and regulations	5/41	Empowering the private sector	5/80	Regulation of laws	5/48	Strengthening governance of governance
5/18	Strengthen the stock exchange	5/24	Employee Security	5/18	Corporate restructuring	5/33	Empowering the private sector
5/16	Corporate restructuring	5/16	Corporate restructuring	5/08	Employee Security	5/15	Rules and regulations
5/03	Employee Security	4/90	Rules and regulations	4/79	Strengthen the stock exchange	5/08	Corporate restructuring
4/94	Strengthening governance of governance	4/80	Strengthen the stock exchange	4/60	Investment security	4/59	Employee Security



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4/39	Investment security	4/44	Strengthening governance of governance	4/55	Strengthening governance of governance	4/45	Investment security
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4. THE RESULT OF THE DISCUSSION

In this research, the researcher, after reviewing the history and history of privatization, identifies the factors that can influence the success of the process of supplying the basic commodity (wheat) from the public sector to the private sector. Finally, ten variables were identified as the main influencing factors that these ten factors are, respectively:

1. Investment security

To the extent that the security of investments in the country is guaranteed, the amount of domestic and even foreign investment will be upward. Guaranteeing contracts in private organizations can be a factor in the process of supplying supplies from the public sector to the private sector. Contractual insurance can also be one of the other effective factors in the process of supplying goods from the public sector to the private sector.

2. Empowerment of the private sector

The government must first start privatizing private companies through training and support policies (financial, regulatory, and proper banking, insurance, etc.) in order to be able to carry out its mission to the fullest extent possible. Lack of basic goods due to the inability of the private sector. In this regard, holding training workshops and justifying by the public sector and grants facilities to individuals in the field of investment can be effective.

3. Competitive environment

One of the things that should always be considered is creating a fair competition environment. If the community's perception of the available space is unfair, even if the move is done with good intentions, the desired result will not be achieved. Therefore, the main foundation for the success of privatization is that the society's perception should be seen as moving towards fair competition. The existence of competition among companies, as well as the creation of a fair competitive environment, is effective in securing the success of the process of supplying essential goods from the public sector to the private sector (Foroughi and Esfahani, 2012)



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4. Strengthen the stock exchange

Studies on the effects of implementing the privatization program on the stock market indicate that in the countries implementing the program, privatization has not only led to the development of their stock market, but also increased economic security, as well as the gradual improvement of their economic structure. The existence of economic security in the country is conducive to the successful transfer of the process of supplying basic goods from the public sector to the private sector. Also, the process of supplying basic goods from the public sector to the private sector is effective in gradually improving the economic structure.

5. Strengthening of Governance Supervision

in order that the supply of essential goods to the private sector is successful, the government should avoid administrative authority and its ability to control and supervise the good work done by the private sector. This includes the implementation of standardized commodity guidelines and their transportation and cargo control at entry points (customs, transportation system consisting of sea and river transport (railways) and land (pickup truck), storage system and supply system for goods.

6. Clarification

In order to create a healthy competition between the various sectors in this area, the government should include Clarification in the rules and the free flow of information to all sectors and prevent the creation of information rents among specific groups.

7. Corporate restructuring

In order to properly subdivide some of the activities (whether general or partial) from government to the private sector, the government must change their structure in proportion to the change in the duties and responsibilities of the relevant government agencies; thus, focusing more sections The headquarters focuses on controlling and monitoring the queuing sectors on the support and support of the private sector

8. Research and development

The government will step up its research and development by setting up centers in this area in order to portray the world's leading companies, innovate, update and enforce standards and analyzes related to essential commodities. As a result of the creation of research centers in the



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field of creativity and innovation, the mandatory updating of standards and analysis of basic goods can ensure the success of the process of transferring from the public sector to the private sector.

9. Employee security

One of the things that can be a barrier to the success of privatization is the strength of managers and employees of government agencies because of the fear of losing job positions. This should be achieved by establishing appropriate rules and incentives, such as providing facilities to companies that attract public sector employees.

Also, the restructuring and reform of the workforce structure, if implemented before the privatization process, is effective in the job security of the employees.

10. Rules and regulations

The existing laws are adapted to the task of state administration in all matters that, in order to successfully transfer to the private sector, rules should be set up to support the private sector. Revision and amendment of the law can be effective in the process of supplying essential goods from the public sector to the private sector.

5. APPLIED PROPOSAL OF RESEARCH

With regard to the topics and content presented and the importance of increasing the efficiency of the supply process, we propose:

1- The Ministry of Agricultural and its subsidiary allies, such as Iran's State Enterprise of Commerce, the Rural Cooperative and the Research Center for Crop Research, with scientific and technical assistance, as well as the provision of facilities and storage facilities to the private sector to help succeed in supplying essential goods by the private sector.

2. Banks operating with a timely allocation of credits for the purchase of basic goods loans and facilitating the opening of legal documents for the private sector.

As well as the requirement for insurance (central insurers) to insure the process of supplying the goods by the private sector in accordance with the principle of cost-effectiveness and supervision of the process

3. Empowerment of the private sector and the counterpart of the country that are moving in this process (scientific empowerment, management system and training of human resources)



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At the end of this note, it is essential that part of the supply of basic goods should remain at the disposal of the public sector due to the importance of the country's strategic reserves, it means that the public sector must directly supply it. Also, government companies such as state-owned businesses should always keep in touch with major world-based companies in the purchase of basic goods to be identified as their loyal customer so that in the sensitive times and when the country is in crisis (war, sanctions), they can supply the country's basic goods and the government should always have strict and rigorous monitoring of supply of basic goods by the private sector, so that the country will not be in crisis or chaos.

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