DECENTRALIZATION AND SUSTAINABLE HUMAN DEVELOPMENT: AN ANALYSIS OF LOCAL AND MUNICIPAL COUNCILS IN IRAN

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Summary

This paper analyzes the establishment of Iran's local and municipal councils in terms of sustainable human development. We first describe the environment that led the government to finally allow a degree of decentralization. We argue that the existence of a long-delayed constitutional mandate, together with the emergence of an unsustainable political economic atmosphere that threatened the political regime, facilitated the formation of the councils. Some incidental factors may have also played a role. We suggest that the immediate impact of the councils is on the national level politics rather than local concerns. Further, we show that the mere establishment of local institutions does not translate into the desired decentralization and sustainable human development. Decentralizing the governance system requires a period of institutionalization. We discuss some of the present obstacles and shortcomings that hamper the effectiveness of the councils in the short and medium term. To overcome these, local level institutions face an inevitable struggle to find their space in the society and a balance vis-à-vis the central government. We suggest that the outcome of this struggle nevertheless affects both the governance structure and the democratic participation process positively.

1. Introduction

In recent years, a new wave of interest in political and economic decentralization has swept development circles. It has been argued that, as a major component of sustainable human development, the goal of good governance may only be furthered through democratic decentralization. Governments in many developing countries are also discovering that a centralized approach to human development may not bear fruit without a certain degree of authority devolution on the local and regional levels. For central governments, in many instances, have difficulty in responding to local needs due to lack of information as well as bureaucratic incapacity.

Such realizations on the part of various governments, however, are more often than not a reflection of actual political economic circumstances rather than benevolent intentions. Central governments realize the benefits of decentralization only when their failure in the provision of development goods has created an unsustainable environment. It is then that people's demand to run part of their own affairs on the local and regional levels meets government's approval.

In the case of Iran, as an initiative towards democratic decentralization a mandate was established in the country's constitution of the early twentieth century to establish town and provincial associations. Subsequent governments, however, failed to fully honor this mandate. Although the same mandate was re-affirmed in the post-revolutionary constitution, it took almost two decades to be fulfilled. While the recent local and municipal elections seem to have created an impetus for democratic decentralization, they have come about as a result of the unsustainable environment—both economic and political—that has threatened the very existence of the system. A set of incidental factors, probably rooted in the political economic atmosphere, may have facilitated the process.

Similar processes have taken place throughout the developing world, so that by the early nineties the majority of larger developing countries had ceded some level of political and/or economic authority to local governments. However, while governments are increasingly willing to cede some authority to localities, they do not necessarily have in mind the mutually-related and reinforcing principals of good governance which include: respect for human rights, political openness, participation and tolerance, accountability and transparency, and administrative and bureaucratic capacity and efficiency. At the same time once the decentralization process begins, the following benefits may be its inevitable results (based on Works, 1998):

- A decentralized governance system can be an important means to exercise checks and balances on the government structure. Through the devolution of authority, multiple units of government will have a measure of responsibility and autonomy from each other, which brings about local accountability. Decentralization is said to be a key mechanism to enhance legitimacy, accountability and transparency of the public policies at the local and regional levels.
- It can create an environment conducive to the participation of other social actors such as NGOs and grassroots organizations, business associations, labor unions,

etc. These multiple centers of power augment the system of checks and balances on the government through local governance.

- It can make the development process more responsive to the demands of the individual localities. A major problem with centralized provision of development goods is the lack of information on the part of the central government with regard to the different demands of individuals within different communities. Local governments are more responsive to local needs for not only do they have better information but also their closeness to the public demands a higher level of accountability on their part.
- It can facilitate local economic initiatives. Again due to the lack of information, central governments more often than not fail to foster entrepreneurial spirit in localities required to compete in today's market economies. Local governments may be in a better position to provide for the requirements of local economic initiatives.
- It can create channels for political participation on the national level by providing opportunities for the emergence of opposition political groups on the local level. While in many instances there exist serious obstacles to political participation on the national level, opposition groups may strengthen on the local level and eventually force the national level politics to open up for their participation.

In this paper, we analyze Iran's recently established local councils in terms of the social and political aspects of sustainable human development. We first describe the environment that led the Iranian government to finally allow the local and municipal elections to take place. We argue that concrete circumstance stemming from an unsustainable political economic environment were conducive to creating a desire on the part of the central government for decentralization of authority. We show that as these elections created a political breathing space after a long period, they became an arena for the participation of some contesting political forces in larger urban areas. Our next goal is to discuss the immediate and longer-term impacts of Iran's councils. We suggest that the short-term effect of the councils is on the national level politics rather than local level issues. We suggest that, due to lack of institutional maturity as well as numerous obstacles, the councils have not been as effective as expected. However, as the councils mature, find their place in the society, clarify their mandate, and establish a balance vis-à-vis the central government, they will provide strong impetus for sustainable human development through local initiatives.

2. Struggle for Participation and the Making of the Councils

2.1. Background

While modern ideas of democratic participation began to permeate Iran in the first half of the nineteenth century, it was not until the beginning of the twentieth century that the incorporation of such ideas into the governing system became possible. The Constitutional Revolution that swept Iran in the first decade of the twentieth century promised at the same time both people's participation in government and a strong central government that could end the existing political and economic chaos. Following a long period of struggle and confusion, the ideals of the Constitutional Revolution were

compromised in the rule of progressive but dictatorial Reza Shah who established the Pahlavi dynasty.

Although the Pahlavi era witnessed impressive improvements in the economic conditions of the Iranian people, little was achieved in terms of political participation. In general, the civil society could only become active when the central government was too weak to crush it. The lack of political training among the Iranian masses exacerbated the situation. While a semblance of democratic institutions was kept on the national and even local levels, the ideals of people's participation hardly materialized. Further, the several-fold increase of oil income in the late sixties and seventies, all of which was received by the State, made the government independent of the society. Since the state's source of income was not from business taxes, it did not feel responsible to explain its policies to the public. Under such circumstances all roads to peaceful participation of the people were closed. People's aspirations to participate in the political arena were as a result manifested in the 1978-79 Revolution, which toppled the monarchy.

At the dawn of the 1978-79 Revolution, the lack of any mediating sphere between the state and the people—a civil society—had cut off the state from the masses so that a gradual opening of the society had become impossible. Most totalitarian regimes rely on a segment of the society as a source of legitimacy and support. In the case of Iran, neither the pre-revolutionary nor the post-revolutionary regime has manifested such a relationship to any particular segment of the society. To the contrary, it is the dominant classes within the society that have been dependent on the state rather than having a relationship of mutual dependence with the state. The Revolution and the establishment of the Islamic Republic brought about much change to Iranian society and the economy. The basic pattern of state-society relationship, however, remained unaltered.

After the Revolution, Iran was proclaimed an Islamic Republic following the vote of 98% of eligible voters through a carefully worded—"yes" or "no"—referendum. As the newly founded regime did its best to consolidate its power, with the start of Iran-Iraq War the new rulers found ample opportunity to take all social activities into their own hands, thus strengthening their hold over the country. All manifestations of Iran's underdeveloped and fragile civil society came under attack and were quickly destroyed. All political parties were eventually proclaimed illegal, all labor organizations were brought under the direct control of the government, and all independent media outlets were shut down. Even the limited achievements of the pre-revolutionary period in terms of people's participation and the enhancement of civil society were reversed or rendered null.

However, a gradual process of opening up began by the end of the Iran-Iraq War, the death of Ayatollah Khomeini, and the two-term presidency of Rafsanjani. It is important to underline that the gradual process of opening up came about with the recognition that the very survival of the regime depended on it. President Rasfanjani embarked on a process of top-down economic reform policies in the post-Iran-Iraq-War period. The goal was to revive the economy while keeping the political system intact. The underlying assumption was that people's demand for political participation may be ignored as long as the government can gain legitimacy in the economic realm. The invalidity of such reasoning notwithstanding, the government's superficial economic liberalization program and grand-scale projects aimed at modernizing and reviving the

economy proved unsustainable. In the meantime, the masses continued to suffer from severe economic hardship.

A series of riots and streaks of violence broke out in provincial areas and small towns between 1994 and 1995. In August 1994, for example, there was severe rioting in Qazvin, a city with nearly 1.5 million people located 100 miles northwest of Tehran. Calm was restored only after the National Security Council ordered some 10 000 anti-riot police from Tehran, as well as several units of the pro-regime volunteer militia, to intervene. Further, in April 1995, residents of Eslamshahr, a town near Tehran, attacked government buildings and vehicles, setting them ablaze, in protest against a price hike of basic services. The situation got so out of hand that police resorted to direct clashes, as a result of which several local residents engaged in demonstrations were killed or wounded. The aforementioned events and several others marked the biggest civil unrest since the early days of the Revolution. Given their scale and intensity, there is little doubt that the regime's top leadership was forced to give serious consideration to the matter. Despite all the precedent, however, the ruling coalition was only beginning to realize that its very survival might depend on a certain degree of participation by the people. It was not until the next presidential elections in Iran that the government would show a genuine desire to open up the system and strive for greater public participation and decentralization.

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