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# The Failure of the Integrated Urban Management in Iran: An Analysis from the Perspective of Interactive and Legal Problems between the State and Municipality

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### Abstract

The increasing level of urbanization in the recent decades has highlighted the importance of urban management in solving and controlling urban crises. Urban growth management requires an efficient system which can identify and organize all important citizens' needs. As we know specific rules and regulations determine relations, interactions, levels of performance and position of each section and institution within such a system. These days, the legal aspects of urban growth management system cause many problems, especially in developing countries. In Iran, urban growth management faces several problems because of the complexities of the legal system in controlling the regulations. This paper aims to examine the advantages and disadvantages of the current urban growth management regulations in Iran. The methodology of the research is based on content analysis of the urban regulation and its evolution using existing documents. The results showed that there is an insufficient and weak autonomy of municipality vis-à-vis the state and its affiliated organizations; which itself is a part of obstacles of integrated management in the country.

## 1. Introduction

Cities as the most important settlements of humans (Pauliet and Dhuhme, 2000:1), the main bases of human civilization and mental and technological manifestations of humans and urbanization associated with that in the last 50 years, as a phenomenon of rapid physical growth of villages, towns and cities has occurred in almost every country in particular in developing countries (Ibrahim and Mohammad, 2002) and have led to uncontrollable development of urban regions, creation of new human settlements and reduction of human welfare (Ortega et al, 2011:2).

At present, these issues along with urban recession are the central concerns of urban planners (Alden, 1996:553) and have created certain challenges for the system of urban management which are unprecedented. (UN Habitat, 2009: xxi). Of course, it should be noticed that urban settlement is an opportunity to achieve the national objectives of

sustainable development, to utilize the micro and macro economic advantages, social welfare and to improve the environment protection, but fulfillment of above privileges will depend on the policies being applied in city and the quality of urban management and planning (World Bank, 2000: 36) which at present many of cities in developing countries are deprive of access to the above goals as overshadowed by different social, economic and political issues.

So, the significance of a study in this area, in particular from the standpoint of legal rules and interactions of organizations effective on urban management and planning, in developing countries such as Iran which suffers from division in decision making of urban management and planning becomes clear more than any other time in the past. Today, to perform any plan, project or action in public domains; guaranteeing regulations have become an inseparable part of life of individuals in human settlements. It is such that the urban legal regulations within the framework of different rules approved by competent authorities who form urban rights in one side, serve as a code of practice for citizens and on the other side serve as a guide to organizations and institutions involved in urban issues, known as managers in urban domain.

In this connection, municipalities undertake the duty of urban management solely in most of developed countries of the world. In Iran, with regard to the constant presence of state in urban public scenes through different organizations (about twenty five organizations), this issue is not true and the cities suffer from the lack of integrated management. However, apart from multiplicity of management and uncertainty in the performance of these institutions in urban scene, the important issue particularly independency or dependency of municipality from the state. It is clear that what clarifies the position of these institutions towards each other and gives a precise definition, is the legal articles or law which exist in this domain.

Now, following the above dilemma and with regard to the fact that in many developed countries, the urban management has a close relation with state organizations and people of the city (Mc Gill, 1998:464) is equal to municipality, but in Iran, urban management is not merely identical to municipality. Moreover, state institutions and organizations which are present in this domain perform urban management along with municipality at local level (Lotfi et al, 2014). Reviewing the legal articles related to the above cases, the present paper attempts to show the real position of municipality vis-à-vis state and analyze some of the possible issues which emerge as a result of this position in domain of urban management and planning and thereby to respond the following questions to some extent.

1. What kind of ambiguities does exist on the legal position of municipality vis-à-vis the state in the urban domain?
2. What kind of inefficiency has been created in the urban management and planning due to the present position of

municipality vis-à-vis the state?

3. What are the approaches to overcome this weakness and inefficiency?

## 2. Literature Review and the Concepts

This study is performed within the framework of urban rights which is a new discussion in law science. Urban rights is defined as set of rules and regulations which adjust the relationship of citizens with urban authorities and institutions involved in local and urban issues and elaborates the rights and obligations providing for councils, municipality and other urban agencies (Kamyar, 2006:22). Prior to dealing with interactions of state and municipality and determining the legal position of these two public institutions towards each other, it is necessary to have a proper understanding of the concept of urban management, municipality, state and origin of their formation and performances in Iran. In all parts of the world, wherever there is city and urbanization, the most important and basic organization is municipality which directly undertakes the responsibility of city management.

Municipality is the most obvious example of local and organizational institutions which is established within the limit of city to meet the needs of the people of the same place (Razavian, 2002:73). Stern in an article, entitled, "what is the urban management" states that urban management lacks a specific definition and content. His historically review of this term shows that it has had different meaning for different institutions and individuals (Stern, 1993:138). Referring to the discussion made by Stern, Mattingly, (Mattingly, 1994) also believes that one of the necessities to present a definition of urban management is the need of to understand urban quality which now declining day by day (Mattingly, 1994:141). Van Dijk has also defined urban management: an attempt to coordinate and integrate the public and private measures to overcome the urban problems and to create more competitive, sustain and durable cities (Van Dijk, 2006:53-56). Besides these discussions, usually most of the citizens consider the municipality as a service organization which offers a series of services and receives its cost. Thus, municipality is rarely considered as a planning organization and the main axle of economic, cultural and social activities. This institution is one of the legal characters of public rights which is created by legislator in the process of further specialization of public management of local society and in order to meet the needs of urban community by applying its management (Noroozi, 2001: 58-59). In fact the definition of municipality should be with regard to the political framework which exists in it, but generally referring to some points common in all definitions of municipality such as being urban, non-state, independent, based on election, formal and present public services necessary for city inhabitants (Saeednia, 2003: 24-27).

So, municipality is considered as an independent institution regarding to the most definitions and studies. The present article tries to portray that whether or not, municipality is an independent institution from state in Iran apart from all definitions? And how is its legal position from the view point of independency, authorities and control? In this way, the most emphasize is on the legal aspects as what is the approach of urban law and rights on this issue?

In this regard, most of researchers of urban management and rights in Iran, consider municipality as a local governor. It seems that this idea is a debatable issue with regard to the ambiguity which exist about the independent position of municipality towards state and whether or not the presence of

democratic pillars are inherent parts of local state. Apart from the different views on the terms of “State” and “Government” and their domains of performance and inclusion, in this research, based on the budget law of 1955, state means: all ministries and institutions affiliated to the state and also the profit and commercial institutes under the name of governmental organizations.

Considering to this definition and various principles of the Constitution including the Principles of 3,8,11,14,21,28 and 29, if the term “state” is employed without any matching word, it means Executive Branch. Figure 1 shows the overall and present situation of urban management in Iran.

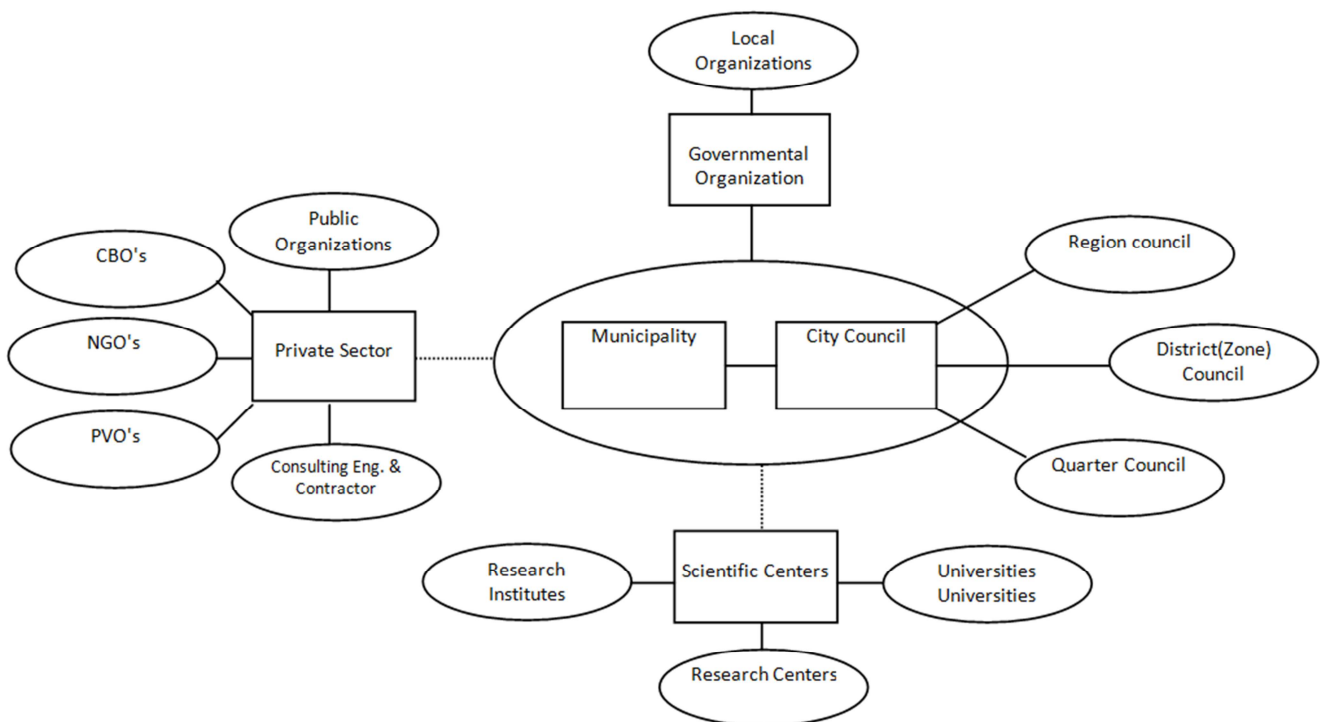


Figure 1. General and present situation of urban management in Iran (Mansour, 2007; Rahnamaei & Shahosaini, 2012).

### 3. Legal Position of Municipality

The most direct legal article about the legal position of municipality is the Article 3 of Municipality Law which reads: “municipality has a legal personality”. Based on this very single article, many researchers have considered the municipality with a character fully independent from state. At the same time, the mere having of legal character does not mean the independence of municipality from governmental branches (judicial, executive and legislative branches) in particular executive branch or state, but the local independence is a multidimensional concept with different aspects such as administrative, political, financial independency and etc.

The concept of legal personality includes a type of credit of the concept of character; upon which the rights of populations, institutions, organizations and alike considers as real persons since they can be the subject of rights and

obligations, and recognizes their identity independent from the forming individuals to the extent that the nature of their legal character permits (Noroozi, 2001: 34). So it can be said that firstly, the Article 3 of Municipality Law should be studied and analyzed besides other articles of Municipality Law and other related rules. Secondly, having a legal personality does not elaborate the independency or independency of municipality from governmental agencies in particular the state. Thirdly, the legal personality of public laws such as municipality not only is subject to national law and regulations but also it does not have independency regarding domestic regulation; and basically follows the statutes which have been enacted by legislator, for example, regulations related to transactions or employment affairs of legal persons in public laws are determined by governmental institutions and managers mostly have no authority to change the internal regulations (Noroozi, 2001:37) This very example shows the lack of

independency of municipality due to its inclusion in the framework of legal character of general laws. Fourthly, the legal character is merely a concept coined by lawyers to include organizations, institutions and associations into the law realm, so that they could be granted certain rights and obligations apart from their members like a legal character. The example of this issue is the Article 588 of the Commerce Law of I.R. of Iran which reads: "a legal person can have all rights and obligations which is granted to individuals by law, with the exception of the duties which is exclusive of humans such rights and duties of fatherhood, Sonship, etc".

So, regarding to these issues, it can be concluded that the mere state of having a legal character, does not mean independency. As in the Article 3 of the Municipality Law, approved in 1955, the term independent is also mentioned, so the removal of this term during the later annexations by the legislator has added to the ambiguity of the above problem and complexity in understanding the legal position of municipality vis-à-vis the state. On the other hand, the Law of Lists of Non-governmental Public Institutions (approved in 1994) has announced the municipality as a non-governmental institutions and independent from the state practically. Thus, the most suitable way to study the interaction between the state and municipality and to identify their position towards each other is the revise, examine and classify the contents of municipality law and related rules. On this case and in a general review, it is possible to classify the legal articles of Municipality Law (which is the first subject-based law in the country) in two categories including the set of articles related to the executive performance of municipality and the set of articles related to legislation and judicial articles.

#### **4. The Articles of the Executive Performance of Municipality**

In all articles related to the executive performance of municipality, the municipality is an institution independent from the state. Among the given articles, we may refer to the following articles:

Article 45 on the duties of City Association, Article 65 on Financial Regulations and Approval of Municipality Budget, Article 103 on Coordination of Public Institutions with Municipality in Civil Projects, Article 75 on Collecting Municipality Taxes, Article 55 about the Duties of Municipality, Article 78 on Taxes, Article 100 on Prevention from Constructional Operations without License and Article 74 on Adjustment of a Code of Practice on Collecting Urban Taxes.

#### **5. The Legislation and Judicial Articles**

Against the above legal articles which show the independency of municipality from the state, there are legal articles on legislation and judicial articles related to

municipality which places it in the position of a fully governmental institution. Some of the articles in this regard are:

The article 52 on Issuance of Appointment Communiqué of Mayor by Interior Ministry, Article 58 on Municipality Employment Regulations, Article 95 on Performance of Municipality Law, Article 42 on Substitution of Interior Ministry instead of City Council .....

Due to the importance and determinant role of the second part of regulations (judicial and legislative) against the legal articles of the first part (executive dimension of municipality), it should be said that the independence of municipality is very trivial and related to the first category of rules (executives). At the same time, the set of rules of the second category which form the main spirit of Municipality Law and determine the position of municipality in the governmental system and vis-à-vis the state indicate the lack of independency or low independency of municipality and its relatively intensive control by the state and its institutions.

In addition to the Municipality Law, there are many legal articles in the Financial Code of Practice of Municipality (approved in 1967) and the Law of Structures, Duties and Elections of Islamic Councils and Elections of Mayors (approved in 1996) and other regulations which indicate the intensive dependency of municipality to the state. Article 29 of the Chapter Two of the Financial Code of Practice of Municipality on Revenues Resources of Municipality, Article 30 at the same Chapter on Code of Practice of Interior Ministry for Adjustment of Tariff and Method of Detection of Various Types of Taxes and Incomes of Municipality and Article 4 on Transactions without Tender with the Approval of Interior Ministry and the Cabinet confirm the above mentioned issue.

In the same manner the Law of Structures, Duties and Election of Islamic Councils and Election of Mayors contain some legal articles on the above issue and dependency of municipality on the state. Some of these cases are presented in the following lines:

Note 3, Article 71 on the Decree of Interior Minister on Appointment of Mayors which reads, "Appointment of mayors in cities with a population more than two hundred thousand and centers of provinces will be made based on the proposal of city council and decree of interior minister and in other cities by the proposal of city council and general governor's decree". This Note shows the power of interior minister or general governor (the state) in accepting or refusing the introduced mayor by the city council. It is worth noting that dealing with the disputes between city council and Interior Ministry on the above case will be made before the Central Dispute Settlement Board whose most members are governmental. Note 2 of Article 82 of the same Law on dealing with the administrative violations of mayors before Board of Proceedings of Administrative Violations of Interior Ministry Staff indicate the control and monitoring of the state on municipalities.

If municipality had been considered as a local government with sufficient independency and fully independent legal

character, the above proceedings should have been made by a court and competent judicial authority. Paragraph 9, Article 71 of the above law on approval of municipality bylaws by city council by observing interior ministry instructions and Paragraph 15 of the same Article on approval of the constitution of institutions affiliated with municipality by city council with the agreement of Interior Ministry are among the legal cases which diminish the position of municipality and council (which are supposed to be a local government) at the level of a governmental local organization under the governmental institutions. Article 72 of the mentioned Law reads, "the qualification to undertake the position of mayor will be in accordance with a bylaw which will be approved by the Cabinet based on the proposal made by Interior Ministry":

This Article indicates that the City Council cannot have an administrative influence beyond the bylaw of the Interior ministry in the election of mayor. It is worth noting that the same mayor, who is elected by City Council and within the

framework of governmental code of practice, should be confirmed once again in accordance with the Note 3 of the Article 71 of the same Law and Article 52 of the Municipality Law by Interior Ministry. Based on above mentioned articles, it can be said that finally, the conditions ideal to the governmental institutions will be applied. As for the lack of independence of public and local institutions, it is the view of the state which is met and not the delegate of the people. While, in most of the developed countries in the world, mayors are elected by people votes and via general elections (Razavian, 2002: 77).

Of course in this very regard, (direct election of mayor by people), certain suggestions has been presented by the then mayor and if accepted, it can remove many obstacles. The following Table shows the subject-based areas of the lack of independency of municipality against the Executive Branch or the state in the Municipality Law, Law of Structures, Duties and Elections of Islamic Council and Election of Mayors and Municipality Financial Code of Practice.

**Table** Subject domains of the dependent legal position of the Municipality institution and City council vis-a-vis the state in respective regulations

Row	Subject area of dependent legal position of municipality and council institution	Municipality law	Structure law	Municipality Codes of Practice
1	Right to dissolve municipality (a people-based institution) by Interior Ministry ( a governmental institution)	Note 1, Article 1		
2	Ability to perform an activity within urban domain by municipality with the approval of Interior Ministry	Article 2 and Article 54		
3	Substitution of Interior Ministry with City Council	Article 42		
4	Issuing appointment decree of mayor by Interior Ministry	Article 52	Note 3, Article 71	
5	Employment of municipality staff in accordance with the code of practice of Interior Ministry	Article 58		
6	Presenting municipality report on costs and measures of municipality to Interior Ministry	Article 77		
7	Agreement of Interior Ministry with the establishment of municipality institutions	Article 84	Paragraph 15, Article 71	
8	Performing transactions without tender, with the confirmation of Interior Ministry and in accordance with the code of practice of the related Ministry	Article 4 and Article 104		
9	Government and public organizations grants as the municipality income sources			Article 29
10	Adjustment of tariffs and detection of taxes based on the code of practice of Interior Ministry			Article 30
11	Dealing with offenses of mayors in the Board of Proceedings for the Violations of Interior Ministry Staffs		Note 2, Article 82	
12	Qualification to undertake the position of mayor by the code of practice of interior ministry		Article 72	
13	Approval of the suggested code of practice of municipality by council by observing the instruction of Interior Ministry		Paragraph 9, Article 71	

(Source: Mansour, 2007; Lotfi & Aghamiri, 2011)

Dissolution a municipality is also one of the important discussions related with the legal position of this institution. Note 1, Article 1 of Municipality Law, as the most direct legal text, has merely forecasted the dissolution of those types of municipalities which are in lack of necessary population limit for the establishment of municipality. Also in the cases where, Interior Ministry has issued an order to create the municipality and city council, and in practice the collected taxes do not cover the costs of municipality, in such a condition, Interior Ministry can dissolve municipality in those areas (Kamyar, 2006: 50-51). The noticeable point here

is that a people-based institution is dissolved without asking the views of citizens and without considering the views of their delegates (City Council) and merely based on the detection of a governmental institution.

This issue also indicates the independent situation of local institutions against governmental ones. With regard to the above table and legal articles, the most noticeable thing is the extreme control of the Interior Ministry as one of governmental organizations on municipality and interaction between these two.

This type of control is applied through performing election

programs, monitoring and inspection of the actions performed, dispatching a consultant or observer, issuing instructions, adjusting and implementing educational programs, issuing the decrees of some of the local appointments and similar cases (PAYEST Consulting Engineers, 2001:151). As it was clarified in the above study, all aspects of mentioned controls and monitoring which are applied by Interior Ministry on municipality can be identified in the Municipality Law. According to the terms of references which have been outlined by the Organization of Administrative and Employment, the duties of Interior Ministry vis-à-vis municipalities are as follows:

- Monitoring and orienting municipalities to do the obligations and supply general demands
- Monitoring the smooth performance of all rules, instructions and regulations related to municipalities
- Monitoring the smooth performance of the law of urban renovation and development
- Determining the economic, social, cultural, regional and local needs and their priorities within the limit of national planning
- Applying a legal monitoring over affairs of all councils including City Council (PAYEST Consulting Engineers, 2001: 66).

Paying attention to the duties of Interior Ministry vis-à-vis municipalities, it becomes known that most of the duties is at the level of City Council rather than Interior Ministry and for this very reason, the above process makes municipalities more dependent on the state. Based on Articles 1, 2, 54, 77, 84, and 99 of Municipality Law, Article 2 of the Law of Organizations of Islamic Councils, the amended Articles 52, 58, and 162 of Municipality Law, Paragraph B of Article 46 of the Municipalities Financial Code of Practice and Articles 3,15 and 16 of Law for Urban Renovation and Development, the Interior Ministry applies its monitoring and control over municipality and urban management body (Saeednia, 2003:64).

Interior Ministry also controls municipalities at the regional, provincial via General Governor, Governor and District Mayor along with City Islamic Councils. Indeed, there is a basic inherent difference between the system of City Council (as a people-based institution) and Interior Ministry (as a governmental institution).

At the same time, the whole legal articles reviewed in this paper show a different story of this issue. Furthermore, it should be said that “the review of financial needs of municipalities and monitoring the personnel and employment affairs of municipalities, are the duties of the Department of Urban and Rural Affairs, Office of Deputy for Developmental Affairs of General Governor“. In general, it can be said that despite the inherent characteristics of municipality or local government, urban management in Iran (municipality) does not have autonomy and the scope of its duties and performance is limit” (Saeednia, 2003:28), whereas, in most of cities in the world, the duties of municipalities are broader than the duties of municipalities in Iran.

In many of these cities, education, health, security, leisure and social welfare are undertaken by municipality and in some cities; even the production and economic duties are undertaken by different units of municipality (Urban Planning and Processing Company, 2003: 5). In total, it can be said that the local organization in Iran such as municipality and City Council, do not have sufficient autonomy against the state to fulfill the limited duties which have been assigned to them by law. Of course the control and monitoring of the central government on local organizations and governments in each ruling system is a regular issue. The difference is that the rate of this control is usually different in each system with another system. In fact, local government as an organized identity has links with different authorities and its performance is always controlled and observed by different referential bodies. The following figure shows the mentioned authorizes in connection with the government and local organization.

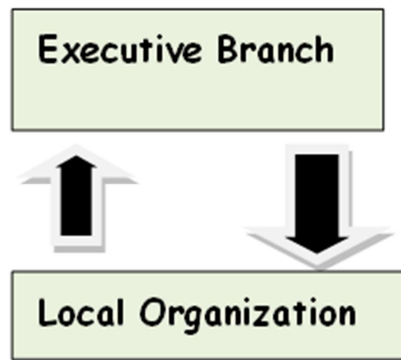


Source: (Rahnamai & Shahosaini, 2012; Pourahmad et al, 2013)

**Figure 2.** Institutions Dependent on and Connected with Local Governments

“What is taken for granted is this reality that the local government in all countries (including the federal and integrated) are controlled and monitored by the central government and national institutions, but this control in integrated governments such as Iran and France is greater and broader than other governments”(Moghim, 2003:283-284). Among the mentioned control and monitoring reference bodies, in Iran, this control is mostly applied by government and its affiliated organizations and institutions, so it seems that the following model elaborates more suitably the position of local organizations such as municipality in Iran and its interactions with the state.





**Figure 3.** The position of local organizations (municipality) in Iran and its interactions with the state. Source: (Pourahmad et al, 2013)

In general, it can be stated that the local organizations such as municipality in Iran, due to all factors which will be mentioned in below do not enjoy a sufficient and suitable independency against the governmental structures. Moreover, they are dependent on Executive Branch in most of performance and legal areas and act in semi-independent form. Thus, this much defined legal position has brought about a series of inefficiency in their performance at the community level, and this in turn is followed by many unfavorable consequences. The causes of this problem are further elaborated here:

## 6. Insufficient Dependency of Municipality

Based on the various sources and records the following factors are the main reasons of lack of sufficient independency of municipality as local organization vis-à-vis the state.

### 6.1. The Role of State at High and National Levels

In broad sense, the general management in countries such organizations may be classified into three levels (Moghimi, 2003:18):

- a) High level ( Central Government)
- b) Middle Level (Provincial Government)
- c) Operational Level ( Local Government)

In Iran, the levels of urban management includes: national level, provincial level and local level (city) (Saeednia, 2003: 60). As the urban management at the national and provincial levels is under the control of the state, so in the continuation of the same trend, local organizations and offices of ministries and national organizations at local levels take form in parallel form and even with a state of dominance and superiority towards the local organization of municipality and deals with the urban management at local level.

### 6.2. Historical Record of Urban Management

Urban management has been placed on the shoulder of states and through direct involvement and monitoring of the state up to the recent past. Though, the formation of Islamic

Councils and election-based method of members of this council and municipalities has been a very important step in making urban management a people-based management, but undertaking the duties of urban management by the state has been converted into a habit which cannot be left easily (Moghimi, 2003: 98). It is such that up to a decade ago, in the absence of City Council, the mayors were being appointed by the Interior Minister. In the previous government, the condition was in unfavorable state. "In Pahlavi period, the election of mayor was made by the state and members of municipality were being considered as the state staffs. In 1930, with the abolishment of the Law of Municipality and approval of new law of municipalities, Interior Ministry was formally commissioned to monitor and orient municipalities (Saeednia, 2003:131).

After that, despite the presence of legal ground for the formation of City Council, up to recent decade, the mayor was being appointed by the state and that was mainly due to the specific condition of the country and demands to fast developmental actions after eight-year imposed war. Today, the formation of Islamic Council and election of mayors by them with an inspiration from the Constitution shows the democratic attitude of Islamic Republic System and the high position of people in this system.

### 6.3. Weakness of Urban Regulations

One of the most important problems of local governments in Iran is the lack of update rules. Some of the legal articles like the Article 4 of the Municipality Financial Code of Practice have outlined certain authorities about 35 years ago which are not in harmony with the views of establishment of dynamic management in municipalities and their missions. It is necessary to revise these rules and regulations essentially. In general, it can be said that the Iranian local governments are in need of reforms in the law of organizations of council and municipalities and also to amend the relation of central government with the local government in order to reach an ideal condition in accordance with the definition of local government. This should be made such that the 'coordinate' relations could be replaced with the 'guardianship' relation (Moghimi, 2003: 101-102). All legal articles which were discussed and the articles mentioned in the Table (1) indicate the relative superiority of the state and to some extent the relative weakness of urban rules in respect of establishment of independent local institutions. It is such that most of the specific rules of municipality assign the municipality to follow the state.

### 6.4. Cultural Weakness in Understanding the Position of Municipality

In fact, local governments are manifestations of democracy, it can be said that the "generalization of democracy principles in a country needs the presence of favorable grounds and preparing people culturally to accept this important social phenomenon" (Taheri, 1998: 249). The reality is that in the formation of social and legal suitable

position for municipality, the peoples' understanding and awareness has a noticeable effect. Moreover, the lack of familiarity of people with their rights, municipality rights, its duties and lack of institutionalization of the culture of local government in the society and citizens can cause the application of unilateral behavior by the state and central government vis-à-vis the local organizations such as municipalities.

On this basis, in Iran, not only the public but also most of educated people are not aware of the people-based and non-governmental nature of municipality. In principle, the formation of social and political grounds has direct relations with the establishment of people local institutions. It is such that by bringing the social destiny in administrating general affairs under his/her control, the Iranian could finally have an active contribution in administrating the local affairs with the formation of councils in 1997 after about 95 years from the Constitution Movement and 20 years from the Islamic Revolution.

### **6.5. Centralized Political System**

Urban management in each country has a multidimensional tie with the political system; and the characteristic of political system (open or closed, centralized or decentralized systems) shows its reflection in cities and urban management (Saeednia, 2003:55). In the centralized political system, all orders are issued from the center and the regions perform their duties in accordance with the same hierarchy. The central government is the mere organization which is competent to legislate, instructions, decrees and disciplines. In the centralized or unitary government system like Iran and France, the affiliated units of the central government are divided into three categories: Organizations affiliated with the central state (such as general governor's and governor's offices), non-profit institutions affiliated with the state (such as governmental railway and governmental banks) and local organizations (such as municipalities and councils) (Noroozifar, 2001: 95).

In general the prevailing government determines the rate of autonomy of the local governments in each country. It is such that in local governments of countries which follow the French model, the rate of independency is limited but the local governments of countries which follow the English models enjoy a higher rate of autonomy and independency (Moghimi, 2003:282). The reality is that the municipality as a local government, is an institutions emerging out of the peoples' will in a decentralized system, so its arrival into a centralized system in which the governmental structures are present everywhere, will be followed by the limitations of independency and low level of authorities whose external outcome is the election of authorities of local governments directly or indirectly by governmental authorities (Article 52, Municipality Law and Note 3 of Article 71 of Councils Law). Of course, it should be noticed that in the period before Islamic Revolution, the general will was on further centralization and intensive control of local organizations but after the Revolution, the general movement of the system and

general will of the government has been on decentralization, a balance between governmental levels and among regions and reliance on peoples' views.

### **6.6. The Exogenous Nature of Municipality System and Its Law**

Another issue which is discussed on the reasons for the lack of sufficient autonomy of municipality in Iran is the adaptation status of municipality and its law in the country. The Municipality Law (which is the first law on modern urban management in Iran) has been mainly taken from the Constitution of Belgium and England and under the influence of the spirit of democracy of the Western Europe (Razavian, 2002:121). So, for a long time, it did not have any agreement with the realities of Iranian society and its general cultural, social and political conditions. It is true that the "institution of urban management and urban planning in Iranian cities has a long history" (Mashhadi Zadeh Dehaghani, 2002:193), but municipality in its modern sense is an imported institutions whose primary principles and legal bases has been taken shape outside the framework of the system which has its own unique features. Thus, formation of municipality has mainly been dependent on the will of governmental institutions rather than public will which in developed countries has been created by local institutions.

### **6.7. Financial Dependency to the State**

As financial dependency leads to administrative, executive and legal dependency, so for the same very reason, for a long time, the financial needs of municipality supplied by the government has been among the main factors of dependency of municipality on the state. It is such that, in Article 29 of the Municipality Law, one of the Paragraphs related to the income sources of municipality is the grants of the government and governmental organizations.

The year 1983 will be registered in the urban history of Iran as a turning point as according to the Paragraph "B" of the Note 52 of the Budget Law, it was prescribed that municipalities should move towards self-sufficiency in a three-year program. The governmental aids to the municipalities decreased since 1986 (Masoum, 2001:5).

If a local government in its real sense could be created, then the people of each region can identify their own needs and collect tax charges from the available financial sources and create necessary organizations for the administration of local affairs (Taheri, 2002:129). However in Iran, financial aids which used to be granted to the municipalities by the government in form of loan or non-returnable funds, made municipalities to give up some of their authorities (Taheri, 1999: 224; Nabavi, 1973:20). So, financial autonomy of municipalities can also be effective in the administrative and executive independency in a large extent.

### **6.8. Lack of Proper Mindset for Integrated Urban Management**

Experiences show that in countries where the social



growth of people is not significant or the attitude of their rulers is such that they do not consider it advisable to shift the local affairs to people, the created organizations do not have sufficient authority to administrate local affairs through peoples' contribution and involvement or if they have been given such authorities by the law, since they cannot use their authorities in practice, so it is in lack of originality and reality (Noroozifar, 2001: Foreword).

In the past decades, this dilemma has existed with the management of Iranian cities and municipalities. However, today despite the presence of some traces of that in national administration, but the general movement is in the direction of decentralization, regionalism and localism and at the top of it to shift the affairs to people. In this regard, the statement of the policies of Principle 44 of the Constitution by the Supreme Leader of I.R. of Iran to the heads of the three governmental branches confirms this issue. As management and development of cities in the developing counties have been laid down and engineered by the central governments, so the central officials of urban development administrate the urban development through related ministries and do not trust in independent actions of the local governments. The result of this organizational performance will be nothing but the weak local organizations or interrupted organizational structure, limited authorities, insufficient financial sources... (Razavian, 2002:46).

So, among other damages of local management in Iran or lack of their full evolution, one may mention the obstinate performances of councils and municipalities. In order to solve this problem, it is necessary to reinforce the self-management culture among citizens and at the same time, to establish the culture of mutual cooperation among the agents of central government and local agents (Moghim, 2003:98). In general, it can be said that due to lack of proper mentality to prevail an integrated urban management and local government and sometimes the predominance of centralization idea, many affairs of municipalities and local authorities have been shifted to governmental organizations and sections.

## **7. Consequences of the Semi-Independent Position of Municipality in Iran**

In a general classification, it is possible to consider the following cases as the main outcomes of the insufficient autonomy of local organization of municipality in Iran:

### **7.1. Lack of Integrated Urban Management**

The first and most important issue which emerges as a result of ambiguous and semi-independent position of municipality vis-a-vis the state and governmental organizations at local level is the lack of development of integrated urban management. This in turn brings about many problems which exist in the urban system of every country. In Iran, municipalities have authorities only in

specific and limited areas, because each of the governmental ministries organize and orient their affairs with the establishment of local offices and do not have a relation with municipality on this issue. This situation has created many problems. One clear sample is the lack of coordination among city offices and municipality. So, in Iranian cities, municipalities do not undertake the city management solely, but all institutions are influential on city administration in one way or another (Saeednia, 2003:28).

With regard to the growth urbanization, the complexity of the method of administration of urban affairs and specialization of issues, it is necessary to have an independent urban management in each region. Today, in many large cities of the world, affairs related to the city, with the exception of diplomatic and military issues are undertaken by the urban management body elected by people with full and sufficient authority (Saeednia, 2003: 59). For this very reason and with regard to various problems which cities in particular in developing countries are facing, and as the establishment of the planning of modern and progressive management is one of the measures by UN in helping with the cities which move towards sustainable development (Pag, 2004:14), the lack of meeting these demands and intensification of mentioned problems as a lack of integrated urban management causes disorder in the urban life and general dissatisfaction and waste of resources. Integrated urban planning and management means the reinforcement of the role of citizens as the manager and coordinator of city development and main reference of coordinator for the administration of city affairs.

Based on the above issues and legal position of municipality, in Iran, the urban management is not a united and integrated management and city administrators comprise of representatives of the state and people. This type of scattered management makes repetition of works, create friction and conflict among offices, lack of coordination in performing duties and lack of undertaking responsibilities (Kamyar, 2006:74). For instance, Tehran Municipality has only a small part of city management under its control. The lack of integrated management causes interference and disturbance in urban services. Consequently, a part of city resources are wasted and services being offered to people are not made in an organized and favorable form (Municipalities Executive Organization, 2002:46). In total, with regard to the presented materials, it must be said that the existing legal ambiguities about municipality position and interaction of the state and municipality and following that the lack of development of integrated urban management through interference of state and municipality duties, will lead to inefficiency in managerial domains of urban traffic, housing, health and treatment, energy, urban services and etc.

### **7.2. Waste of Human and Material Resources of Municipalities**

Due to the presence of parallel governmental institutions beside municipalities in the domain of urban management and lack of sufficient independency, apart from the waste of

time and cost due to repetition of works and lack of coordination, annually a great rate of material and human resources of municipalities are spent to deal with the judicial disputes between this institution and other institutions active in urban issues. Of course, a huge volume of judicial disputes, are the direct and inevitable outcome of broadness and diversity of activities and responsibilities domains of municipality plus the lack of specification of urban management model. The judicial disputes of municipality in a general view can be divided into some groups and one of them is the result of emergence of violation of parallel organizations of those superior to municipality. They ignore the rights of the city and citizens in favor of their own interests or they avoid performing their own responsibilities in the domain of urban management (Municipalities Monthly Review, 2007:4).

### 7.3. Decentralization

As the formation of local governments with sufficient independency and certain legal position and specific duties and authorities will make decentralization and put into effect the government of people over people, so to the same extent, the presence of dependent local organizations with ambiguous legal position and limited authorities, will bring about predominance of governmental organizations and further centralization. Of course, it should be noticed that centralization and creation of local governments are useful for central governments, since they not only speed up the local affairs and actions but also in countries where the selected local organizations perform a main part of public affairs and demands, the dissatisfaction of people will be directed at mentioned organizations and met by them and will not be directed at the central government (Taheri, 1998:48).

### 7.4. Limitation of Municipality Duties

One of the outcomes of the semi-independent position of municipality and predominance of the state on it has been the limitation and denial of its duties in the past periods. Municipalities in Iran, opposite to other countries enjoy limited duties and authorities. Many legal duties of municipality, included in the Municipalities Law, are performed by other organizations and municipality does not have any role in performing them in practice or has a low interference. Some of these duties and executive organizations are as follows:

- Issuance of business permit (Ministry of Commerce and Assemblies of Guilds), Establishment of Library (Ministry of Culture and Islamic Guidance), Construction of Low Price Houses (Ministry of Housing), Establishment of Gymnasium (Organization of Physical Education), Establishment of Slaughterhouse (Private Sector and Ministry of Jihad of Agriculture), Protection of Ancient Monuments (Cultural Heritage Organization), Health and safety (Ministry of Health), Water Supply (Ministry of Energy)...(Moghimi, 2003:202). According to the classification, municipality has 53 duties of which only less than these duties (39.6 percent)

are conducted by the municipality (Irandoost, 2002:7). So, it can be said that the patriarchal performance and predominance of the state on municipality in the country has made the reduction of duties and authorities of municipality from the time of approval of the Municipality Law and their addition to the governmental duties and authorities.

## 8. Conclusion

The wide range activities of municipalities and the inefficiency of traditional methods led to the improper function of urban management in Iran. The control of growth and development of cities from physical and population points of view demand an organized and efficient management who can organize all factors and elements effective in city administration in an ideal form to respond the demands of citizens. City is a source of development and the position of urban management in the trend of city development and improvement of urban settlements has a significant and determinant role. The administration and management of cities are performed under the influence of forces and different sectors including the forces of governmental-public, civil sector and the forces of the private sector. So, city is the result of decision making process of component by component and the whole of these groups.

The results of studies show what based on existing urban regulations, including the Municipality Law, municipalities do not enjoy sufficient autonomy and authority vis-à-vis the state and its affiliated organization in Iran. Sometimes, the existing regulations lower the municipalities at the level of a governmental organ whereas it must be the executive and operative arm of local government at local level. These conditions are the resultant of many factors including the urban management at a high level by the state, weakness of urban regulations and their outdated manner, level of development and rate of people's awareness, centralized governmental system, adaptive form of municipalities and their regulations. The most important outcome of the above situation in cities are the lack of integrated urban management in Iran, waste of human and material resources of municipalities, further centralization, limitation of municipalities duties and inefficiency in urban management. In order to remove the above problems and combat against its ill outcomes, the following approaches seem to help:

- Creating an integrated urban management and increasing the share of municipality and City Council in urban management

- Amending the rules which are in conflict with the independency of municipality and degrade the municipality at the position of a governmental institution.

- Shifting authorities, duties, financial sources and local organizations to municipalities

- Putting into effect the regulations related to the increase of autonomy and authorities of municipality like Article 136 of the Law of the Third Development Plan (approved in 2000) and Note 1 of Article 88 of the Law for the Adjustment of

Some of the State Financial Regulations (approved in 2001)  
 -Defining the sufficient legal financial sources for municipality  
 -Promoting the municipality to the position of the coordinator of urban institutions  
 -Decentralizing and downsizing the state by reconsidering its position and functions with regard to the policies of the Principle 44 of the Constitution.

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