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Determining the optimized combination of internal authorities, interaction and influence of the central bank of Islamic republic of Iran in Iran 2025

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Abstract
This study's goal is determining the accurate relationship of central bank with its environment through recognizing the conditions of this bank in four aspects of autogeny(internal authority), heterogeny (interaction), discretion(influence in environment) and detachment (organization self usage of it's resources) . This study is discovery and survey in terms of method. Collecting data tool is questionnaire. After Delphi bike, detachment variable was removed in final questionnaire and for autogeny 10 questions, heterogeny 11 and discretion 17 were designed so it can be said that content and facial validity of questionnaire are confirmed. Since Cronbach's alpha coefficient was higher than 0.7, it showed acceptable reliability of questionnaire. For analyzing data SPSS and MATLAB software were used. Results showed that there is a significant difference between ideal situation of central bank's conditions in Iran 2025 with existing situation in all three aspects of autogeny, heterogeny and discretion. There has also been significant relationship among each one of aspects of autogeny, heterogeny and discretion in ideal situation and existing one. In autogeny aspect, experts' mean was more than population's mean which showed that central bank's autogeny in Iran 2025 should be increased compared to current status. In heterogeny aspect, experts' mean was less than population's mean and it represented that central bank's heterogeny in current situation is more than what it should be and central bank should decrease its heterogeny with environment in future. In discretion aspect, experts' mean was more than population's mean and so central bank's discretion is needed to be increased in Iran 2025 compared to current status.

Key words: *central bank, Iran 2025 vision, detachment, heterogeny, discretion, autogeny*

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1.Introduction

Perspective document has considered a particular future for country and appropriate actions are needed to take for realizing this future. One of articles from mentioned document about Iran 2025 features give some information about achieving to the first economic, scientific and technologic position in western south Asia (including middle Asia, Caucasus, the Middle East and neighboring countries) with emphasizing on software movement and generating knowledge, rapid and continuous economic growth, relative enhance the level of per capita income and achieving full employment (1). The sublime goal of perspective document is achieving the first economic, scientific and technologic position in area and a society with high level of per capita income and without jobless, while country's growth process during the governments of the eighth to tenth years shows increasing reduction of economic growth rate and represents that involved institutions couldn't perform their duties appropriately in realizing economic growth. No doubt that central bank is one of the main wings for flying to Iran 2025 (3).

Central banks as a mother bank have some other important duties besides the right to publish bill. Monitoring trade banks and other banking and credit institutions and directing trade banks' activities to government's economic objectives path are considered as important duties of central banks (4). Central bank tries to realize government's economic goals through changing interest rates and open market operations. Bank interest rate is an interest that central bank loans to other trade banks or receives deposit (5). If a country's central bank feels that receiving the credentials of the people has increased more than usual, it will increase the rate of bank interest and this causes the reduction of request for credit from trade banks and absorbing people's deposits by central bank (7). The other one of central Bank's monetary instruments, is open market operation where purchase or sale of bonds are done there, in a way that central bank causes reduction of their accreditation power through selling bonds in order to collecting people's deposits. Central bank increases the supply of money and helps the power of bank lending through buying bonds of banks (8).

In conditions that the relationship of these institutions with other financial, monetary, political, administrative, legislative institutions is not clear, it cannot be expected to have efficiency and following that effectiveness in realizing the goals of perspective document. Obscure aspects of the problem is not only the independence of the central bank discussion but also more important than that the relationship of this institution with its environment in terms of autogeny, discretion and heterogeny. The relationship of central bank is investigable in form of four components of Discretion, Autogeny, Heterogeny and Detachment. According to Riggs model, these concepts are discussed in independence framework and each one represents a special kind of independence. These four concepts are defined as follows:

According to Riggs, independence can be investigated in some aspects: Discretion that means the existence of capacity in a social system for making decision in order to change environment through performing its programs. It means that social system can perform some programs for changing, predicting environment's reaction and generally effectiveness on environment. Autogeny represents the independency of role or social system in a network that system works there. Heterogeny also means the rate of attachment of roles or social systems that increasing this component will lead to reduction of autogeny. Finally Detachment means system's personal independency and differentiation. Increasing this component will cause social system plays several roles and appears in many eras. Under the influence of this component social system asks for maximum using resources for itself (10).

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Therefore, it will be tried in this paper to identify and explain the rate of each one of these four components for central bank in Iran 2025.

Defining concepts

Central bank: it's an institution that is responsible for preserving the value of the national currency, performing monetary policies, publishing bill and Governance Issues related to country's monetary flow (2).

Monetary policies: they are policies, actions and processes that through them a country's monetary authorities control and inhibit the supply of money often with the goal of setting interest rates for economic growth, stability and relatively stability of prices and reducing unemployment (9).

Good governance: good governance includes a system of values, policies and institutions that society using it, manages its economy, policy and social problems through three sectors of government, private and citizenship. Governance has three aspects or pillars of economic, political and administrative. Economic aspect includes processes which affect the activities of one country and is in relationship with the economy of other countries. Political aspect is those very processes of making decisions for setting policies (this issue is discussable in governmental management discussions and particularly in public policy making). Administrative aspect also is that very system of performing policies (6).

Corporate governance: orporate governance is a set of processes, policies, rules and obligations that affect the way of leading, managing and controlling organization. Corporate governance also includes the relationship among different categories of actors (Beneficiaries) and also goals which organization has been formed for realizing them. Main actors includes owners, managers and board of directors and other beneficiaries are clerks, providers, customers, banks and other financial providers, environment and in more extended space, society (6).

Research question

What kind of features should Islamic Republic of Iran's central bank have in Iran 2025 in terms of autogeny, discretion, heterogeny and detachment?

Methodology

The goal of this research is discovery. Since its results are sources for functional researches' ideas and tools, it is fundamental and it is survey in terms of method. The tool of collecting data is questionnaire. The process will be done with taking advantage of perspective document, good governance components and also with considering special rules of central bank especially banking and monetary rule, the relationship of central bank will be determined in terms of autogeny, discretion, heterogeny and detachment with this environment. Considering existing theories from central bank's independency (like Cukierman and Jacome theory) and also according to inclusive comparative studies that have been done by Bank for International Settlements, with a comparative study of the laws of the various

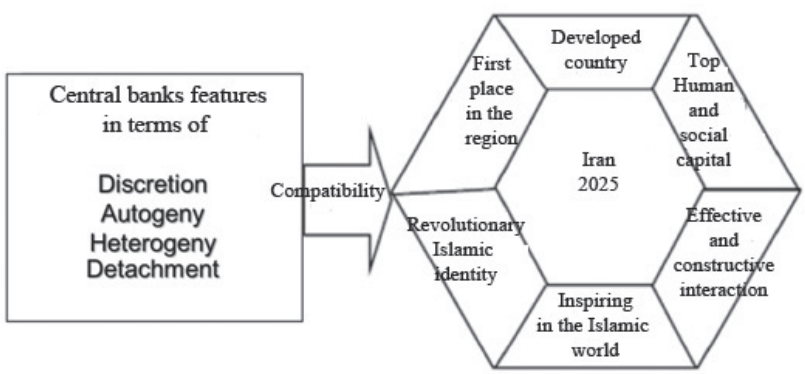


Diagram 1. Research conceptual model

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countries' central banks and considering corporate governance theories and also with taking advantage of obtained results from interviewing some experts 11 components for autogeny, 11 for heterogeny, 17 for discretion and 3 components were set for detachment. It is noticeable that the experts of this level were chosen among some of senior managers of central bank, some management and economic professors, some related members of Islamic parliament and some senior managers of the Ministry of Economic Affairs and Finance. For interviewing after differentiation also considering the lack of scientific ideas and theories, fully open interview was used and experts were asked to represent what the personal use of central bank from its resources and authorities is in their ideas. Therefor after Delphi bike, based on sample single t-test and Spearman correlation coefficient in final questionnaire, the factor of detachment was eliminated. For autogeny 10 questions, heterogeny 11 and discretion 17 were designed. The rate of Cronbach's alpha in bank's internal authorities (0.78), central bank's heterogeny with its environment (0.75) and influencing of central bank in its environment (0.92) were obtained. Since obtained Cronbach's alpha coefficient was higher than 0.7, it showed the acceptable reliability of questionnaire. SPSS and MATLAB software were used for analyzing data.

Data analyzing

Through using fuzzy technique and Matlab software as follows, an optimal mode was obtained for three aspects of autogeny, heterogeny and discretion:

Considered model is as follows:

Y1: represents the autogeny

Y2: represents the heterogeny

Y3: represents the discretion

Goal function seeks maximizing the value of y1 and y3 and minimizing the value of y2.

Due to this w1, w2 and w3 were considered as parameter which each one of them is designed from obtained mean of experts' idea from questionnaire. In this model, high limit is considered for autogeny and discretion and low limit for heterogeny.

$$MAX \quad Z = y_1 - y_2 + y_3$$

subject to

$$0 \le y_1 \le \frac{W_1}{W_1 + W_2 + W_3}$$

$$\frac{W_2}{W_1 + W_2 + W_3} \le y_2 \le 1$$

$$0 \le y_3 \le \frac{W_3}{W_1 + W_2 + W_3}$$

Performed coded text in Matlab is as follows:

```
w1=4.07;
w2=2.77;
w3=4.61;
f=[-1 +1 -1];
A=[1 0 0;0 -1 0;0 0 1];
b=[w1/(w1+w2+w3);-1*w2/
(w1+w2+w3);w3/(w1+w2+w3)];
[Best]=linprog (f,A,b);
Display (Best)
```

So by considering three main aspects of autogeny, discretion and heterogeny which have discussed by experts and society, and by using above mathematic formulas, the following figures and schematic view can be proposed for ideal and current status of central bank in Islamic republic of Iran.

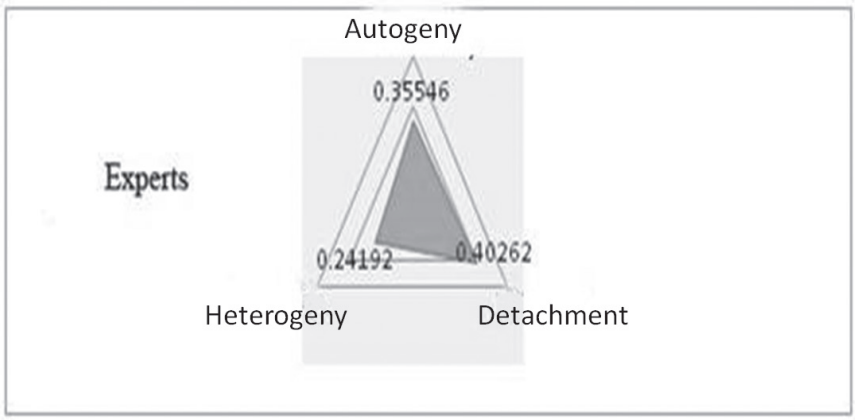
Aspect	Existing state
autogeny	0.35546
Heterogeny	0.24192
discretion	0.40262
Sum	1

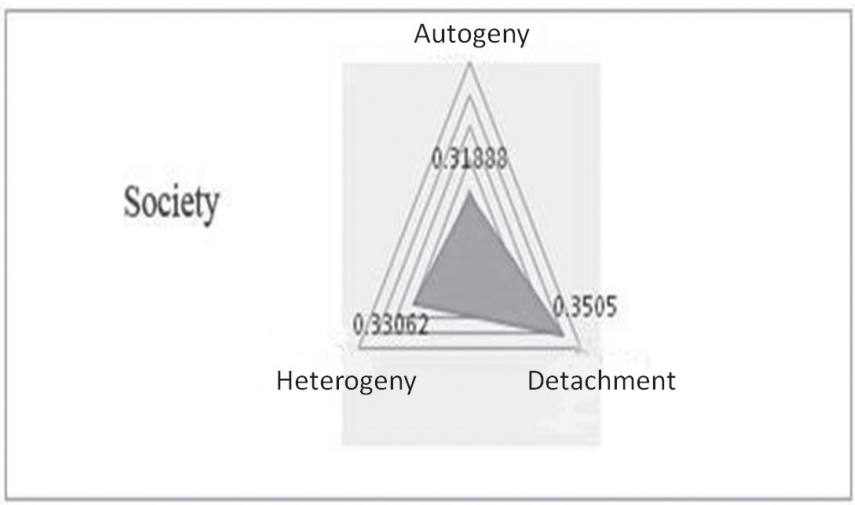
Table 1: experts (The ideal situation for Central Bank of the Islamic Republic of Iran)
Aspect Optimal state

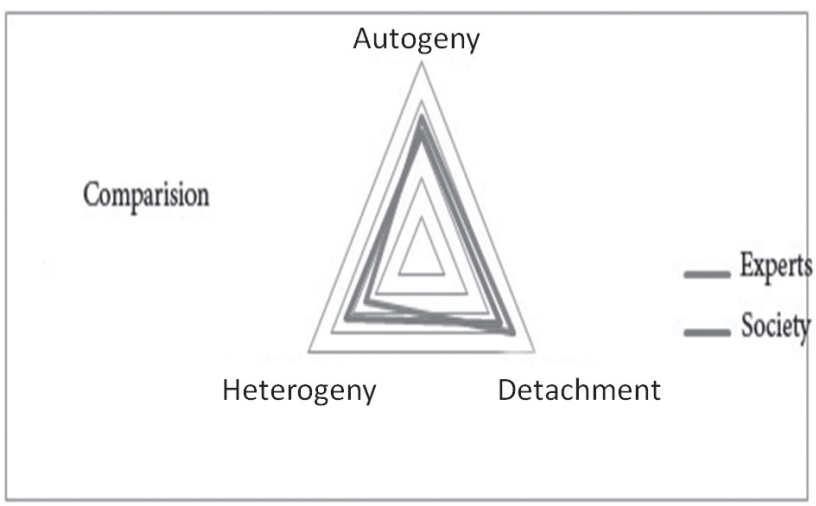
Aspect	Existing state
Autogeny	0.31888
Heterogeny	0.33062
discretion	0.3505
Sum	1

Table 2: population (The current status of the Central Bank of the Islamic Republic of Iran)

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Investigating the normality of main variables

Totally, obtained results from tilt and strain tests show that research variables have normal distribution (or close to normal). The value of skewness and kurtosis of all variables is obtained in range of ±1 that shows distributing main variables aren't significantly deviated from normal distribution and distributing research variables can be evaluated normal or close to normal.

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Inferential findings

Because three variables of research have been normal and also a combination of several questions, independent t-test was used and for comparing the mean of each one of questions considering that the level of evaluating questionnaire's questions are ordinal, Mann-Whitney test was used.

Comparing experts and population in internal authorities

According to table 4, obtained results showed that two groups of experts and population have different means in internal authorities (P<0.05). Therefor with confidence 99% mean of internal authorities is different in experts and population. Experts' mean is equal to 4.07 and population with 3.53 and the difference between the means is equal to 0.54 which show that experts have gained significantly higher mean than population.

Comparing experts and population in central bank's heterogeny with its environment

According to table 5, obtained results showed that two groups of experts and population have different means in central bank's heterogeny with its environment ((P<0.05). Therefor with confidence 99% mean of central bank's heterogeny with its environment is different in experts and population. Experts' mean is 2.77 and population is 3.66 and difference between these two is 0.88 which show that population's mean is significantly higher than experts, in another word population has gained higher mean compared to experts in central bank's heterogeny with its environment variable.

Comparing experts and population in central bank discretion on its environment

According to table 6, obtained results showed that two groups of experts and population have different means in central bank discretion

Variable	Curvature	Kurtosis
Internal powers(autogeny)	0.319	0.648
Central Bank Heterogeny with its environment	-0.667	0.540
Central bank discretion in its environment	0.733	-0.241

Table 3: The amount of tilt and strain to assess the normality of variables

Groups	Average	Standard deviation	Mean differences	T value	Significant level (P-value)
Experts	4.07	0.42	0.54	5.02	<0.001
Population	3.53	0.18			

Table 4: independent t-test: comparing the mean of internal authorities in experts and population groups

Groups	Average	Standard deviation	Mean differences	T value	Significant level (P-value)
Experts	2.77	0.43	-0.88	-8.26	<0.001
Population	3.66	0.16			

Table 5: independent t-test: comparing the mean of central bank's heterogeny with its environment in experts and population groups

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Groups	Average	Standard deviation	Mean differences	T value	Significant level (P-value)
Experts	4.61	0.32	0.72	8.93	<0.001
Population	3.89	0.16			

Table 6: independent t-test: comparing the mean of central bank discretion on its environment in experts and population groups

Questions	Groups	Average	Rank average	Z value	Significant level (P-value)
Question 1	Experts	3.76	39.7	-4.06	<0.001
	Population	3.13	24.44		
Question 2	Experts	4.12	32.76	-1.57	0.116
	Population	3.90	27.40		
Question 3	Experts	3.88	42.74	-4.33	<0.001
	Population	2.85	23.16		
Question 4	Experts	4.24	32.82	-1.36	0.173
	Population	4.03	27.38		
Question 5	Experts	4.12	38.41	-3.11	0.002
	Population	3.50	25		
Question 6	Experts	4.12	30.82	-738	0.738
	Population	4.03	28.23		
Question 7	Experts	4.35	32.88	-1.41	0.157
	Population	4.15	27.35		
Question 8	Experts	3.71	41.53	-3.99	<0.001
	Population	2.85	23.68		
Question 9	Experts	4.29	33	-1.73	0.083
	Population	4.10	27.30		
Question 10	Experts	4.12	45.38	-5.11	<0.001
	Population	2.80	22.04		

Table 7: Mann-Whitney test: comparison of scores of internal authority in experts and population groups

on its environment ((P<0.05). Therefor with confidence 99% mean of central bank discretion on its environment is different in experts and population. Experts' mean is 4.61 and population is 3.89 and difference between these two is 0.72 which show that experts' mean is significantly higher than population, which show that experts has gained higher mean compared to population in central bank discretion in its environment variable.

Comparing the questions of internal authorities among experts and population

According to table 7 obtained results show that among 10 questions of internal authorities, five questions among experts and population have different mean or median and this difference is statistically significant (P<0.05). Questions 1, 3, 5, 8 and 10 have different score (mean or median) among experts and population and experts have gained higher score in all these five questions compared to population. In questions 2, 4, 6, 7 and 9 there isn't any difference between mean of experts and population (P> 0.05).

Experts have gained higher mean than population in below questions: authority of

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determining number of members of the Board of Directors and corporate structure inside the bank, authority of determining the rate of bank's capital, authority of determining the rate central bank services, authority of the division of net profit of the Central Bank and authority of determining at least one person of bank's council members. The comparison of means show that experts have the highest means (4.24, 4.29, 4.35 respectively) in questions of authority of approval of the internal regulations of the Central Bank, presidency of Central Bank's council by the manger of entire bank and authority of determining committees and institutions and decision making resources in bank.

Comparing the questions of central bank's heterogeny with its environment among experts and population

According to table 8, obtained results show that among 11 questions of central bank's heterogeny with its environment, 7 questions have different mean or median among experts and population and this difference is statistically significant ($P<0.05$). experts have higher score than population in two questions of 4 and 9 (responding about bank's performance in implementing banking and monetary policies and public announcement of economic predictions) and vice versa population has gained higher mean than experts in questions 2, 3, 5, 3, 2 and 11 (responding to external

Questions	Groups	Average	Rank average	Z value	Significant level (P-value)
Question 1	Experts	4.94	30.32	-0.738	0.460
	population	4.88	28.44		
Question 2	Experts	1.76	9.71	-6.05	<0.001
	Society	4.05	37.20		
Question 3	Experts	1.94	15.18	-4.53	<0.001
	population	2.88	34.88		
Question 4	Experts	4.41	42.24	-4.45	<0.001
	Population	3.58	23.38		
Question 5	Experts	1.47	11.21	-6.25	<0.001
	Population	3.13	36.56		
Question 6	Experts	1.29	9.24	-6.07	<0.001
	Population	4.10	37.40		
Question 7	Experts	3.47	28.68	-0.110	0.912
	Population	3.50	29.14		
Question 8	Experts	3.35	27.35	-0.582	0.561
	Population	3.40	29.70		
Question 9	Experts	3.24	34.24	-2.34	0.019
	Population	2.95	26.78		
Question 10	Experts	3.29	27.47	-0.569	0.570
	Population	3.35	29.65		
Question 11	Experts	1.35	9.62	-6.08	<0.001
	Population	4.48	37.24		

Table 8: Mann-Whitney test: comparison of scores of central bank's heterogeny with its environment in experts and population groups

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Questions	Groups	Average	Rank average	Z value	Significant level (P-value)
Question 1	Experts	4.41	42.79	-4.48	<0.001
	population	3.48	23.14		
Question 2	Experts	4.82	35.97	-2.41	0.016
	population	4.48	26.04		
Question 3	Experts	4.82	30.97	-784	0.433
	population	4.73	28.16		
Question 4	Experts	4.59	36.21	-2.35	0.018
	population	4.13	25.94		
Question 5	Experts	4.88	31.15	-0.931	0.352
	population	4.78	28.09		
Question 6	Experts	4.18	29.15	-0.058	0.954
	population	4.18	28.94		
Question 7	Experts	4.81	29.47	-0.204	0.838
	population	4.80	28.80		
Question 8	Experts	4.76	46.76	-5.63	<0.001
	population	3.48	21.45		
Question 9	Experts	4.71	42.12	-5.21	<0.001
	population	4.05	23.43		
Question 10	Experts	4.18	41.32	-4.10	<0.001
	population	3.43	23.76		

Table 9: Mann-Whitney test: comparison of scores of central bank's discretion in its environment in experts and population groups

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monitoring institutions, responding to regulatory institutions, compliance level of the Central Bank of Board of dispute settlement with government, regulatory and monitoring institutions, compliance levels of government against government loan application from central bank and attachment level of installation and survival of general director in servicing government. In questions 1, 7, 8 and 10 there isn't any differences between experts' mean and society (P>0.05).

The comparison of means show that experts have the highest means in questions 1, 4 and 7 (respectively 4.94, 4.41 and 3.47). The highest mean of population also can be seen in questions 1, 11 and 6 (respectively 4.88, 4.48 and 4.05).

Comparing questions of central bank's discretion in its environment among experts and population

According to table 9, obtained results show that among 17 questions of central bank's discretion in its environment, 13 questions have different mean or median among experts and population and this difference is statistically significant (P<0.05). Experts have higher score than population in all 13 questions means 1, 2, 4, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17 (determining the goals of central bank inside bank, determining monetary policies and monitoring them, determining exchange rate regime and exchange intervention, monitoring financial and monetary institutions, issuing related permissions to these institutions and performing criminal proceedings, developing prudential and non-prudential regulations

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Questions	Groups	Average	Rank average	Z value	Significant level (P-value)
Question 11	Experts	4.71	45.94	-5.39	<0.001
	Population	3.40	21.80		
Question 12	Experts	4.76	47.71	-6.05	<0.001
	Population	3.28	21.05		
Question 13	Experts	4.75	46.88	-5.67	<0.001
	Population	3.45	21.40		
Question 14	Experts	4.71	47.09	-5.80	<0.001
	Population	3.33	21.33		
Question 15	Experts	4.65	43.41	-4.69	<0.001
	Population	3.70	22.88		
Question 16	Experts	4.35	40.26	-4.01	<0.001
	Population	3.68	24.21		
Question 17	Experts	4.29	38.06	-3.57	<0.001
	Population	3.78	25.15		

Continued Table 9: Mann-Whitney test: comparison of scores of central bank's discretion in its environment in experts and population groups

for financial and monetary institutions, interference or directing of the Central Bank in the formulation of the annual budget law, interference or directing of central bank in the formulation of government financial policies, interference or directing of central bank in determining the country's economic policies, interference or directing of central bank in legislation in economic and social development plan, the central bank Interference and impose in its own law, interference or directing of central bank in achieving financial stability and interference or directing of central bank in the financial services industry (P>0.05).

Comparison of means shows that experts have gained the highest means in questions 5, 3 and 2 (respectively 4.88, 4.82 and 4.82). the highest mean of population can be seen in questions 3, 5 and 7 (respectively 4.80, 4.78 and 4.73).

Conclusion

A summary of findings is proposed here:

Optimum of three dimensions: experts were asked about autogeny, heterogeny and discretion that finally based on results the combination of ideal corporate governance for central bank will be:

Image of corporate governance
Of Islamic republic of =0.35546 (autogeny) + 0.24192 (heterogeny) +0.40262(discretion)
Iran in 2025

Optimum of three dimensions: population was asked about autogeny, heterogeny and discretion that finally based on results the combination of ideal corporate governance for central bank will be:

Current status of
Islamic republic of Iran's =0.31888(autogeny) +0.33062(heterogeny)+0.3505(discretion)
central bank

As it was seen, there is a significant relationship among ideal status of central bank in Iran 2025 and current status in all three aspects of autogeny, heterogeny and discretion.

Results have also shown that there has been significant difference in each aspect of autogeny, heterogeny and discretion in ideal and current status.

-In autogeny aspect, experts' mean was more than population's mean which showed that central bank's autogeny in Iran 2025 should be increased compared to current status. In heterogeny aspect, experts' mean was less than

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population's mean and it represented that central bank's heterogeny in current situation is more than what it should be and central bank should decrease its heterogeny with environment in future. In discretion aspect, experts' mean was more than population's mean and so central bank's discretion is needed to be increased in Iran 2025 compared to current status.

The results of difference among questions of each aspect in two sections of experts and population showed that:

-5 questions of autogeny, among experts and population have different mean or median and experts have gained higher scores in all those 5 questions compared to population. It means that authority of determining number of members of the Board of Directors and corporate structure inside the bank, authority of determining the rate of bank's capital, authority of determining the rate central bank services, authority of the division of net profit of the Central Bank and authority of determining at least one person of bank's council members is less than it should be.

-In heterogeny aspect, experts have higher score than population in two questions of (responding about bank's performance in implementing banking and monetary policies and public announcement of economic predictions) and it shows that the rate of accountability of central bank and its transparency is less than what it should be and vice versa population has gained higher mean than experts in 5 questions (responding to external monitoring institutions, responding to regulatory institutions, compliance level of the Central Bank of Board of dispute settlement with government, regulatory and monitoring institutions, compliance levels of government against government loan application from central bank and attachment level of installation and survival of general director in servicing government). It shows that in some aspects of central bank's heterogeny with its environment, this system is under pressure and tolerates an heterogeny more than it should be.

- In discretion aspect, Experts have higher score than population in all 13 questions (determining the goals of central bank inside bank, determining monetary policies and monitoring them, determining exchange rate regime and exchange intervention, monitoring financial and monetary institutions, issuing related permissions to these institutions and performing criminal proceedings, developing prudential and non-prudential regulations for financial and monetary institutions, interference or directing of the Central Bank in the formulation of the annual budget law, interference or directing of central bank in the formulation of government financial policies, interference or directing of central bank in determining the country's economic policies, interference or directing of central bank in legislation in economic and social development plan, the central bank Interference and impose in its own law, interference or directing of central bank in achieving financial stability and interference or directing of central bank in the financial services industry. So it can be said that the discretion of central bank in its network is less than what it should be.

Recommendations

Based on the results of this research, some suggestions are proposed in order to achieving ideal status:

a- Autogeny:

- Considering that the authority of determining the number of Board of Directors' members inside bank in current status is less than ideal one and considering banking and monetary rule which has clarified the number of members of the bank's board (board of directors), this legal article is recommended to be changed and let central bank to determine the number of its Board of Directors' members.

-About the authority of determining the capital of central bank inside it, considering fifth part of article 10 of financial and monetary law, increasing the capital of central bank will depend on recommendation and approving by the general assembly and then approving

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in government while according to experts this capital increase is needed to be given bank itself.

- Since central banks give special exclusive services and no legal reference has mentioned the way of determining rate of these services but according to experts, services' rate is necessary t be determined inside central bank. It is recommended in order to legal process to determine some central bank services, this rate to be accurately calculated inside central bank and then be confirmed by credit and monetary council.

b- Heterogeny

- About responding to external monitoring institutions and also regulatory institutions, what the experts have considered is less than current status. The reason of that can be followed in some legal articles. One is article 22 of country's monetary and banking law that is responsible for checking accounts and financial performance of central bank. The other legal article is article 96 from fifth development plan which according to that managing the affairs of central bank will be based on banking and monetary law and the decisions of the monetary and credit council.

- About central bank responding about its performance in performing banking and monetary policies and also public announcement of economic predictions which is related to central bank's public transparency and accountability, current status is weaker than ideal one. Therefor central bank should seriously perform this important issue based on article 24 of banking and monetary law that says Islamic republic of Iran's central bank will publish a summary of its accounts at least once a month and provide economic and financial reports and also publishable information of economic and financial in order to free accessing of all people to these information.

- About the compliance level of central bank from board of dispute settlement with government, regulatory intuitions and monitoring institutions and also the rate of dependency and survival of appointment of director general in the service of government, current status is worse than ideal status. About this below points are discussable. In 2010 and at the time of developing fifth low of development plan, the way of appointing general director of central bank was identified as a hard problem and wasn't recorded in mention law. In 2014 expediency council investigated this issue that finally the responsibility of appointing general director was given to government more than before. In fact the independency of central bank wasn't strengthened by approval of the expediency council. Therefor changing in approval of expediency council and moving toward independency of central bank especially in the way of appointment and dismissal of the director general can be as a strategy for having Iran's powerful central bank in accordance with the Iran 2025.

c- Discretion:

- About determining the goals of central bank inside it, according to economic theories, the best mode of developing goals is inside bank. In Iran according to article 10 of country's banking and monetary law which says the goal of central bank is saving the value of money and balancing payments and facilitating business exchanges and help the economic growth of country, the goal of central bank is predetermined and changing this goal isn't possible. So it is recommended that with changing paragraph b of article 10 of country's banking and monetary law some conditions are provided for central bank to choose one or a combination among main goals of central banks in accordance with conditions and tries to realize it.

- About determining the monetary policies and monitoring their performance, there is a difference between current status and ideal one and current status is weaker than ideal one. According to paragraph a of article 10 of country's banking and monetary law, Islamic republic of Iran's central bank is responsible for setting and performing credit and monetary

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policy based on general policy of country's economy. So monetary policy has always followed country's general economic policies while it is likely that special economic policies cause monetary crisis in a period of time but central bank has to perform those policies. So due to being pioneer of monetary policy and following other economic policies, it is recommended that paragraph a, of article 10 of country's banking and monetary law to be changed.

- About designing exchange regime and exchange interference, ideal status has significant difference with current status. It means that designing exchange regime and exchange interference of central bank is not in ideal conditions nowadays. Exchange rate has been always considered as one of macro-economic factors by economic and financial society. In fact choosing exchange policies considering economic conditions in a way that leads to establishing an appropriate system of exchange rate not only can be a way for directing development but also will be effective on other macro factors as well.

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