CHAPTER III

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3-1) INTRODUCTION:

Rural development has emerged as a distinctive policy and practice in the last two decades, particularly since the inception of the new strategy for development planning by the World Bank and United Nations agencies. This strategy was formulated as a result of the general disenchantment with previous approaches to the Development Planning at national and sectoral levels. It is defined by its concern with equity objectives of various kinds especially the reduction of inequalities in income and employment, in access to public goods and services, and the alleviation of poverty. Focusing on distributional issues has marked out "Rural Development" as a distinct field, since an overwhelming majority of poor people in the developing countries of Africa and Asia live in rural areas. Its recent popularity however is mainly symptomatic of the failure of technocratic and growth strategies pursued by most developing countries in 1950's and 60's. The search for the solutions to the twin problems of rural poverty and unemployment is being carried out by academic, national and international policy makers. The decades of the 50's and 60's were a period of over-optimism. Development policy-makers confidently sought to increase productivity and per capita income through manufacturing. Whatever success achieved in most programmes generally benefited the rich and the local elites. Gaps between
the rich and the poor at all territorial scales and in all sectors increased and economic growth, even which achieved, did not "trickle down" to the poorest section of the community. The Industrial, Sectoral and Urban based programmes led to expanding bureaucracies and projects meant for the poor benefited a small portion of targeted population and often created vulnerable dependent relationship with metropolitan and urban centers. In brief, the total number of the poor was rapidly increasing and inequalities of income, land, resources and access to services were becoming more obvious. By the mid-1970's it was obvious that a new approach to the development dilemma was necessary to achieve growth in productivity, employment and incomes. This approach also had to eradicate potentially disruptive inequalities.

3-2) CONCEPT OF RURAL DEVELOPMENT AND ITS OBJECTIVES:

Dr. Copp has defined rural development as "a process aimed at improving the well being and self realization of people living outside the urbanized areas through collective efforts". He further contends that the ultimate target of rural development is people and not infrastructure. According to him, one of the objectives of rural development should be to "widen the people's range of choices". Efforts should be towards preservation and improvement of the rural environment. Rural development plans may be conceived of as identifying the complexity of the factors which contribute to the creation, change or development of a rural area or community.
According to Lassey the focus of rural development should be on:

(a) the preservation of ecological integrity with a view to providing a continuing supply of life-supporting resources;
(b) efficient and appropriate land use;
(c) healthy living conditions;
(d) aesthetically pleasing environment;
(e) effective social, economic and governmental institutions;
(f) improved human welfare in terms of a minimal economic and social levels of existence;
(g) physical structure and adapted landscape of pleasing design;
(h) comprehensiveness, that is, an entire range of physical, biological and human factors in rural regions.

A more comprehensive concept and method of rural development has been suggested by the World Bank as a strategy to improve the economic and social life of a specific group of people, that is, the rural poor including small and marginal farmers, tenants and landless.

A national programme of rural development should include a mix of activities including projects to raise agricultural output, create new employment, improve health and education, expand communications and improve housing... The nature and content of any rural development programme or project will reflect...
political, social and economic circumstances of the particular country or region.

The World Bank and other international agencies and institutions did place the main emphasis on increasing production, raising productivity, increasing employment and mobilizing whatever land, labour and capital were available. But there was also recognition that poverty and inequalities had to be reduced, that development involved values and quality of life issues and that the poor should participate in activities and be involved in decision making.

A careful look at the rural economy of most of the developing countries by a western-trained social scientist usually suggests that almost everything is wrong. Disease is widespread, health services are poor, agricultural output is low, roads are few, merchants and moneylenders are exploiting farmers, land ownership is skewed and administration is unimaginative and usually colonial in style. While this view may reflect some ethnocentrism, it is obvious that all these things are somehow interconnected and there is a need to tackle them simultaneously. Thus, the phrase "integrated rural development" was coined for these situations where planning objective had some or all of the following interrelated attributes in common:

(a) To improve the living standard or "well-being" of the mass of the people by ensuring that they have security and that their basic needs such as food, shelter, clothing and employment are met.
(b) To make rural areas more productive and less vulnerable to natural hazards, poverty and exploitation and to give them a mutually beneficial relationship with other parts of the regional, national and international economy.

(c) To ensure that any development is self-sustaining and involves the mass of the people (this involves among other things, encouraging self-reliance and public participation in planning).

(d) To ensure as much local autonomy and as little disruption to traditional custom as possible. The former usually means promoting administrative decentralization and political self-Government.

Because these objectives are concerned with many different and interrelated aspects of rural life and the realization and unfolding of (man's) creative potentials, the word integrated was prefixed to "rural development" to indicate a new multipurpose trust of rural planning. Those who used the term shared a common belief that developmental planning with one particular purpose, discipline or sector in mind, was unlikely to be truly developmental and that economic growth and social improvements were mutually reinforcing. Rural development was no longer solely concerned with agricultural matters, but with all aspects of rural land, society and economy.

Since Iran is one of the developing countries in Asia having a backward rural socio-economic situation, there is need for development in Iranian rural areas. The previous Government
started some insignificant development programmes in a few selected regions during the decades of 1950's and 1960's. By beginning of 1970's Iranian economists realized that the concept of "integrated rural development" and its objectives in accordance to the suggestions of World Bank is the only suitable policy for the rural development and achieving the desired targets. The Shah's regime which till that time was not interested in any reforms considered such integrated rural development policies to improve the chaotic and disorganized rural socio-economic conditions which could have led to peasants uprising (for more details refer Chapter IV).

3-3) STRATEGIES OF RURAL DEVELOPMENT:

Any strategy of rural development has a strong implicit or explicit ideological orientation. A strategy would either be based on the principle of reciprocity or collective control or market orientation. Most market oriented so-called free enterprise economies of the developing countries attempt to combine the presumably ideal features of all the three types. Such attempts can loosely be termed as reformist strategies of rural development. Collective strategies emphasize land, technology and employment policies and adapt other elements to suit these three. A reformist strategy has to emphasize a careful orchestration of all the elements but a redistributive land reform would be a precondition for success of such a strategy. Technocratic or market oriented policy would heavily emphasize technology and price policy as basic elements of a strategy of rural development. Rural development programmes, as being
propounded around the world are of 4 types:

(a) Technocratic model which heavily emphasizes technology and price policy as basic elements of a strategy of rural development. The dominant form of the tenure is large private farm and successful examples are Indian Punjab, Philippines and South Korea.

(b) Reformist model which puts emphasis on a careful orchestration of all the elements with a redistributive land reform as a precondition for success of such strategy. The dominant form of tenure is family farms, co-operative and land settlement schemes and successful examples are Ujamma of Tanzania, Papua New Guinea, Malaysia and Sri Lanka.

(c) Radical models could be seen mostly in socialist countries like China, Vietnam, Cuba etc. The dominant form of tenure is collective communes and state farms.

(d) Free market model which is having the characters of Technocratic model. Successful examples are Bangladesh, Indonesia and South Korea. (Table No. 3-1)

In Iran the strategies implemented by the Shah's regime were "Free Market Oriented". In present Government the adapted rural development strategies are based on Islamic Laws that approach a reformist model.

3-4) REVIEW OF RURAL DEVELOPMENT LITERATURE IN IRAN:

The majority of studies and research which took place in the last 3 decades in Iran was about land reform programs as a key
programs for rural development. Of course that was other rural developmental programme such as farm corporation, population, co-operatives, agro-business etc. which got less attentions of research.

In general, we can divide the rural development literature in three categories.

(a) Those which were supporting the rural programs at the time of Shah.

(b) Those which were neutral and only studied the socio-economic situation of the different rural regions without giving any conclusion about the effects of different rural programmes (especially land reform) on the socio-economic and political structure of villages.

(c) Those which were against and criticized the rural development programmes.

The first group for the reason of breaking down the landlord and oppressive peasantry systems defended the land reform in Iran as a unique one in middle east countries. We can mention them as A.K.S. Lambton, D. Warriner, Ajami, O. Aresvik, N. Katebi, R. Denmon etc. Ajami, N. Katebi and N. Aresvik believed that Iran's traditional rural society would be transferred into a modern one and also the facts like traditional attitude towards the life, lack of achievement, modernization and lack of investment spirit were the causes of underdevelopment of rural society in Iran. To improve the conditions the only way was thought to be propagation of a new socio-economic culture.
The second group was not much important, since they did not give any analysis about the socio-economic impact of development programmes on the rural society. They just gave historical report about the social life of the peasants and regional situation. We can mention them as R. King and W. Miller.

Third group which called Iran's land reform as a bourgeoisie one includes N.R. Keddie, M. Katuzian, E. Abrahamians and Kh. Khosravi. They believe that land reform tried to create a rural bourgeoisie against the poor peasants. There are others like E. Hoogland, R. Graham and most recently F. Halliday who believed that land reform was an answer to possible riot movement by peasants. But in general most of the above researches did not answer the questions like what happened to the political structure of villages after rural development programmes (especially land reform), what amount of land was distributed and which group of peasants benefited from the fruits of land reform programmes.

Some important studies are discussed in brief. The most important research on Iran's rural development has been done by A.K.S. Lambton. It is important because at least 60 percent of the other research papers about Iran's rural development are based on her work and her conclusions.

The most important books of Lambton are "Landlord and Peasant In Iran", which is based on her research and experience about the peasant society in Iran and "Persian Land Reform, 1962-66" which is about the role of land reform and co-operative
societies in rural Iran. She believes that land reform liberated the peasants from an oppressed system of landlord and peasant relation. She states;

"In most of the villages which I visited after first and second stage of land reform, villagers built new houses, in total peasants eat better, wears better in compare to pre-land reform, they bought furniture more than before and plus that there was a decline in peasant's advance crop selling and borrowing which was one of the salient features of rural society in pre-land reform."

According to her, all this happened only because of existence of efficient co-operative societies at that time. She believes that, there was a royalty and proud feeling among the co-operative members and the competence level of management cadres increased the knowledge of co-operative members. The credit with low interest by the co-operative societies to the peasants improved the living conditions of rural people.

A.K.S. Lambton for her above conclusion visited about 200 villages, but she has been only for two hours in each village. The villages were among the best developed in the country and were selected by Government officials in advance, therefore enough time was available for them to hide the ill-condition
scenes. They also distributed enough food and new clothes among the peasants in these selected villages. All the questions were answered by Government officials because she was not able to understand peasants language. The officers gave all the answers which were in the favour of Government. Unfavourable remarks by villagers were translated as favourable ones.

Infact the fruits of the land reform were distributed in the favour of rich peasants whose good quality lands were exempted from dividing. In total, land reform was a loss for poor peasants and made the rich richer and the poor poorer. Land was not distributed equally among all peasants, the estimated 47.5 percent of rural population who were most deprived before the reform were not benefited from land distribution\(^1\). More than 65 percent of the poor peasants received plots of land under 5 hectares, while 7 hectares were accepted by Iranian agronomists and rural sociologists as the minimum amount of land required to support one village family of 5 members at a basic subsistence level for one year. The lack of necessary organizations and failure of Government to provide required credits for small peasants caused the decline of peasants economy and increased their indebtedness three times more than pre-land reform\(^1\).

The average credit allotted to the big lords was 400 times and for the farm corporations it was 100 times more than the average credit allotted to the poor small peasants\(^1\). A.K.S. Lambton failed to give a correct analysis about the impact of land reform on the political structure of rural Iran. The beneficiary groups and those who worked for the landlords before
the land reform, or even at the time of land reform and after that, in collusion with the Government officials occupied the major socio-economic posts in the villages and through that pocketed the developmental budget. Political structure did not change after the land reform; in contrast it acquired more strength. There were a few facts which Lambton could not notice. In the case of rural co-operative societies, which were just another branch of Government bureaucracy at the village level, the main aim was to control any possible peasant's riot.

Another valuable work on the rural development of Iran has been done by E. Hoogland in his book "The Effect Of Land Reform Programmes On Rural Iran, 1962-72." The book is about context of rural life before land reform and the way land reform performed. He explains the collusion of Government officials with landlords for the matter of dividing the land. E. Hoogland correctly valued the effect of land reform on the power structure of villages and mentioned that the Government officials replaced the old landlords. Of course, there are some shortcomings in his book. He did not mention which group was the main beneficiary of land reform programmes, did not give an economical analysis about the result of land reform, and finally did not answer the question of the extent of land reform or the positive or the negative impact of it on Iran's economic development.

There are some more rural research work done by Iranian researchers too. The most distinguished are by M. Azkiya and Kh. Khosravi. M. Azkiya in his books "The Effect Of Rural
Development Programmes On The Iranian Peasantry, 1980 and The Sociology Of Development And Underdevelopment Of Rural Iran, 1986 critically attacked the rural programmes of Shah's regime and called it as a programme for the rich class and against the poor class. Overall he concluded that rural co-operative societies, land reform, farm corporations, agri-businesses etc., neither changed the political and socio-economic structure of the rural areas nor brought any development in rural economy. There was only a replacement or transformation of power to Government officials from landlords.

Kh. Khosravi has also done lot of valuable and useful research for the rural development. His work The Sociology Of Rural Iran is one of the best research work which till now has been published by any Iranian researcher.

Dr. Ajami in several papers called the land reform a successful programme which could bring a big fortune for the peasant and the rural economy.

Dr. Katebi in his research about farm corporations concluded that they were successful in achieving their targets of increasing the production and income of the peasants and called farm corporations as the only solution for the rural development. However, he did not mention that farm corporations increased the income of which group, rich or poor peasants.

There are some other works by foreign researchers. Fred Halliday in his book Iran, Development and Dictatorship published in 1979 criticized the rural development programmes of
Shah's regime but like the others did not give a clear conclusion about the socio-economic and political impact of these programmes especially land reform. O. Aresvik in his book "Agricultural Development in Iran", has nothing special to say. He praised the increase in the growth of country's Gross National Product (GNP) and argued that it was a step towards the development, but did not analyse which group or class benefited from this growth. He was the advocate of "trickle-down theory", on the basis of which Government can help the poor class with supporting financially the rich class. With this support the rich class will be the engine of economy and the benefit out of that would go to the poor class.

In total we can say there is no integrated or complete literature available about rural development in Iran.

3-5) RURAL DEVELOPMENT PROGRAMMES DURING FIVE YEAR PLANS:

The implementation of rural development programmes is extremely important not only as regards ensuring social justice and spreading the benefits arising from economic development to the village level, but also for the indirect effects which such implementation will exercise on economic production in making rural areas conducive to a healthier, more active and effective life. All development activities in Iran divided into the following three categories:

(a) Activities conducive to increase the agricultural production and better living conditions for the rural population:
programmes of this type include activities such as the supply of water for agricultural purpose, the preparation of arable land, the supply of agricultural equipment, the supply of inputs leading to increased production such as fertilizers, the supply of items for the conservation of crops and livestock, the provision of credits, the provision of means for the proper collection and packaging of agricultural produce for market, the establishment of convenient markets for the sale of agricultural produce, the establishment and development of rural industries in villages so as to create new employment, and finally the implementation of land reform programmes and the establishment and expansion of co-operatives.

(b) Activities conducive to the development and renovation of rural areas: these include the provision of potable water and water supply systems, the creation of sanitary facilities and environmental sanitation, the provision of facilities for improved living conditions in rural areas:

(c) Activities conducive to improvements in social affairs at the village level, and training in the various fields required: this programme consists of welfare projects, the establishment of better living conditions and insurance schemes for the rural population.

All the above mentioned activities remained just on the paper and in practice during different Five Year Development Plans the achievements were insignificant.

The rural development programmes in Iran were actually started with the commencement of the Third Socio-economic
Development Plan. Our First and Second Five Year Plans could not have been completed because of financial problems.

During the Third Plan (1962-67) the rural development programme formed a part of the agricultural chapter. Under other chapters the plans, efforts were also made to extend social services to villages, build feeder roads between villages, carry out sanitary engineering and environmental sanitation projects in rural areas, expand extension and educational services in rural areas and so on. Inspite of these efforts the Third Plan did not have any specific target or comprehensive philosophy in this regard, projects were implemented sporadically and were limited to meeting immediate needs.

The most important measures carried out during the Third Plan period consists of the following.

(a) Construction work and installation of public utilities at the village level which were carried out by the Ministry of Interior through Governorates-general, Governorates and the Department-general of Community Development. A total of 810 projects was executed including the provisions of public bath-houses, schools, mortuaries, and new wells.

(b) Construction works, environmental sanitation and village development activities which are undertaken by the Department-general of Health Engineering and the three Corps formed after

* There were always over estimation of the number of project or amount of measurement in the official documents.
land reform (Health Corp, Literacy Corp and Extension and Development Corp). These included a large number of small projects such as the construction and repair of schools, mortuaries and potable water supply systems.

(c) Construction of about 8,700 kilometers of feeder roads, either completed or in progress.

(d) Construction and community development activities consisting of 4,500 projects including family hygiene training, exhibitions of rural women's handicrafts, building of public utilities such as bath-houses, establishments of vocational courses and advice to villagers on the use of their leisure time for handicrafts.

Overall, it must be said that the progress and the achievements during the Third Plan has been insignificant and unsuccessful for the following reasons.

(a) The scattered distribution of villages.

(b) The uneconomic nature of many development activities resulting from the small volume of population involved.

(c) Lack of peasants participation in programmes.

(d) Absence of co-ordination among the responsible authorities.

During the Fourth Development Plan (1968-72), the main rural development programmes were setting up farm corporations, agribusinesses and production co-operatives. These programmes were another important part of Shah's "White Revolution" package which brought in the action for completing the capitalization and modernization processes of agriculture and rural areas.

The general objective of rural development during the Fourth
Development Plan were consisted of the following:

(a) Expansion of the social justice and distribution of the benefits of economic growth among the rural population through village development.

(b) The establishment of public utilities.

(c) Ensuring the welfare of rural population.

(d) Preparing villagers to cope with rapid economic changes and development.

The specific objective of these programmes were:

(a) Village development and improvement in the living conditions of the rural population.

(b) Environmental Sanitation.

(c) Facilitating family life and village renovation by means of the following measures: (i) Encouraging villagers to participate in teamwork, individual investments, application of self-assistance and do-it-yourself principles and establishing a feeling of confidence among farmers to participate in public affairs by developing and strengthening village councils. (ii) Granting technical and financial assistance to villages for establishing public utilities and the improvement of living conditions in rural areas. (iii) Giving guidance to village councils regarding proper methods of administration and training them in administrative methods and the proper use of public utilities. (iv) Renovation of villages in agricultural centers.

All the above measures either general or special remained on
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paper. All the grants and financial assistance which was supposed to allow to small farmers were allotted to farm corporations, agri-businesses and production co-operatives. The peasants used to borrow from money-lenders in the village or sale their crops in advance to get money for their daily expenditure and cultivation purposes. The village councils working on Government's guidelines included rich peasants, old landlords, Kadkhodas (the heads of the villages who was usually a landlord representative), a Government official and a peasant representative. The Fourth Development Plan failed to bring about any change in the living standard of peasants and economic situation of rural areas.

The Fifth Development Plan which started in 1973 and ended in 1978 had nothing more special in the bag for rural people than the Fourth Plan. In the Fifth Plan the highest priority was given to Industrial Sector.

After finishing each and every Five Year Development Plan the situation of rural societies went from bad to worse. There was never a successful rural development programmes, because no programme was planned for rural benefit. The main beneficiaries were rich peasants, Government officials and in total Shah's regime. Rural development programmes failed for the following reasons:

(a) Capitalist nature of programmes.
(b) Lack of skilled personnel and corrupted management.
(c) Lack of peasants' participation, for the reason of having no
trust to the regime and its programmes,

(d) Lack of co-operation among the responsible authorities which in total caused full dependent of Agricultural Sector to oil revenue, migration of landless peasants towards big cities and increase of unemployment in rural areas.

3-6) THE FIRST DEVELOPMENT PLAN OF ISLAMIC GOVERNMENT (1988-93):

The Islamic Republic's First Development Plan was to start in 1962-87*, but for the reason of financial problems arising from Iran-Iraq imposed war and economic embargo against Iran by U.S. Government and its allies the Government was forced to postpone the plan to 1988-93. In this plan Government gave the highest priority to the Agricultural Sector and rural
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