

Preliminary discussions on the urbanization of rural areas in modern Iran

著者	Suzuki Hitoshi
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Preliminary Discussions on the Urbanization of Rural Areas in Modern Iran

Hitoshi SUZUKI

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Abstract

In this translation draft of the first part of the author's recently-published book in Japanese, entitled as "Rural-cities in Contemporary Iran: Revolution, War and the Structural Changes in the Rural Society," we are presenting the preliminary discussions on Iranian middle-sized cities and towns which emerged in these 30 years or so. We start from the explanations of the contents of the above-mentioned book and do the reviewing of the preceding studies, followed by the critical review of the studies on the Iranian revolution in 1979, and the studies on Iran's recent political trends and the tendencies towards the local governance, which was tempered and collapsed with the appearance of President Ahmadīnejād.

This consists of the Introduction and the first parts of Chapter 1 of our book, and we are expecting to finish translating the whole contents and to publish it in the near future. We apologize for the shortcomings of this paper, for example some partial lack of correspondence of its bibliography with the main contents, mainly because of the technical reasons.

Keywords: Iran, President Khātāmī, *shourā* election, *rūstā-shahr*

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INSTITUTE OF DEVELOPING ECONOMIES (IDE), JETRO
3-2-2, WAKABA, MIHAMA-KU, CHIBA-SHI
CHIBA 261-8545, JAPAN

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Introduction

As a major consequence of the rapid structural changes in Iranian rural society which began during the 1979 revolution, Iran saw a nationwide formation of small towns with populations of some thousands to tens of thousands (*rūstā-shahr* in Persian). This book was written with the aim of compiling a monograph of the results of fieldwork, carried out in various regions of Iran between 1999 and 2001, with the addition of later knowledge.

Whilst carrying out field research in Iran, which started with an examination of the results of population censuses since the 1960s, I observed the tendency for boundaries between city (*shahr*) and village (*rūstā*) to become increasingly obscured during recent times in post-revolutionary Iranian society. I then redefined the large-scale villages or small cities with a population size of 2000-20,000, which occupied positions of a certain degree of centrality in small regions of rural society, as “*rūstā-shahr*”, and carried out field research focusing on these.

Statistics suggest that there are, at this point in time, more than 2000 villages and cities throughout present-day Iran that can be defined as “*rūstā-shahr*”, however it is not at all clear from documented material under what actual circumstances these residential areas have been placed. As the first stage in response to this, I visited 166 of them, and carried out a preliminary field study centered on interviews. The duration of my field research happened to coincide with the period of the first ever nationwide election for local councils (city and village council elections) in 1999, and just witnessed the beginning of Iran’s rural era (See [2007a]; [2008] by the author). This field study included conducting interviews with local council members elected in the first round of local governmental elections, and I treated the future prospects for local self-governance – still in embryonic form - as an important subject for questioning in the interviews.

The second stage entailed the narrowing down of my field research to the three regions of Miyāne, Esfahān and Dezfūl areas, and my staying in each place for a relatively long time while I interviewed multiple interviewees. In so doing, the content of the research was in no way compromised, as it reached into the complicated matters of the inner regions, and that meant I was engaged in collecting more precise and detailed data. The field research was carried out in the three regions in 2003 (Esfahān area), 2005 (Miyāne area) and 2007 (Dezfūl area), continuing on after the duration of each initial study, and I consider it necessary still to continue the studies into the future.

Although the view of the “formation of *rūstā-shahr*”, used to describe the structural changes of post-revolutionary modern Iranian society, was an original theory based on my field research, I believe it contains elements sufficiently persuasive within the socio-political process in Iran since then and up until the present day. Furthermore, my intention in this book is to indicate future prospects of how the formation of medium and small cities in rural village areas of Iran and influence upon the surrounding region (the creation of local, small-scale economic spheres etc.) could eventually fuel durable and internal growth and development. There has been almost no sociological examination conducted in recent years - even on the international scene - of post-revolutionary modern Iranian rural society based on field research, and in that respect I believe my contribution to be not insignificant.

Also, in addition to field-note records used throughout the process of the field research, I used DVC as a medium of image recording, and collected over 100 hours of interviews and other primary source material. My greatest objective whilst writing this monograph was to process and arrange the material effectively in order to present it to the reader in a clear and easy to understand form.

It was my intention upon bringing back the results of this field research to compile them in a monograph straight away, but, as the reader will be aware, just before my return the 9.11 terrorist attacks occurred in America, and the political environment in the Middle East changed considerably. As a consequence, the democratization process in Iran that had been anticipated by my fieldwork faced inevitable changes, and they continue to the present day. In order to scrutinize the directions of recent changes, I switched my main focus to Afghanistan, and have just completed that research. Meanwhile I have also continued to carry out field research in Iran, as a follow-up on the direction of structural changes in rural societies, and have presented and interpreted my research results at conferences such as Japan Association for Middle East Studies, The Society for Near Eastern Studies in Japan, World Congress for Middle Eastern Studies (WOCMES), and International Society for Islamic Studies (ISIS).

Despite varying states of development and living that a detailed examination of rural societies in Iran shows, in general there are many similarities nationwide in their history and the era of formation of these residential areas. This book strives to portray the present situation and its background - the structural elements that cannot be overlooked in modern Iranian society – a society which continues to draw extensively

upon the opportunities provided by diversity in rural villages, and at the same time to bear the mark of the whole era common to all.

This book consists of 6 basic chapters, including the conclusion. A brief explanation is given below of its content and structure. Chapter 1, titled “Urbanization of Rural Areas in Modern Iran”, shows how the widespread urbanization phenomenon of rural villages in Iran provided the fundamental issues of interest for this study. The urbanization is deeply marked historically, in particular by the 1979 revolution and the Iran-Iraq War which ensued for 8 years, and that can be considered directly linked to the characteristic social changes called “*rūstā-shahr* formation”. Part 1 of Chapter 1 puts my proposals alongside prior research, with Section 1 focusing on the representative research about the post-1962 agricultural revolution in Iran (so-called White Revolution), and Section 2 introducing the field reports and research results of studies of village society in Iran after the 1960s carried out continually up until the revolution by a Japanese research group centered around Morio Ono. This group continues its research of village society with fieldwork within Iran by Drs. Safīnezhād and Tāleb etc. at its axis, however a clear overall picture of post-revolutionary village society in Iran and its transformation is yet to be presented.

Part 2 traces the political process in Iran since 1979, in particular rural strategy either side of the post-revolutionary war, and furthermore the direction of changes in society in Iran that came about through such a correlation. Divided into 3 stages, I discuss the first stage: the period from the revolution until the end of the Iran-Iraq War in 1988, which saw the most difficult political turmoil for the Iranian people, the second stage: reforms and the democratic movement following the appearance of President Khātāmī in 1997, especially local administrative reforms to introduce the local governmental system, and the third stage: the waning of the reformists at the end of the Khātāmī administration, and the appearance of President Ahmadīnezhād in 2005. In particular my consideration of the second stage is not confined to the political process, but addresses changes in rural finances during this period.

Before entering into a discussion in Part 3 regarding content of fieldwork research, I examine and confirm the facts about social change in Iran that can be perceived from the social statistical data which is constantly made public by the Iranian government. By re-examining in Section 1 the results of the population census held in Iran every 10 years since 1956, I confirm the fact that the former city-village relationship is crumbling in post-revolution Iranian society. In Section 2 I explain the methods, outline and research subjects etc. of my fieldwork research carried out from 1999 that is relevant to the main study.

Having thus presented my proposals, Chapters 2-5 then give an ordered account of the actual content of the field research. To begin, Chapter 2 makes use of the research results of the first stage of fieldwork on location as the main material for consideration, including a cross-section of *rūstā-shahr* all over Iran, in order to show that the *rūstā-shahr* formation process, which continues today in rural societies of Iran, holds onto more characteristic features common to the age than any rural variation.

Part 1 is based on the results of preliminary stage research, attempting a classification of nationwide *rūstā-shahr*. Next, in Part 2, I describe the characteristic features and average picture from a cross-section of over 160 *rūstā-shahr*, in line with each research subject that gradually became refined and took shape during the process of preliminary research. Despite its insufficiencies, data gained from this preliminary research stage enables a plotting anew of the process of change in modern Iranian society - the so-called *rūstā-shahr* formation - on axis of “nationwide tendency” and “local variation”, and a depiction of all aspects of social change - in which modern rural society in Iran found itself - as post-revolutionary nationwide phenomena.

In Chapters 3 to 5, I carry out concrete and individual examination and presentation of the research results for the 3 regions which were handled in some detail during the later stage of fieldwork. The intention here is to throw a more thorough picture of “face” and “region” upon the archetype example shaped by the “point”-based research of *rūstā-shahr* in Chapter 2.

Chapter 3 focuses on 2 *rūstā-shahr* located in northwest Iran, Torkamānchāy and Sowmē‘e-oliyā in Miyāne region of Eastern Āzarbāyjān Province, and examines their involvement in development and future possibilities with the surrounding area. In Chapter 4 I turn to the central Iranian region of Mobāreke in Esfahān Province, and introduce the various troubles that have arisen due to the inauguration of a new city through the union of 3 neighboring villages. I also look at the example of Varzane in the same region, and similarly in downstream Zāyande Rūd which has developed in a completely different manner. Chapter 5 gives the details of development and the attempt at a union of 3 villages in southern region of Dezfūl in Khuzestan Province of southern Iran whose economic levels differ considerably.

I believe these 3 examples to succeed in indicating both the unique and archetypical elements in the character of *rūstā-shahr* of post-revolutionary Iran. Statements in this book also make it clear that they will not necessarily continue to converge in the future. Moreover, the new regional independent centers called *rūstā-shahr* have sought ways to develop under various conditions laid down by the various

regions within Iran, and the point I emphasise in Chapters 3 to 5 is the possibility for future development in diverse forms.

Finally, the Conclusion expresses the author's opinion on what caused the formation of *rūstā-shahr* in post-revolutionary Iran, and what significance they have for the future. To summarise this in one statement, the 1979 revolution was a cultural and social phenomenon that emerged amidst the long-term urbanization process of Iranian society, while the revolution and the following 8-year war with Iraq left a decisive mark upon the urbanization process thereafter.

Below explains in detail the process of field research and thought which leads to this conclusion.

Chapter 1 Urbanization of Rural Areas in Modern Iran

This chapter discusses 3 themes as suppositional thoughts preceding actual reports on the field research of “*rūstā-shahr*” which will unfold in Chapter 2 and beyond. Firstly, Part 1 gives an overview of the results of past research that has accumulated on the subject of rural village society in pre-revolutionary Iran. In Part 2 I describe the modern historical process since the 1979 revolution in Iran followed by the Iran-Iraq War and up until the present day, and the changes during this time in rural village policy. Lastly, Part 3 gives the facts concerning social statistics - the direct premise of this research – and I state my thoughts on the general outline of this fieldwork-centered research in Iran, the significance of the research subjects, and the methods for documentation adopted here. It is my intention to make clear the preconditions for the actual research reportage in Chapter 2.

Part 1 Previous Research and Village Society in Pre-Revolutionary Iran

Rural society in Iran up until the early 1960s is made clear in much detail by A.K.S. Lambton’s classic research, *Landlord and Peasant in Persia* (Lambton [1953; later edition 1969]), and we also know from actual records from 4 villages (*deh*) in *Peasants in Persia* by Japan’s Morio Ono (Ono [1971]), that the rigid system of landowner-tenant system called *mālek-ra‘īyat* was an authoritarian one.¹

From 1940s Lambton became press attaché at the then British Consulate in Iran, and she made use of the position to carry out widespread research on the state of villages in Iran. I will introduce the work *Landlord and Peasant in Persia* in some detail here in order to gain a basic understanding of villages in Iran in 1962.

In the Introduction titled “The Village” of this comprehensive research, Lambton lists the 5 main regions as (1) parts of Āzarbāyjān, (2) Arāk and Isfahān, (3) Sistān etc. (4) the area along the shores of the Caspian Sea, and (5) the area along the Persian Gulf “with its oppressively hot climate”, and goes on to summarize: “The village in Persia has thus been from early times the unit which formed the basis of social life, and the group into which the population organized themselves for economic and political co-operation. This importance of the village as the unit in rural life has persisted through medieval times down to the present day.” (Lambton [1953: 4]).

Also Lambton writes the following about the general scene of a village. “The hamlets attached to the villages in most areas tend to be walled for security both against encroachment by raiders and against the depredation of wild animals.” She then

declares, “In some cases, if conditions are favourable and the hamlet grows, the settlement spreads beyond the original walled enclosure.” By enumerating the main structural elements of the village, she indicates the basic arrangement: “The central point of the village is the mosque (where there is one) and the village shop (if such exists). The larger villages in many cases have caravanserais, but these tend to be on the outskirts rather than in the centre of the village. The gardens in those villages which have gardens are usually found on the edge of the village rather than in it; the cultivated lands are situated in most cases round the village and farther afield, beyond them, are the village pastures.” (Lambton [1953: 8-9]).

The next point of much interest described by Lambton is the classification of large landowners of that time. I quote in length. “The landowning class at the present day can roughly be divided into the following groups. First, there are those whose landholdings go back several generations. In many cases it will be found that their family fortunes were laid by government service, which enabled a preceding generation in the course of its duties to acquire local influence and land, the family subsequently being transformed into a landowning family.

Secondly, there are the tribal *khāns* who have acquired by purchase, government grant, or hereditary transmission estates in or on the outskirts of their tribal territory.

Thirdly, there are the religious classes, who became an important element in the landowning class in Safavid times. In certain areas of the country, notably Āzarbāyjān and the neighbourhood of Isfahān, they still own considerable areas of land. Many members of the religious classes also hold land in the province of Kirmān. In some cases the fortunes of these members of the religious classes have been laid by their holding the office of *mutavallī* of some *vaqf* property.

Fourthly, there are the relatively new recruits to the landowning classes, who may be broadly divided into three main groups. First are the bailiffs (*mubāshirs* and *kadkhudās*) of the large landed proprietors who have used or misused the influence of their position to acquire estates for themselves. There are many such instances. Secondly, there are government officials, civil and military, who have acquired property in the areas where they have held office. This applies to all ranks from the sergeant or private in the former *amnīyeh* or gendarmerie to governors-general. Thirdly, there are the merchants and contractors who have invested their money in land for economic reasons or in order to acquire political or social prestige.” (Lambton [1953: 261-262]).

A large proportion of this landowner class resided in urban areas and had absolute rule over the villages, while villagers and cultivators lived miserable lives of

never-ending plundering and injustice. Also according to Lambton, “the most productive land tends to be held by large landed proprietors” (Lambton [1953: 277]), and “The natural conditions under which agriculture are carried out would seem on the whole to favour large landed proprietorship, but it is clear that this advantage is more than offset by the disabilities resulting from the social conditions attendant upon the regime of the large landed proprietors in its present form.” (Lambton [1953: 280-281]). Also, “The general tendency is for the landowners not to encourage the peasants to make gardens. The reason for this is that the landowners know that the possession of gardens is likely to make the peasants more prosperous, and fear lest easier circumstances may make them independent.” (Lambton [1953: 302]).

The villages of Iran prior to the revolution that were ruled by the *mālek-ra‘īyat* system and are as Lambton describes above, did not incur drastic changes as a result of the 1962 land reforms. From 1964, soon after the land reforms, Ono began his research of villages in Iran, and conducted research by depicting in detail the manner of life and production in, in contrast to Lambton, a small number of *deh* (villages). His first results he discusses in the Introduction to *Villages in Persia* as below.

“The land reforms in Iran that began in 1963 put the *mālek* in order, directed efforts towards establishing owner farming on a wide scale, and set an agenda to put a stop to the *mālek-ra‘īyat* system. Yet the land reforms are still in progress today, and although the *mālek-ra‘īyat* system has altered its appearance, it is probably safe to say that in essence it survives, regulating the country’s farmers, farming industry and villages as closely as ever. Therefore, even now when we discuss farming industry and villages in Iran, it is still meaningful to talk of *mālek-ra‘īyat* as the basic regulating factor.” (Ono [1971: 18]).

Ono then gradually focused his interest on Kheirabad near Marvdasht in Fārs Province, and eventually saw in the revolution. In his last major work, *25 Years’ Drama of Iranian Villagers*, Ono declares the following about the state of villages after the land reforms. “Be it post-land reforms, when I saw scenes of village families being made to live as if they had been tightly packed into each small room inside *ghal‘e* built of dried tiles, I immediately thought of Japanese pre-war construction sites or mining camps.” (Ono [1990: 26])

“Wherever you went in Iran, villages were under the control of the *mālek-ra‘īyat* system. As far back as villagers can recollect, village land was owned by the *mālek* landowners who largely lived in cities, while the majority of villagers had to live in small *ghal‘e* in the *deh*. In order to pay the excessive rent to the *mālek*, they had to wear themselves away working the *māleks’* fields. They thought this was their fate that

would never be any different. The villagers of Kheirabad were no exception. For villagers of small, rural villages in remote area such as Kheirabad, land reforms on this scale emanating from the head of state must have been a bolt out of the blue.”(Ono [1990: 29]).

Looking back from the present day, the slow changes taking place in the villages of Iran after the land reforms were perhaps a prelude to the post-revolutionary big changes. An evaluation of the land reforms themselves is given in Lambton’s *The Persian Land Reform*, citing the comparably early period: “The changes brought about by the land reform in the four years between 1962 and 1966 were considerable, whether measured in social, political, or economic terms.” (Lambton [1969: 347]) However in contrast to this favourable evaluation, the criticism afforded by Hooglund straight after the revolution, in *Land and Revolution in Iran*, is severe. “The preceding analysis has demonstrated the most important consequence of land reform for Iranian villages: that the virtual absolute, and often arbitrary, political power which formerly had been the monopoly of the large landlords was assumed by the central government.” “Indeed, even remote and seemingly inaccessible villages had become subject to regular visits from various officials.” (Hooglund [1982: 138]).

Be that as it may, it is clear from the present stand-point that the dismantling of the landowner class, which ruled forcibly over village areas in Iran, contributed to the subsequent structural changes in rural village society. The influence that the revolution in Iran in 1979 and the following Iran-Iraq War had upon Iranian rural village society can be seen as a huge wave of change extending from after the land reforms.

Later research into the land reforms can be found in the work of Lahsaeizadeh, who used the theory of production models to carry out an analysis of social class around the time of the land reforms. Lahsaeizadeh states in his dissertation submitted in 1984, “The implementation of the land reform was a turning point in the development of contemporary Iranian rural areas. The land reform and its accompanying measures swiftly changed the socio-economic conditions in rural areas, enhanced the development of differentiated agricultural enterprises and property systems, and thereby modified the class structure of Iranian rural communities.” (Lahsaeizadeh [1984: 312]).

Meanwhile in Japan, Akira Goto presented his work, *State and Rural Society in the Middle East*, based on field research carried out mainly in rural Fārs in the pre-revolution era of the 1970s. Goto’s opinion of the land reforms is as follows. “The land reforms in Iran began within the democratic movement, but because the royal regime could not completely negate landowners’ interests held in the political nucleus, it

lacked thoroughness in terms of social justice. However, from the point of view of the administration advancing modernization – the formation of a social base for modernization and industrialization – acknowledging certain rights for landowners in the reforms did not necessarily come into conflict with policy objectives.” “In other words, in aspects of the modernization of farming society and the enlargement of the farming industry section of the capitalist social structure, the land reforms had a positive meaning for the administration at the time of the White Revolution.” (Goto [2002: 283-284])

In general we can say that many pre-conditions are necessary for a complete evaluation of the land reforms, and that there is still no established evaluation to date. However, as the great wave of structural change overcame the village areas throughout Iran as a result of the 1979 revolution, practical research into the social influence of the land reforms in Iran is unlikely to progress further in the years to come. For example, regarding the difference in evaluation of the land reforms between Lambton and Hooglund, in present times it is difficult to decide who is more correct.

Similarly, Lahsaeizadeh adds a discussion of “post-revolutionary village structure” to his later-appearing *Contemporary Rural Iran*, as below. Even so, based on his own results of fieldwork carried out in rural Fārs, he states “There is not a clear determining factor of the agrarian system pattern after the revolution.” “I believe that with the continuation of land fragmentation the average size of Iranian independent farm will continue to decline in the future.” (Lahsaeizadeh [1993: 265; 269]). In recent years Lahsaeizadeh has shifted direction of his research interest to “urbanization”, and indicates the biggest feature of “hyper-urbanization” in post-revolutionary Iran to be the increase in number of cities. (Lahsaeizadeh [2002: 102]).

As forerunning research focusing on the village in pre-revolutionary Iran, the achievements of Shoko Okazaki cannot be overlooked. Appearing in 1968, *The Development of Largescale Farming in Iran* (Okazaki [1968]) introduces case studies of farming industry mechanization in the Province of Gorgan. Later he wrote *Qanāt: Iran's Underground Watercourse*, handling the water problem which is the largest cause of limitation to the farming industry in post-revolutionary Iran. It explained the climactic conditions governing Iranian society from a cultural and social perspective.

Turning to Iran itself, although the academic tradition for practical analysis of its village society is not necessarily strong, the sociological research of Safīnezhād, the author of a monograph on Talebabad, a village on the outskirts of Tehran (Safīnezhād [1345]), is highly acclaimed. In particular *Boneh* (Safīnezhād [1368]), a record of the traditional shared cultivation system practiced in Iran, is still frequently quoted.

Greatly influenced by Ono's field study, Tāleb of Tehran University also put together the key facts of this subject in 1992 in *Rural Administration in Iran* (Tāleb [1371]).

Ono's *Iran Diary: an Estranged and Isolated Populace* and Hara Ryuichi's *Water and Society in Iran* both mention in part the signs of great changes occurring in rural village areas in post-revolutionary Iran. According to Ono's *Iran Diary*, "My impression of Kheirabad this year [1983] after 2 and a half years absence and 4 years since the end of the revolution, is that the government has progressed positively in its policies towards the villages." It also states, "Another aspect is that the watchful gaze of the government has reached every corner of the villages on matters of religion and ideology." (Ono [1985: 228-229]).

Hara has the following to say. "The fundamental policy of the Islamic administration is to return to policymaking favoring agriculture and nurturing small farmers rather than prioritizing industrialization and production as in pre-revolutionary times. The practitioner of this policy is the Sacred Army of Village Reconstruction acting in the name of Islamic economics, the main stay of its fighting force being the establishment of self sufficiency in agricultural production." "One important job of the Sacred Army is to dissolve pre-revolutionary village governments, create Islamic village councils, and supervise village self-governance based on Islamic principles." (Hara [1997: 147;149]).

This evaluation reflects the basic strategy concerning village policy of the revolution administration. However, in my understanding the important fact is that rural village societies at the center of the policy had already entered on the process of structural change following the land reforms. In addition was the influence of the post-revolution Iran-Iraq War, and through this, rural society experienced its own urbanization process.

By introducing the new concept of "*rūstā-shahr*" - residential areas that are a cross between a city and village with a population size of 2000 to 20,000 - my research intends to trace the structural changes in the relationship of city and village in Iranian rural society more clearly. The positioning of *rūstā-shahr* at the core of small-scale regional society networks being newly established nationwide in every rural location in Iran gives clues as to the direction of future development in Iranian society.

Previous major research based on fieldwork handling rural village society in Iran is as related above, however the recent formation of *rūstā-shahr*, medium and small village-cities in Iran, is an extremely new phenomenon of only the last 30 years in rural village society, and during that time Iran experienced revolution and war, and

foreign researchers carried out almost no serious fieldwork research in the rural villages. It is therefore safe to say that there is no practical and detailed preceding research on this theme.

Part 2 The Post-Revolutionary Political Process and its Social Background

1. Revolution and the Iran-Iraq War

The Islamic Revolution in Iran, which began in early 1978 and achieved its aims on February 11, 1979, was one of the largest political and social upheavals in modern Iranian history. The Pahlavī Dynasty which had ruled since the 1920s for nearly 60 years was toppled by the revolution, and an Islamic republic was established under the order of Āyatollāh Khomeynī. At the same time, what with the revolution's impact on the Islamic world, influence upon the Cold War etc., it possessed so much deep meaning and power within the modern world - which continues to the present – that it cannot be treated simply as a national incident in Iran.

A glance at the sequence of events around the time of the revolution shows that on January 9, 1978, students from Qom carried out a resistance demonstration at an article run in the national newspaper, *Etelaat* about Khomeynī's injuries, upon which the police opened fire and caused fatalities. Demonstrations of mourning then spread around the country, and by summer the anti-establishment movement had escalated to a nationwide scale.

On August 19, the Cinema Rex in Abadan was set alight, leaving several hundred dead. Then in the early morning of September 8, 12 cities around the country were put under martial law, with soldiers opening fire on demonstrators in occupied Tehran, and it is said the dead numbered several thousand (Black Friday). Following this, movements against the kingship increased in severity, and even newspapers began to publicly advocate Khomeynī's name and criticize the government.

December 10 and 11 witnessed the mourning procession of Tazia for Ashura day, and a million citizens took part just in Tehran. On January 16, 1979 the King of Iran, Mohammad Reza Shah fled from his ancestral Iran, and Khomeynī entered Tehran by special plane from Paris. On February 11 Bazargan took up post as leader of a provisional cabinet, and on April 1 the Islamic republic was formed with the support of the great majority of the people.

The establishment of the Islamic Republic was confirmed by an overwhelming majority vote on April 1, 1979, and the provisional government began to make plans to draw up a new constitution. However, at this point discussions became complicated,

and the final draft prepared by a specialist committee which convened on August 18, quoted “Maulvi rule of Velayat-e Fagih” and in general strongly reflected the insistences of the religious wing.

From this time the Komite and Revolutionary Defense Force (*sepah-e pasdaran*), given purpose by the revolutionary administration, and other members of Hezbollah (Party of God) began to increase speech control, and those left-wing and ethnic political parties and powers, who were not of the Islamic People’s Party but who supported the revolution, were abolished one after another from this time until 1983. Also, relations worsened with America in one blow following the incident that occurred on November 4 involving capturing the American Embassy, as did relations with countries to the west as the influence of the revolution leader, Khomeynī, increased further. In reaction to this post-revolutionary chaos, Iraqi planes invaded on September 22, 1980, igniting the Iran-Iraq Warⁱⁱ. The revolutionary administration would then experience an ordeal lasting 8 long years.

European and American research on the revolution in Iran has centered its viewpoint on arguments of 1) social structure and class, 2) ideology and leader versus the masses, 3) minorities and gender, and 4) issues of international relations with US relations at the axis (Suzuki [1994]).

The viewpoint of 1) social structure and class, relates directly to the problem of “who is the main body of the revolution in Iran?” On this issue Parsa argues that “neither rapid modernization per se, nor an emerging disjunction between economic and political development and the rise of a new middle class, nor uprooted populations instigated the conflicts that brought down the monarchy. Rather, the stage was set for conflict by the high level of state intervention in capital accumulation, the undermining of the market mechanism, and the adverse impact of these factors on major social groups and classes.” (Parsa [1989: 299]).

Against this theory of class analysis assuming the reality of people’s economics in Iran, is the argument, as below, that traditional Iranian society provided the starting point for the opposing relationship of “city-village.” “It is clear that elements of the migrant poor, like other groups of Iranians, rose against the Shah’s regime.” Also, “their participation was important both in providing numerical support to the antiregime forces and as a highly significant symbolic outcry by the poor against the injustices of the Iranian political and social system.” (Kazemi [1980: 88; 96]).

Thus, approaching the revolution in Iran from the angles of social structure and social class means a great divide in viewpoint between considering the main cause of the revolution to be a class struggle, and considering it an urbanization phenomenon

peculiar to the Third World. The argument in this book stands closer to the latter viewpoint, however my chief concern is directed towards the post-revolutionary process of change, rather than any causal theory for the revolution.

Here we will glance at discussions representative of the other angles from which the revolution in Iran is viewed. 2) Concerning the issue of ideology and the masses versus leaders, a typical argument defending Khomeynī's revolutionary theory is the below declaration from H. Algar. "It was as a result of this [Khomeynī's] trust in Allah, of this solitude with Allah, this deprivation of any form of worldly [sic] support and this reliance on the support of Allah – a reliance which was clearly testified through the martyrdom of not less than 100,000 people in the year of struggle – that ultimately the Revolution in Iran was able to succeed." (Siddiqui [1980: 62]).

In contrast, Dabashi introduces a more analytical angle, writing about the peculiarities of an ideology which brings about revolution, "beyond its material causes, the ideological, mythical and theological dimensions of a revolution give communal expression to man's most moving precept: Discontent." (Dabashi [1993: 489]).

Abrahamian takes this argument further, coming to the conclusion, that, "populism" is a more apt term for describing Khomeini, his ideas, and his movement because this term is associated with ideological adaptability and intellectual flexibility, with political protests against the established order, and with socioeconomic issues that fuel mass opposition to the status quo' (Abrahamian[1993: 2]).

An absolute follower of Khomeynī's revolutionary thought, the Ahmadīnezhād administration took power from 2005, and its populist methods brought about a certain degree of success. In these circumstances, once more we get a strong sense of what seems to be Abrahamian's extremely simplified argument penetrating the essence of the revolutionary thought.

3) Minority and gender issues are discussions concerning post-revolutionary Iranian society rather than revolutionary theory, and, in particular, together with the issue of the young generation which has constituted a large part of the population since the rise to power of reformist, President Khātāmī in 1997, attract much interest. However the situation pertaining to minority issues around the time of the revolution appears to be largely one of "continuity rather than change". For example, Koohi-Kamali states the following about the situation in which the Kurds found themselves as a result of the revolution. "The Iranian revolution, which was welcomed as the harbinger of democracy in Iran by those opposed to the Shah, failed to live up to the expectation of the people. Despite promises, the Kurds were treated very harshly. Later, the war between Iran and Iraq was thought to provide a golden opportunity for the

Kurds of both countries. However, what followed was a period of repression.” (Koochi-Kamali [1992: 189]) Summarizing these circumstances from the vantage point of national character, Menashri writes the following. “It has been common practice in modern Iran that in times of crisis, when the central government seems weak, the ethnic minority groups are the first to contest it.” (Menashri [1988: 229]).

In relation to the topic of gender analysis, discussion deriving from the standpoints of theorists is particularly wide-ranging. Nashat, however, arrives at the conclusion regarding the change in women’s status soon after the revolution, that, “in spite of the role played by women in toppling the shah’s regime, women have lost more from the change of government than has any other group that participated in the revolution.” (Nashat [1980: 165]).

Lastly, 4) on the issue of international relations, with relations with America at the axis, there has been much discussion – even if we confine our scope to the duration of the revolution - of America’s response to the revolution and changes therein, of the influence the revolution had on the economics of oil, of the revolution in relation to the former Soviet Union, and of an exportation of the revolution into the Islamic world. They link either directly or indirectly with the international issues pertaining to Iran over the last 30 years, of Iran’s nuclear development and support of Hamas and Hezbollah, and the increasing influential power of the Shia sect. A consistent undercurrent of the discussions is the view that the revolution in Iran was a failure in US diplomacy policy in the Middle East, and that it was the first political success story of the present-day Third-World trend for the reconstructionist movement. It cannot be said enough how an analysis from this viewpoint, together with a politico-social analysis of Iran and Islamic reconstructionism, continues to be a crucial structural element in revolutionary theory in Iran up until the present day.

Be that as it may, for the majority of those Iranians who experienced the revolution, the ideal post-revolutionary society in Iran continues to be a far-off dream. In particular, the war with Iraq which lasted from 1980 for 8 years put a great strain upon the Iranian people. It is said the war dead from the two countries combined amounted to a million, including many of the young generation who took a positive part in the revolution; they were sent to the front line to suffer indescribable hardships. Whichever far-flung village one visits in present-day Iran, one will find the tombs of *shahid*. At the same time as continuing to highlight the unrelenting social truth of death by war, their tragic experience at war has come to play an important role in mobilizing the people towards unity.

The influence of this war has been prolonged and has gradually penetrated all corners of Iran deeply and in various ways. There is probably no farming village or hamlet within Iran which has not known *shahid* (martyrs) from this war. At the same time this war provided post-war Iranian society, down to every village, with the various prerequisites – systems and manpower - for achieving unity under central control in Tehran. Of those the most important channel is the *basīj* (originally the wartime militia organization).

During the process of war following the revolution, “the Iranian people”, for better or worse, were put into direct contact with the state in a way formerly unimaginable. The mobilizing force used to its limit for this purpose was the doctrine of the Islamic Shia-sect *jihad* (holy war). Volunteers (*basīj*) who fought at the front line against the Iraq army, put small Korans in their chest pockets, tied bandanas with “god is great” round their heads and defied death. The war dead were treated as *shahid* (people who fell on the path to god), and were buried lavishly in their places of birth (not burial grounds).

The ideological pillar, “The Iranian people”, which newly came about through such severe experiences, differed from the conceptual Aryan nationalism seen widely among the city intellectuals of the 1920s to 1940s. Now occupying central position was the ideology of the Shia sect, whose territory crosses, but somehow fits into, the present-day Iranian border.

The Shia sect is a minority in the whole of the Islamic world, but is the overwhelming majority in Iran. That distorted consciousness of being of the correct lineage, although differing slightly from the Iranian nationalism already mentioned, clearly hail each other in some respects. At least, when Iranians talk about Shia sect as their own religion, they do so in a way that on one level equates fellow brethren with being Iranian.

The traditional Iranian social structure of opposing and separate urban and rural societies has now altered beyond recognition. As will be discussed later, statistically these changes would appear to have taken place over the last 30 years. The revolution was the greatest turning point in the process, and in particular the activities of Jihad Sazandegi (Sacred Army of Reconstruction) created by Khomeynī straight after the revolution with the aim of eradicating the poverty in remote villages.ⁱⁱⁱ

The concept of Jihad Sazandegi was to promote the social and economic independence of village areas, by gradually laying asphalt roads from poor, out-lying villages, digging wells, supplying electricity, and building health centers and schools. Regardless of how far this concept has been faithfully carried out when confronted by

various real obstructions, or whether it has achieved its aims, its activities continued to be performed throughout 20 years from the revolution, and we cannot overlook the great influence that fact itself has had on society in Iran.

2. The Rise to Power of President Khātāmī, and the Realization of Nationwide Local Council Elections

The rise to power of President Khātāmī in 1997 has been attributed to the support from the young generation who constitute a large part of the population, and from women who have gained political awareness (For example, Sakurai [2001: 189]). Hisaeda Nakanishi emphasizes in particular the large role played by the women's vote (Nakanishi [2002:183]). Also, Khosrokhavar argues that the 3 movements, 1) youth, 2) intellectual elite, and 3) women, made the election of President Khātāmī possible (Khosrokhavar: 2002). However, this understanding is based on observations in urban areas centering on Tehran, and does not take into consideration the changes in political consciousness taking place in rural Iran.

During the war with Iraq which lasted for 8 years after the revolution of 1979, troops were mobilized in every village area nationwide, and as a result, brought about unprecedented, deep changes in political consciousness and social structure, although this varied from rural area to area. Also at that time, as practical measures following revolutionary leader Khomeynī's belief in helping the "oppressed (mostaz'afan)", *Jihad Sazandegi* conscientiously carried out activities centered on remote village areas, which rapidly lessened the psychological and time-wise distances within Iran, and increased at once the fluidity of the population.

Later, President Khātāmī's dramatic rise to power in May 1997 meant that various changes which had advanced within inner society in Iran were reborn into the political current. A pre-condition for these changes was the fact that Iran's traditional social structure of an opposing relationship between urban and rural societies – once completely isolated from each other – had entirely disappeared due to the improvement of living standards in rural areas symbolized by the appearance of small cities, the ease of access to core cities, and the vast increase in quantity of information through the mass media etc. As previously mentioned, these changes are considered to have taken the last 30-40 years since the agricultural reforms which began in 1962. (Goto [2002])

The first round of local council elections (*Entekhabat-e showrāha-ye eslāmī*) of February 26, 1999, the first ever held in Iranian political history, are seen as epoch-making even among President Khātāmī's national reform policies, and for President

Khātamī, who could not make noteworthy internal reforms in his 2nd term, they resulted in the main internal achievement during his office. These nationwide simultaneous *showrā* elections were legislated in 1996 (under President Rafsanjani) just before President Khātamī's rise to power, with legal basis found in the revolutionary constitution drawn up in 1979. Its origins date back historically to the constitutional revolution of 1906, with the addition of democratic concepts during the Mosaddeq administration in 1952.

It goes without saying that the social structure of Iranian society has undergone great transformations in the approximate century between the constitutional revolution and the present day, and they can be highlighted by the obvious differences in the laws. (Suzuki [2007b]) Nevertheless, we should reemphasize the fact that the establishment by President Khātamī of nationwide local councils controlled by direct vote from the people - the first time ever in Iran - has significance as the realization of an historical debate in modern Iranian history.

Below gives an overview of the legal aspects of these present circumstances, and then introduces the debates held in newspaper reportage during the 3 rounds of elections to date. This will enable us to grasp overall the features of the local *showrā* system which has become the core of local government in Iran since 1999, and 8 years of transformation.

The constitution of the Islamic Republic of Iran which was approved by people's vote in December 1979, clearly states in articles 100 and 103^{iv} the concept of local self-governance in which local administration will operate according to the will of the inhabitants of the region. These articles were long disregarded amidst the 8-year war with Iraq following the revolution in Iran, but local council elections were at last realized with the appearance of President Khātamī who supported the establishment and rule of a civil society within the framework of the Islamic regime.

Legal basis for the local *showrā* system in Iran can be found in "the law concerning the structure, duties, election and mayoral appointment of Islamic *showrā*" which was adopted by parliament on May 22, 1996, roughly a year before President Khātamī was elected, and which was amended on May 27, July 27 and September 28, 2003 following the 2nd round of nationwide local council elections. If we trace legal history for this law, it is possible to return as far as the *Eyālat* (province) and *Velāyat* (district) *Anjomans* Bill submitted to the Iranian national parliament on April 21, 1907, and it can also be seen in the "Farmers' Share Expansion and Agricultural Development Organizations Bill" submitted September 1952 to the national parliament during the heightened rural nationalism of Mosaddeq's term as Prime Minister, and laws and

amendment bills made thereafter until 1970s regarding “village (*deh*) *anjomans*”, as well as any laws directly preceding it.

Here let us take a general view of the content of the 1996 local *showrā* bill. Article 1 of it states “In order to rapidly advance plans for prosperity such as in society, economics, development, insurance, culture and education, with the cooperation of the people and in response to local situations, administration of each village, county, city, district and province is carried out under the supervision of village *showrā*, district *showrā*, city *showrā*, county *showrā* and province *showrā*.”

Article 17 of the same bill states “Village, city and suburb (*shahrak*) councillor elections are carried out by direct and general voting, through anonymous vote and the method of relative majority.” It is clear that in this new local administrative system, village *showrā* and city *showrā* are chosen by direct vote of the inhabitants, and that forms the basis of the system.

The local *showrā* elections of February 1999, the first ever to be carried out in modern Iranian history, were, thus, based on the local *showrā* bill of 1996 which was a concrete regulating of the stipulations in Articles 100-103 of the 1979 revolutionary constitution. Here I present arguments found in newspaper reports which appeared during the local *showrā* elections held in 3 rounds. This helps us to understand the gradual transition in acceptance of the new local administrative system by the intellectual elite mainly in Tehran.

The 1st *showrā* council election held on February 26, 1999 was the first occasion of its kind in the history of Iran, and was accepted enthusiastically by the Iranian people as a symbol of the Khātāmī government’s reform policy. One newspaper, *Nashat*, writes on April 19, 1999 that the “*showrā* committee is now realized after 100 years of effort,” reflecting on the history of the *showrā* system which had been the dream of the Iranian people for 100 years.

Another newspaper, *Iran*, writes on February 23, 1999 that the “*showrā* system expands the free space for people’s discussions,” and expresses its hope for a complete change of face in Iranian cities and villages. On the other hand, the *Qods* paper of February 25, 1999 cites Supreme Leader Khāmeneī’s words as “people should vote for experienced, pious, and affectionate persons, not for persons eager for fame, bread, and high position,” thus warning against opportunists who want to exploit people’s excitement.

Another paper, *Zan*, writes on January 5, 1999 that 7,251 women stood for the election, and *Āriyā* reports just after the election on March 1, 1999 that “women won the *showrā* election in several cities,” citing the cities of Bahār and Lālejīn, both in

Hamedān Province, with Sāleh-ābād and Pārs-ābād in Ardabīl Province. The *Towse'e* paper also reports on the same day that 10 female *showrā* council members were elected in Semnān Province.

These few examples show how enthusiastically the majority of the nation accepted the 1st *showrā* election in city and village alike, and how it became a political event symbolizing the reformist policy of president Khātāmī's government. At the same time, this election was the first such experience for most city and village citizens, and several unexpected occurrences followed. For example, the *Resālat* paper writes on January 12, 1999 that in about 6% of villages the election would not be held (because the number of candidates did not reach the regulation).

In addition, on January 21, 1999 the *Jomhūrī-ye Eslāmī* paper reports that Parliament decided that "*showrā* council elections in communities of pastoral nomads should be held by March 20, 1999", suggesting that some *showrā* council elections in communities of pastoral nomads were set at a different time. In this way, there were, not surprisingly, variations in the activities of the newly established nationwide *showrā* councils in each town and village, and also the law was amended in 2003 upon the discovery of legal imperfections.

The 2nd *showrā* election, held on February 28, 2003, reflected the experiences of the first *showrās* in all of the communities, and in most of the cases that election was more practical than symbolic in nature. At the same time, however, the result of the election in large cities, including Tehran, clearly showed a political trend in favor of conservatives, and newspaper reports did not appear to convey any of the fervor present in rural village areas.

The voting rates of this election, especially in large cities, were at a remarkably low level. The *Khorāsān* paper wrote on March 4, 1999 that "the national average voting rate of citizens in *showrā* elections is about 50%," and the rates for individual provinces show that Tehran was lower than 24%. But another side of this story is that the new administrative system permeated rural societies; in many of the villages, the *dehyārī* (village chief) was appointed after this election. An analytical article appeared in the *Hambastegī* paper on November 15, 2006 before the 3rd election and concluded that "comparing the results of the elections, the average school career of the elected in the 2nd election is higher than the 1st, which shows that people who are more skilled in practical affairs are expected to become councillors".

What then of the 3rd - most recent - *showrā* election? The election was held on December 15, 2006, the same day as the specialist council. The results were generally discussed as showing an early decline of support for President Ahmadīnezhād, a

conclusion mostly based on results in larger cities. The truth of the matter is, most newspaper reportage concentrated on this point, for example, the *Hamshahri* reported on December 10 while votes were still being counted, that “the reformists have taken 39.7% of seats, winning over the conservatives”. On the other hand, the conservative-leaning *Keihān* had an eminent theorist announce on December 21, “The reformists’ declaration of victory in this election is no more than self-deception”, and on December 23, it diverts attention with deputy head of parliament, Mohammad Reza Bahonar’s words, “*Showrā* are not the place for political proclamations and debates”.

Yet, seen from the viewpoint of the way in which the new administrative system was established in rural societies, the differences are obviously widening between the communities that adopted the new system and those that did not.

According to statements made by Mr. A. Nouruzi of the city of Torkamānchāy in East Āzarbāyjān Province in an interview in November 2005, straight after the revolution all rural matters were decided centrally, and there were many inconsistencies. However, today the *showrā* of each province, representing all town and village *showrā*, submit official pleas to ministers, and according to the outcome, provincial authorities plan their own budgets for the year. (Nouruzi himself became the first chief councillor of the East Āzarbāyjān Province *showrā*).

The next section departs for a time from the issue of the post-revolutionary political process, and attempts an examination of how far provincial administrative reforms in Iran progressed on the level of local finances during the Khātāmī government.

3. Transformation of Local Finances under Khātāmī’s Term

As already discussed, President Khātāmī’s national reforms had as their background the structural changes in Iranian society brought on by the 1979 revolution and the subsequent war with Iraq. The increase in *rūstā-shahr* (small cities in village areas straddling a city and village) which had continued to multiply all over Iran during this period, and the transformation of Iranian society symbolized by these, meant the dissolution of the previous, traditional city-village relationship, and the minimalization of living space for existing communities of pastoral nomads.

In response to these new circumstances, President Khātāmī put into practice the bill of 1996 calling for nationwide uniform local *showrā* elections - which had already been stipulated in the 1979 revolutionary constitution – letting each town and village of Iran choose a representative of its inhabitants by direct vote.

In so doing, local administration in Iran achieved an inversion of its system: from a top-down to bottom-up arrangement. However, to what extent was this realized in actual situations? Despite quite limited data, the aim of this section is to give some investigation over to this question.

The 3rd lot of 5-year plans for Iran presented in 2000 contained a clause on decentralization, stating the need to “transfer a part of administrative authority from central government to local government” (Anon [2000]). Our points of examination here are to what extent such an objective provides direction for government policies, and whether it is reflected at all in the national budget.

Under discussion below is President Khātāmī’s period of office lasting 2 terms over the 8 years from August 1997 until August 2005, however here I compare local finances in the national budget for the year preceding the administration, 1996-7 (1375 by the Iranian calendar; for simplification’s sake 1996 used here), and the most recent data available to date, that is for the year 2003-4 (1382; 2003 used here).^v

An overview of the national budget for the years 1996 and 2003, Table 1-1 is a correlation of data for those years from the *Central Bank Report* (Central Bank [1997; 2005]) and *Statistics Almanac* (Statistical Centre [2000]; [2004]; [2005]). There were wide-sweeping changes between 1996 and 2003 in the method of totaling the national budget, so that there could not be complete equivalence, however I put together data for 1996 by supplementing figures for “local annual expenditure” and “acquisition of local property” with data from *Statistics Almanac*. Also, when applying methods of totalling to conditions in 2003, care is necessary as the “general state income” for 1996 is 24529.9 BR, yet this is quoted as a total with the “sale of oil” (57275.6 BR) in the *Central Bank Report*.

Initially striking about this table is the 4-fold increase in budget size between 1996 and 2003. However, as is clear from the example of oil income, much of the increase during that period should be understood as being offset by the severe inflation within Iran. In order to gain an overall glimpse of this period, the 2 right-hand columns in Table 1-1 are calculated from Iranian oil export quantities which make public the oil income to the Iranian national treasury, and the international price of oil.^{vi} These provide a structure for comparison of state finances in Iran in 1996 which use oil income as a standard (100).

This reveals to some extent the change in national finances in Iran between the fiscal years of 1996-7 and 2003-4. Despite the general state income staying with a slight increase, national general expenditure increased dramatically, with national and local annual expenditures both nearly doubling. On the other hand, non-financial asset

gains, meaning governmental development expenditure, and state assets both remained level, which suggests minus value considering the increase in oil income during the period.

Also during this time, influence of the reform line led by 7 years of the Khātāmī government clearly spread as far as national finances, a remarkable increase being visible in tax revenue, the foundation of the ruling state. On the other hand, we can detect that the **national budget** of Iran, which was more or less balanced for the year 1996, had a deficit appropriation for 2003. However, a lot of this has to do with alteration in totaling methods of the Iran **national budget**, and should not be considered simply as an increase in deficit. Of more interest to us here is the change involving a great leap upwards in local annual expenditure within the national general expenditure (26.6→51.5) , and the slight reduction in the acquisition of local property within the acquisition of non-financial assets (development expenditure) (12.3→12.1) .

My hypothesis regarding local annual expenditure within the national general expenditure was that “content-wise, it uses local tax revenue etc. in each province as its source of funds, and the scope of discretion of each province is far greater than ‘national development expenditure’ which includes expenditure of the national treasury” (Suzuki [1999: 118]). The aforementioned changes are, then, significant as local finances have responded to a certain extent in accordance with the formation of nationwide town-village *showrā* councils in Iran since 1999.

Tables 1-2 and 1-3 use different data to calculate the “degree of autonomy in local finances^{vii}”, and how local annual expenditure per inhabitant in each province changed. The figures used here are based on data from *Statistics Almanac* for each year, however, due to changes in the administrative districts in Iran during that time, the number of provinces nationwide has increased from 25 in 1996 to 30 in 2003. For reasons of calculating totals, I suggest observation on the basis of the administrative districts (25 provinces) of the year 1996.

It should first be said that in Tables 1-2 and 1-3 provinces are ordered in size of population. Judging from a mere glance down the tables, there is a certain tendency in the degree of financial autonomy and expenditure per inhabitant in relation to population scale of provinces. In particular, on the matter of expenditure per inhabitant, it is clear that compared with Tehran Province, which tops the list of large-scale provinces, small-scale provinces with populations of less than a million have a higher figure. In contrast, despite there being some variability regarding degree of financial

autonomy, there is an overall tendency for large-scale provinces to surpass small-scale ones.^{viii}

It is also clear from Table 1-1 that between 1996 and 2003, degree of self-autonomy in local financial expenditure in Iran rose on a nationwide scale from 0.684 to 0.692. Concerning the meaning of this on the rural town/village level, of reference is a statement made in March, 2001 by the then Mayor of Varzane City, Mr Q.Qasemi, who will be introduced in detail in Chapter 4. “Thanks to the *showrā* council bill, basically all administrative decision-making rights now rest with the *showrā* council. Municipal budget decisions and management, as well as election of a mayor, are the main duties of the city *showrā*. At present, all budget spending by the city office must be reported to the *showrā* council. Before we reported centrally, but now this has changed to reporting to each *showrā*. Residents discuss issues concerning municipal government directly with *showrā* councillors, and the *showrā* council addresses the city office. A system which incorporated the detailed requests of residents never existed before.” It is somewhat doubtful whether this new system functions adequately in all cities of Iran; however, we can safely say that in general, reforms have begun to be made in these directions since the holding of *showrā* elections in 1999.

Assuming this to be the case, Graph 1-1 indicates the position in graph form of financial expenditure in each province and expenditure per person in relation to the nationwide figure, and also the changes over 7 years. Each province is numbered showing at the same time the order of population size, so that we can observe any tendencies associated with population scale.

A close focus on each province in these tables and graphs identifies an overall tendency: there are many provinces where, in relative comparison with national worth, the degree of autonomy in financial expenditure and expenditure per person have to some extent a bartering relationship. On the other hand it is noticeable that there are some provinces between 1996 and 2003 that were financially fortunate, and those in contrast that were surrounded by misfortune.

Examples are Zanjān Province which is particularly financially fortunate, as is Yazd Province compared with other provinces. In contrast, Gilan and Kerman Provinces appear relatively badly off financially.

It would be difficult to clarify all the reasons for these situations, but we can at least surmise the reason for the fortune of Zanjān Province comparatively easily. Following long-term confusion and conflict over the reversion of Qazvin region after the 1979 revolution^{ix}, Qazvin District became independent from Zanjān Province,

forming Qazvin Province. We can assume this meant it was accompanied by compensation.

However, if we remove such exceptional cases, we can recognize those whose degree of autonomy in financial expenditure and expenditure per person have to some extent a bartering relationship. Those which stand out as experiencing particularly large relative change during the period are Khuzestan, Hormozgan, Bushehr and Ilam Provinces. Apart from Ilam, they are all provinces along the Persian Gulf, while Ilam is a province on the border with central-southern Iraq.

Others with similar tendencies of relative change are East Āzarbāyjān and West Āzarbāyjān Provinces out of the 3 provinces belonging to the Āzarbāyjān region. Only Ardabil Province, a new province with great demands upon development, has several points of interest in that it shows different movements such as in the direction of expansion of expenditure per person.

Above, we have examined the changes in local finances on the provincial level using what can be deduced from broad data on the **national budget** of Iran. It has become clear that, throughout Khātāmī's term from 1997 to 2005, local finances in Iran tended towards a shift in the direction of respecting the autonomy of towns and villages - if external causes are eliminated such as unconnected or accidental circumstances, and international relations. In this way, together with the formation of *showrā* councils in each town and village by direct vote of the inhabitants, the great inversion of the local administration system in Iran from a top-down to bottom-up arrangement was a remarkable transformation.

3. The Reformists' Waning and Ahmadīnezhād's Rise to Power

Between the local council elections of 1999 and the 6th round of parliamentary elections in February 2000, there occurred a political incident that was to prove an extremely important turning point for the reformists with President Khātāmī as their political leader. It was a bloody act of suppression by the police authorities against a reformist students' demonstration in Tehran on July 9-11, 1999. Because Khātāmī could not display a resolute attitude towards the authorities, some reformist supporters began to harbor doubts about the president's attitude towards his role as defender of democracy, and hurled severe criticism at him.

Nevertheless, at this stage the nation's expectation of reforms to the system under Khātāmī's lead still widely remained, and of these, the parliamentary elections held in February 2000 saw the result of reformists gaining an overwhelming majority in the ministers elected. At the same time this election process watched closely the

exposure of the corruption over many years of aforementioned former president, Rafsanjani, and as a result of that, Rafsanjani lost in the 1st round of voting, and in the 2nd, bore the insult of the lowest vote.

On June 8, 2001 the 8th round of presidential elections took place, and in the vote count of the next day Khātāmī's 2nd term as president was decided. The presidential elections took place amidst a worsened international environment through a setback in the Middle East peace process caused by hasty involvement in the Jerusalem issue at the end of the Clinton administration, a strong rollback of the conservatives, a standstill in reform power, and a spreading despair among the populace at Khātāmī-led reform policies. Despite this, the results of the election concluded in an overwhelming victory for President Khātāmī. Although voting numbers had dropped from the 83% of the previous round (1997) to 67%, judging from the fact that the previous presidential elections had been taken over by the drama of Khātāmī's rise, these were unpredictably high percentages.

After President Khātāmī was re-elected in June 2001, as is well-known, simultaneous terrorist attacks occurred in America on September 11 of the same year, at once heightening the fluidity of the political maps of the Middle East and Iran. On September 13 of the same year, the Taliban, effective ruler of eastern neighbor, Afghanistan, took flight, and in American President, Bush's State of the Union message to Congress at the beginning of the following year, Iran was named alongside Iraq and North Korea as an "axis of evil". Ironically it was Khātāmī's cause - which 5 years earlier had aimed at internal reform - that became gradually cornered amidst changes in the balance of international politics, and essentially came to an end.

Results of the 2nd round of nationwide local council elections held in February 2003 were, at least, often mentioned in the mass media in connection with the parliamentary elections of 1 year later. However, the importance of the 2nd ever local council elections in Iran obviously cannot be ignored, and comparison with the 7th parliamentary elections, precisely because it is based on differences, is well worth doing accurately. One meaning for Iranian society of these local council elections perhaps lay in rural village areas, which saw advancing social selection and an increase in difference between those few villages with more development potential, and the rest that were more stagnant. Leader personalities rose more distinctly in the 2nd round of elections which led on from the 1st round, and core villages with future development potential and villages without were gradually sorted out from each other. The tendency then revealed itself for the gap between villages to become ever wider.

The schedule for the 7th round of parliamentary elections of the following year was declared on December 13, 2003 by the Ministry of Home Affairs as set for February 2, 2004. However, as the conservative stronghold of the Council for Protecting the Constitution disqualified more than 3000 individuals including about 80 incumbent reformist ministers in the preliminary vetting of the 8000 applications, the 80 incumbent ministers carried out a protest sit-down (tahasson). On January 21 Deputy President Mohammad Ali Abtahi submitted his resignation along with several cabinet members. The candidacy of around 200 names that had been rejected first off on January 20 was acknowledged, and on February 4 revolutionary leader, Khāmeneī declared the election would proceed as expected.

Under suspicion of developing nuclear weapons, the strict stance towards Iran of America's Bush administration was unwavering. In these circumstances, the route to reform, led by Khātamī from inside the present Islamic system, experienced a string of failures since his government's inauguration, and at this point had lost most of its appeal for the nation. Because of that, victory to the conservatives had already been decided as the outcome of the elections in the governmental center, Tehran, and remaining concern focused almost entirely on how far voting numbers would stretch.

The 5 nationwide elections after the 7th round of presidential elections in which President Khātamī came to power in 1997 until the local council elections of 2003, despite limitations in the system, were elections where voters' sense of participation brought to them a democratic meaning unlike any previous election (Baktiari [2002]). They took place upon a background of nationwide changes in social structure originating in influence from the 1979 revolution in Iran, the subsequent village area focus policy, and the 8-year Iran-Iraq War. They also signaled great transformation, helping overturn at its roots the situation prior to this of political trends in Iran only moving with urban areas.

Despite this essential transformation in social consciousness, change in the international environment after September 11, 2001 hastened the retreat of reformist power, with the parliamentary elections of February 2004 confirming this, and becoming a point of historical reversal when the presidential elections of the next year, 2005, saw the rise of President Ahmadīnezhād. One might say the signs were already visible in the 2003 local council elections, and the 7th parliamentary election process took democratization in Iran back superficially to the level of pre-1997. They were antidemocratic elections which used any restrictions in the system to the full, such as the disqualification of candidates by the Council for Protecting the Constitution. The problem lies in the fact that the post-revolutionary generation, who had already

experienced advancing democratization on a backdrop of changing social structure, held no hopes for the political state of affairs. Present-day political authority has decisively lost its centripetal force for the youth who constitute over half of the nation.

The 7th round of presidential elections of February 2004 were regarded from the start as an important turning point for Iranian politics, and in truth most of the elected ministers came from the conservatives. The election results meant essentially the end of President Khātāmī's road to reforms, and the conservatives' grip on power in the presidential elections of June 2005 became almost a certainty.

The 9th round of presidential elections in Iran were held on June 2005, and Mahmoud Ahmadīnezhād was elected of the hard-line conservatives^x whose support was based on the Revolutionary Defense Force, creating a new political current (Suzuki [2006]). Iran witnessed the retreat of the reformists during the election amidst the people's deep sense of disappointment at the Khātāmī administration which had been unable to deliver any system reforms over the previous few years. However, the results of the 2005 presidential elections announced the advent of a new political season in a landscape with a greater voice for the Revolutionary Defense Force (*sepah-e pasdaran*). The *Journal of Democracy* picked up on the 9th round of presidential elections of June 2005 in which President Ahmadīnezhād was elected, and compiled a special issue, "Iran's Peculiar Election". In the opening article, V. Nasr, having indicated the tendency to conservatize in Iran, states the following.

"Another development that set the context for the 2005 election was the growing importance of local politics. Under Khatami, various factions began hotly contesting municipal and provincial elections. Tehran, which is far and away Iran's largest city as well as its capital, declined in relative political importance. Broad national issues had to vie for voter attention with local matters. This meant that patronage and bread-and-butter concerns were rising in salience even as the ability to mount a truly nationwide campaign was becoming crucial. This trend was clearly evident by 2004, when conservative candidates swept municipal elections by means of well-run campaigns focusing on economic issues. This lesson was not lost on Ahmedinejad's campaign." (Nasr [2005: 12-13]).

One reason Ahmadīnezhād gained a large vote might well have been the spread of wrong-doing from inside Iranian society. Society in Iran had undergone unprecedented change since the acceptance of the United Nations Security Council Resolution Rule 598 of August 1988 which was "like drinking poison" (Khomeynī's words). Reckless socio-economic development and fierce change on a daily basis,

competition through sharp practice and wrong-doing. No longer in society in Iran, even in village areas, should one look for settled lives based on the traditional family.

Amidst such fierce socio-economic change, it was the Rafsanjani Family which symbolized reconstruction of prosperity after the war with Iraq, and it is said that he and his family carved themselves out a great fortune as a lever for post-war reconstruction enterprises. Supreme Leader Khāmeneī, and even President Khātāmī who had appeared with a fresh image in 1997 advocating reforms and lawful rule, had made just empty promises in the people’s eyes, and seemed mere puppets of the fat-cat privileged class at the pivot of power in Iran.

Ahmadīnezhād held up the youth volunteer force (*basīj*) during the Iran-Iraq War as “exemplary humans”. In the background are those several tens of thousand war dead who died on the front line, and their families nationwide. As families of martyrs (*shahid*) their livings are guaranteed by the national treasury, so that in elections they are counted among the conservatives. Furthermore, the outer-edge existence is acknowledged of wounded soldiers, prisoners of war, and civilians who lost family members in air raids, and they all play the role of a linchpin guaranteeing the unity of post-war Iranian society.

However, at the same time, we cannot overlook the fact that the result of the transformation of local administration as a direct result of reform policies advocated by President Khātāmī, and systematic mobilization of the belief in self-governance that came about in post-revolution and post-war regional and village society, actually paved the way for the rise of revolutionary hardliner, President Ahmadīnezhād.

The conservative tendencies of Iranian policies from the appearance of a new president in 2005 until the present day, in addition to the superficial slogan calling this a recurring revolutionary period, had, then, an aspect that should be considered an irreversible consequence of the rapid structural change of society in Iran in post-revolutionary rural town-village areas. Of course, it cannot be overstated that the increasing influence of America’s anti-Iranian diplomatic encircling net following the 9.11 terrorist attacks was a major cause in the rise to power of President Ahmadīnezhād.

Rising from this post-revolutionary attempt at a democratic election system in Iran, President Ahmadīnezhād has toured round the country giving talks with much fervor, and listening directly to “the people’s demands” – taking over the *showrā* system introduced during Khātāmī’s term - allowing residents to write letters addressed to the president. However, this kind of popularist method, on a background of greater voice for the Revolutionary Defense Force, doubtless stops short of attaining the true feelings of the people of the nation who experienced revolution and war first-hand.

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ⁱ For detailed research on villages in Iran up to the 1960s, see Okazaki [1970].

ⁱⁱ Concerning the Iran-Iraq War, refer to Torii [1990] and Karsh [2002].

ⁱⁱⁱ For major statements regarding Khomeyni’s Jihad Sazandegi, see Mo`assese [1998]. Also, a chronology summarizing Jihad’s activities has been issued (Years 1997 and 2000 in author’s possession). Jihad Sazandegi was renamed Jahad Keshavarzi and was united with the Ministry of Agriculture in 2001.

^{iv} Actual content of the Revolutionary Constitution Articles 100 to 103 are as below.

Article 100: In order to rapidly advance plans for prosperity such as in society, economics, development, insurance, culture and education, with the cooperation of the people and in response to rural situations, administration of each village, district, city, county and province shall be carried out under the supervision of village *showrā*, district *showrā*, city *showrā*, county *showrā* and province *showrā*, and councilors of each *showrā* shall be elected by the inhabitants of that region.

All matters pertaining to the qualifications, duties and restrictions, and methods of election and management as regards the electorate and candidates of each of the above *showrā*, shall be determined by separate laws whilst having as conditions the unity of the people, the integrity of the territory and administration of the Islamic Republic, and submission to the central government.

Article 101: When development plans in each province are produced, in order to avoid discriminatory treatment and to advance cooperative relations, as well as to carry out plans in a harmonious fashion and manage them to realization, they shall be organized by an inter-provincial supreme *showrā* which is formed from representatives of each provincial *showrā*.

Particulars of the formation and duties of this *showrā* shall be determined by separate laws.

Article 102: The inter-provincial supreme *showrā* can draft plans, and put forward proposals either directly or through the government to the Islamic People's Council. These plans must be discussed in parliament.

Article 103: Provincial governors, regional and area chiefs as well as other emissaries of the Department of State for Home Affairs that are government appointments must respect the decisions of the *showrā* that are made within the jurisdiction of the individual *showrā*.

^v In Suzuki [1999] I examined local finances in Iran of the year 1995/6 (Iranian calendar 1374), but here I add chronological considerations whilst following the framework of the study.

^{vi} According to UN [2007] statistics, Iranian crude oil export quantities were 1,148,750B in 1996, and 1,230,987B in 2003. As the international oil price rose between these years from 19.65\$/B to 27.04\$/B, a simple calculation indicates an increase in income from oil in Iran, of 100 in 1996 increasing to 147.5 in 2003. The Iranian oil price is divided into that of light oil and heavy oil, but the price difference is minimal, and it generally moves with the international price governed by OPEC. As exact figures are not relevant here the above figures are used tentatively.

^{vii} The system of calculating "Self-autonomy of local finances" is: general annual expenditure of province / (general annual expenditure of province + development expenditure of province). This is based on the supposition that development expenditure by province constituted a large part of the previous centralized local financial expenditure. General annual expenditure by province makes possible a detailed response to demands upon local financial expenditure in the bottom-up formation which has the town-village *showrā* council at its root.

^{viii} This point is consistent with the conclusion of Suzuki [1999] which states "The more central and larger-scale the province, the greater the independence of its local finances, but its expenditure per inhabitant is low. In contrast, small-scale provinces located near borders have relatively high development expenditure from the center, and high expenditure per inhabitant" ([Suzuki 1999: 26]).

^{ix} See Suzuki [1995] Chapter 2 for a detailed look at this.

^x A political group conceptually loyal to the Revolutionary Defense Force, which advocates a return to the teaching of Khomeyni at the time of the revolution.

Table 1-1 Results summary of the national general finances of the Khatami term in Iran

	1996/7(1)	2003/4(1)	1996/7(2)	2003/4(2)
General state income	24,529.9	78,836.6	74.9	90.7
1.Tax revenue	12,560.2	65,099.0	38.4	74.9
2.Other income	11,969.7	13,737.6	36.5	15.8
National general expenditures	37,571.2	178,255.2	114.7	205.2
1.National annual expenditure	28,863.8	133,521.6	88.1	153.7
2.Local annual expenditure	8,707.4	44,733.6	26.6	51.5
Sale of nonfinancial assets		129,030.9	0.0	148.5
1.Oil income	32,745.7	128,153.9	100.0	147.5
2.Other sale		877.0	0.0	1.0
Acquisition of nonfinancial assets (Development expenditure)	19,211.9	60,982.9	58.7	70.2
1.Acquisition of state assets	15,193.6	50,446.7	46.4	58.1
2.Acquisition of local property	4,018.3	10,536.2	12.3	12.1
Income and outgo of the national treasury	492.5	-31,370.6	1.5	-36.1

(Note1) Unit is BR (billion rials).

(Note2) The relative value at the time of setting the oil income in the 1996 fiscal year to 100.

(Source) Based on data from Central Bank [1997]; [2004] and Statistical Centre [2000].

Table 1-2 Local finance situations according to province in the year 1996/7

Name of Province	a.General expenditures	b.Development expenditure	c.Gross expenditure	d.Degree of autonomy	e.Population	f. outlay per one person
Whole country	8,707,354	4,018,290	12,725,644	0.684	60,055,488	21.2
1 Tehran	1,251,181	238,362	1,489,543	0.840	12,029,283	12.4
2 Khorasan	866,100	291,848	1,157,948	0.748	6,047,661	19.1
3 Mazandaran	670,430	264,544	934,974	0.717	4,028,296	23.2
4 Esfahan	573,582	150,489	724,071	0.792	3,923,255	18.5
5 Fars	619,941	237,275	857,216	0.723	3,817,036	22.5
6 Khuzestan	494,381	619,869	1,114,250	0.444	3,746,772	29.7
7 East Azerbaijan	434,138	202,899	637,037	0.681	3,325,540	19.2
8 West Azerbaijan	336,863	161,617	498,480	0.676	2,496,320	20.0
9 Gilan	385,281	134,979	520,260	0.741	2,241,896	23.2
10 Kerman	379,651	153,569	533,220	0.712	2,004,328	26.6
11 Kermanshah	262,989	199,089	462,078	0.569	1,778,596	26.0
12 Sistan va Baluchestan	221,946	207,162	429,108	0.517	1,722,579	24.9
13 Hamedan	239,594	87,269	326,863	0.733	1,677,957	19.5
14 Lorestan	254,331	114,426	368,757	0.690	1,584,434	23.3
15 Kurdistan	205,060	111,255	316,315	0.648	1,346,383	23.5
16 Central	198,168	74,035	272,203	0.728	1,228,812	22.2
17 Ardabil	172,046	114,217	286,263	0.601	1,168,011	24.5
18 Hormozgan	152,717	137,291	290,008	0.527	1,062,155	27.3
19 Zanjan	157,798	104,413	262,211	0.602	1,036,873	25.3
20 Chaharmahal va Bakhtiyari	153,908	73,577	227,485	0.677	761,168	29.9
21 Yazd	159,029	53,594	212,623	0.748	750,769	28.3
22 Bushehr	152,076	77,506	229,582	0.662	743,675	30.9
23 Kohgiluyeh va Boyer-Ahmad	132,202	87,119	219,321	0.603	544,356	40.3
24 Semnan	115,884	47,349	163,233	0.710	501,447	32.6
25 Ilam	118,056	74,538	192,594	0.613	487,886	39.5

(Note1) Data of a and b are the budget after-compensation for the year 1375. The unit for a, b and c is 1 million rials, and the unit for f is 10 thousand rials.

(Note2) Data of e is based on the population census of 1996. Population of Qom Province is included in Tehran Province.

(Note3) d is calculated as a/c , and f is calculated as c/e .

(Source) Based on data from Statistical Centre [2000: 63, 751, 756].

Table 1-3 Local finance situations according to province in the year 2003/4

Name of Province	a.General expenditures	b.Development expenditure	c.Gross expenditure	d.Degree of autonomy	e.Population	f. outlay per one person
Whole country	46,251,447	20,603,360	66,854,807	0.692	60,055,488	111.3
1 Tehran	6,787,627	1,372,483	8,160,110	0.832	12,029,283	67.8
2 Khorasan	4,533,641	1,851,230	6,384,871	0.710	6,047,661	105.6
3 Mazandaran	3,696,729	1,098,802	4,795,531	0.771	4,028,296	119.0
4 Esfahan	2,934,073	757,481	3,691,554	0.795	3,923,255	94.1
5 Fars	3,311,634	1,180,378	4,492,012	0.737	3,817,036	117.7
6 Khuzestan	2,649,416	2,131,765	4,781,181	0.554	3,746,772	127.6
7 East Azerbaijan	2,126,151	916,874	3,043,025	0.699	3,325,540	91.5
8 West Azerbaijan	1,726,027	648,181	2,374,208	0.727	2,496,320	95.1
9 Gilan	1,835,758	654,810	2,490,568	0.737	2,241,896	111.1
10 Kerman	1,771,209	924,146	2,695,355	0.657	2,004,328	134.5
11 Kermanshah	1,380,755	864,298	2,245,053	0.615	1,778,596	126.2
12 Sistan va Baluchestan	1,161,984	1,091,063	2,253,047	0.516	1,722,579	130.8
13 Hamedan	1,232,300	455,930	1,688,230	0.730	1,677,957	100.6
14 Lorestan	1,389,394	706,621	2,096,015	0.663	1,584,434	132.3
15 Kurdistan	1,028,607	620,293	1,648,900	0.624	1,346,383	122.5
16 Central	1,002,515	485,867	1,488,382	0.674	1,228,812	121.1
17 Ardabil	953,861	456,801	1,410,662	0.676	1,168,011	120.8
18 Hormozgan	957,453	1,052,574	2,010,027	0.476	1,062,155	189.2
19 Zanjan	1,431,876	667,554	2,099,430	0.682	1,036,873	202.5
20 Chaharmahal va Bakhtiyari	799,436	364,222	1,163,658	0.687	761,168	152.9
21 Yazd	936,165	291,474	1,227,639	0.763	750,769	163.5
22 Bushehr	776,751	756,910	1,533,661	0.506	743,675	206.2
23 Kohgiluyeh va Boyer-Ahmad	660,361	476,855	1,137,216	0.581	544,356	208.9
24 Semnan	557,349	260,569	817,918	0.681	501,447	163.1
25 Ilam	610,373	516,179	1,126,552	0.542	487,886	230.9

(Note1) Data of a and b are the budget after-compensation for the year 1382. The unit for a, b and c is 1 million rials, and the unit for f is 10 thousand rials.

(Note2) Some data of a and b are adjusted in order to correspond to the number of the states of Table 1-2.

(Note3) Data of e is based on the population census of 1996. Population of Qom Province is included in Tehran Province.

(Note4) d is calculated as a/c, and f is calculated as c/e.

(Source) Based on data from Statistical Centre [2005: 90, 749, 753].

Chart 1-1 Relative changes in each Province's fiscal expenditure during President Hatami term

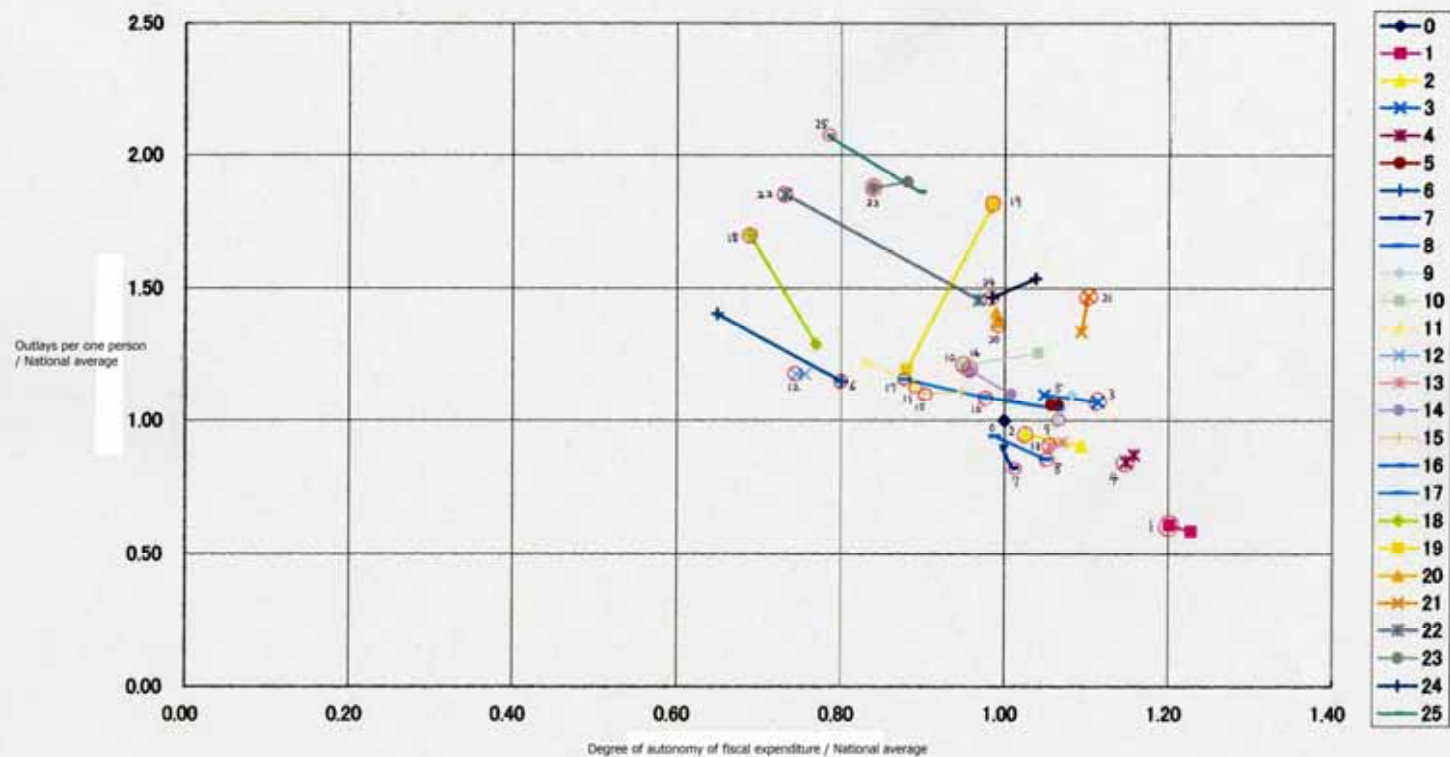
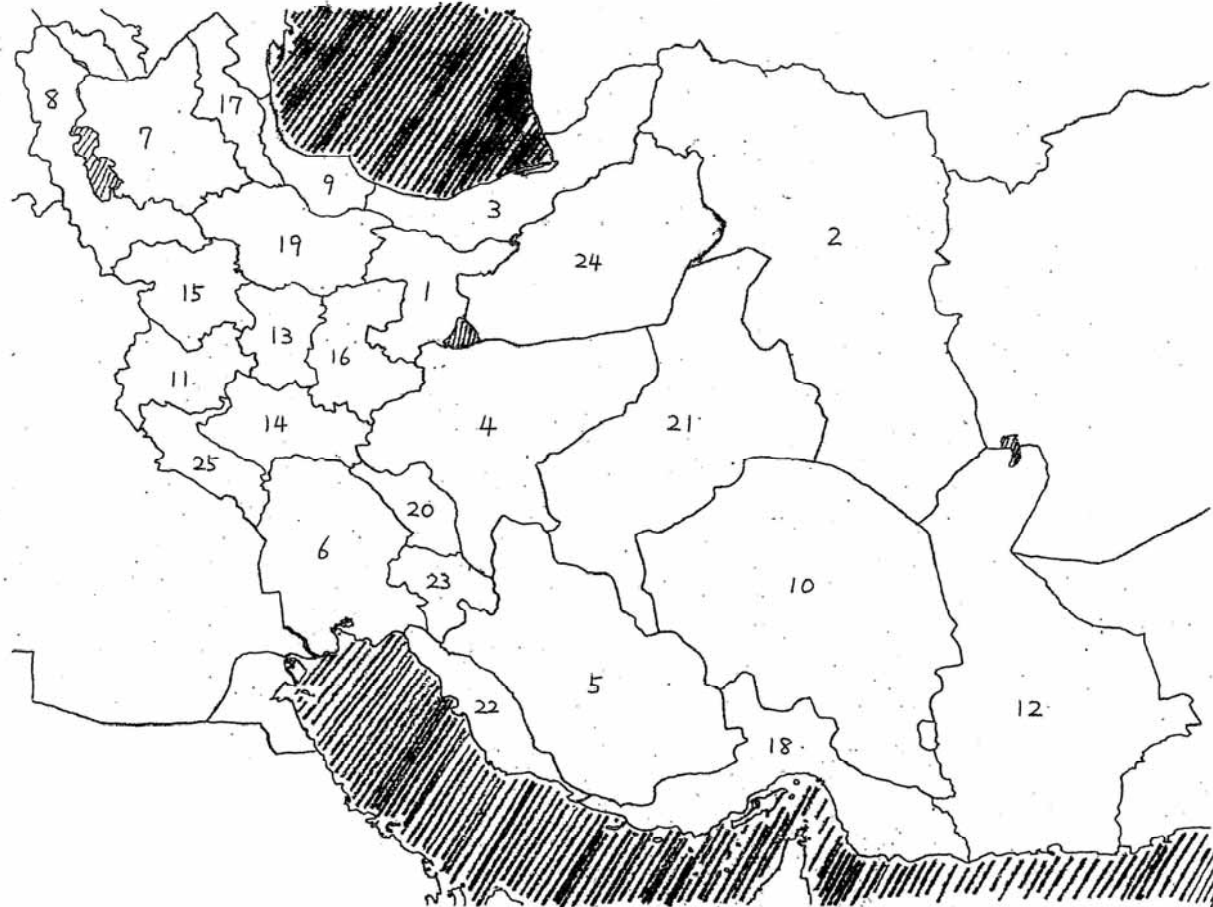


Chart 1-2: Provincial borders and their order by population in 1996



Source: Prepared by the author.