Chapter VI

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6.1 Introduction

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6.1 Introduction

The basic objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives. The expansion of output and wealth is only a means. Human development plays an important role in economic development. In fact, there is a relationship between human development and economic development. Human development has recently been advanced as the end of all activities. There exists a strong link or connection between development and human development. Improvement in people’s lives such as health, education and better lives leads to productivity that is very important for development and this improvement is important because it can also remove many of the weaknesses such as poor health, literacy, unreceptiveness to new knowledge, that are obstacles to higher productivity.

The major objective of this research was the evaluation of government policies as Five year development plans on human development from 1979 to 2008. Researcher used Human Development Index (HDI) for describing human development in Iran. As stated in Chapter One, researcher has explained the topic, importance of study, objectives, hypothesis, scope of the study and research methodology. In research methodology researcher estimated the model. The model which is used is the linear regression model; the HDI is dependent on three factors: GDP, Gini index and development plans.

In the next chapter, some aspects of review of literature such as the concept of human development, importance of human development for economic development, human development indicators, problems of human development index and experience of selected countries were studied.

Chapter Three, provides an overview of geography and economy of Iran, brings out many interesting findings. According to these findings, after one decade of high growth rate
of population in Iran, it later decreased rapidly. The most important economic event of the last century in Iran is the transition from high to low fertility. Not only in decreasing the population growth rate, but also in increasing the literacy rate Iran was successful. In last four decades, the literacy rate increased from 26.86 percent to 84.61 percent. Findings show the significant increase in the rate of women’s literacy compared with men in this period. The literacy rate of women rose from 17.42 percent to 80.34 percent, while the rate for men increased from 39.19 percent to 88.74 percent.

In Chapter Four, researcher had a short study about economic planning, historical review of Iranian development plans before and after revolution and evaluation of human development and its indicators in Iran. From 1975 to 2007, Iran’s human development index values increased from 0.566 to 0.778. Iran’s human development over the past 20 years shows that an enabling environment for citizen’s educational attainment and improved health was created largely through high expenditure primarily by government in these areas. Progress in health and education has been the primary reason for human development gains in Iran. Per capita income has failed to grow enough, to have a major impact on human development indices.

In chapter five, in the first part of this Chapter, researcher had reviewed health, education in Iran. The government allocated more resources in these areas in recent years and actual payments on social affairs from government’s public budget have increased therefore, the country’s health and education has improved. In the second part, researcher used the Ordinary Least Squares (OLS) method for estimation of models and then tried to examine designed hypotheses.
6.2 The Important Findings of the Research

Considering the fact that this research emphasizes the effects of Development Plans on Human Development, the following results have been attained through evaluation and analyses.

1) In Iran, there is negligible active participation of society in the planning process, the main reason being that the country’s economy has always been based on oil revenues and not from other sources. This approach cut off ties between the people and governing system completely by avoiding a free flow of ideas and expectations from society. If the government is compelled to find other revenues for finance (apart from oil), then it will try to seek constructive ideas, vision and active participation of the society.

2) The main problem in Iran lies in the poor network of data and information, particularly in the area of human development. Research work on such issue has faced serious problems of shortage of recorded material. There are some organizations and institutions like Management and Planning Organization, Central Bank of Iran, Statistical Center of Iran and small institutions that publish data and information of Iranian Economy. These organizations use different methods to estimate variables. As a result, there are many differences between the data coming from different organizations, giving rise to many problems in the research work and the final results, which may not be satisfactory.

3) With a review of four development plans of Iran after the Islamic revolution, we can easily identify that the third plan was relatively more successful in comparison with other plans.
4) By estimating the models through the Ordinary least squares (OLS) method and obtained results, the positive effect of the development plans (Growth of GDP) on human development level is clarified. Thus, the Government policies are positively effective on human development by allocating more expenditure (% of GDP) on education and health. If government focuses more on education and health sector it leads to higher human development and standard of living would improve.

5) Every year the country faces budget deficit thus showing that corrective measures like raising tax revenues do not exist. The planning system is affected by a political system wherein all opinions and deals are one-sided.

6) According to the sample opinion, with decreasing of Gini index income inequality will decrease, after revolution Gini index has been decreased. During the period after revolution (1979), human development index has increased.

7) Privatization had been mentioned as an important objective in development planning of Iran. Large expansions in the public sector have eclipsed the growth of private sector. Uncertain and insecure economic conditions together with the negative attitude of society towards private sector, have forced privatization to remain in the back yard of economic growth.

8) By reviewing of development plans after revolution, we can classify that the first five-year development plan was completely growth-oriented plan and it had negative effect on human development. In other plans the main objective of Government was cultural, educational and health structure of country and it had a positive effect on human development.

9) Looking at a period of about ten years in near future, Iran shall to face an uphill task of making the necessary human resources available for sustainable all-round
development. Iran shall require a large number of technocrats, engineers, scientists, etc. for rapid development. For attaining high levels of social development, a bigger number of teachers, professors, researchers, doctors are going to be required in large number.

10) Development is the synergy of cooperation between people and government to increase and improve development criteria in any country. Therefore, the role of Non Government Organizations (NGO) in real development cannot be overlooked. The role of NGOs is gaining place to solve contemporary development problems in Iran. NGOs, out of governmental official realm of training, can take advantage of vast public initiations and capabilities to involve people in different domains. In this way they can be very effective in knowledge and culture. Enhancing public knowledge and awareness, trying to use creative and practical new ideas from people, increasing the ability and capability of different social layers, creating capacities proportionate to social conditions and trying to involve people in government decisions are some of the basic responsibilities of the NGOs. Majority of NGOs were established after the Islamic revolution in Iran. The election of President Khatami (1998) on the platform of greater freedoms, more respect for human rights, tolerance of diversity and opposition, citizen participation have paved the way for empowerment of NGOs. But NGOs in Iran face many problems such as legal barriers, too much government control exercised through multiple and uncoordinated decision making centers.

11) Human resources as a source of progress and development have been recognized. In fact, the human resources are solely responsible for transforming traditional economies into modern and developed economies. The difference in the level of
development of the country can be largely a reflection of the differences in the size of human resource. Human resource is needed to build educational and health system. Human resources in education and health sector is needed for growth and development and they play an important role for productivity of both sectors.

6.3 Recommendations

Based on the findings of the study, the following policy recommendations are suggested:

1) It is necessary for policy makers to further improve social welfare by reducing poverty, increasing health and education services especially in undeveloped and deprived regions of Iran.

2) By increasing of social budget to education and health system human development will improve in the country, it can be because the programs for human development are education and health therefore; government should allocate more facilities and financial resources to education and health sector.

3) In terms of performance of development plans, there is mismanagement. Managers in Iran are selected on the basis of their ideological affiliations, and this proved detrimental to the implementation of the first plan. Managers, chosen on the basis of their ideological commitment, inevitably lack experience and expertise. The experience they have gathered in the post-revolutionary period has been insufficient. Management cannot be mastered solely on the basis of on-the-job training. Iranian managers are not familiar with the modern techniques and strategies in the field. Thus, organisational and managerial space was politicised, riddled with ideological and partisan confrontations and lacked technical competence. Managers promoted political creed rather than increasing efficiency.
and production. For this purpose government should use better methods for management of plans in the country. Also there can be one commission for evaluation of objectives of plans at the end of every plan to test actual and planned objectives.

4) In health and education area, there is inequality in provinces of country. While there is increase of literacy rate but in some regions some such as Sistan & Baluchestan, Charmahal & Bakhtiari, Hormozgan and west Azarbaijan, children 6-10 years old do not go to school. Government should enhance facilities for education. And in health area there is increase of life expectancy at birth and reduction of infant mortality but there are problems in deprived regions. There is unequal distribution of facilities and resources in the country so there is regional imbalance in the country and government should pay more attention to these regions. There are obvious differentiations among sub-provinces in development level. So, the problem of regional disparities in Iran is indeed a cause for great concern. Spatial distribution of sub-provinces with regards development level shows that an intensive system of core and periphery exist in the country. So, it is necessary to reduce regional disparities in Iran to pave way for greater national integration, increase in economic growth and political stability.

5) Improvement in structure of five-year development plan with more attention to human well being of people of Iran. It seems that growth-oriented plans are not helpful for human development hence it would be better if the plans are not only growth-oriented, but they should be growth-oriented as well as development-oriented.
6) There should be an independent planning system and machinery in which the planners are given statutory rights to undertake their own research and appraisal of past plans (for weaknesses and strengths).

7) A suitable social and cultural structure, one in which there are all the essential qualities—humanitarianism, liberalism and scientific orientation should be evolved to make a better environment for all those who participate in the economic development process of the country.

8) The education system should be modernized and made harmonious with the economic sectors. There should be an open society in which people can participate in the planning process by forming public groups, institutions, organizations, syndicates, confederations, co-operatives, etc., especially at regional level.