Chapter 8

EFFICIENCY AND PRODUCTIVITY GROWTH IN IRAN'S ECONOMIC SECTORS USING DATA ENVELOPMENT ANALYSIS

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INTRODUCTION

Undoubtedly, economic, social and cultural development, improving living standards and greater prosperity for the people are the top goals of every economic system. But these valuable goals cannot be easily achieved, unless accurate and comprehensive plans are designed for optimal use of all the available facilities and capabilities to increase GDP, or national wealth, and redistribution of income and wealth in the community.

Today, in developmental approaches, only creating new capacities is not feasible, so the efficiency and improving the productivity of existing capacities should be boosted. In other words, using a combined approach, they should simultaneously upgrade the inputs and their productivity. And as a main model that has been proposed in recent decades, it can play an effective role in accelerating the process of economic growth and development. In the meantime, for many developing countries, the lack of investment resources and low technology levels are a negative factor in promoting economic prosperity, and increasing efficiency and productivity can cause a significant growth in GDP, hence the welfare of the community.

Statistical surveys show that Iran economy has faced huge changes through 1977-2002, which are in line with internal and external political and economic transactions, hence a semi-dynamic state in economy. The average growth of Iran economy in the first decade of the revolution (1978-1988) was negative by 2.3% and in the first period of the development program (1989-1993) was 7.4, and in the second program (1995-1999) was 4 and in the first four years of the third plan was 5.6%. And thus, Iran's average economic growth in the 25 years since the revolution was 1.6 and without oil was 2.7 percent. (Management and Planning Organization 2004 and 2005).

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The scientific achievements of this paper suggest that the slow and downward trend of technological and managerial developments in economy sectors causes reduction in the total productivity, and thus due problems should be alleviated by saving the limited resources and inputs. So we can have sustained economic growth that achieves development goals in the country.

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