

Government, Civil Society and Welfare Policies in Modern Iran

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Abstract

This article examines the welfare programs and policies in the modern Iran in relation to interaction between government and civil society from emergence and development of the modern state in Iran (1925) to end of Iranian reformist government by administration of President Mohammad Khatami (2005). Modern Iran could be divided into two periods; before and after the 1979 revolution. The article's argument is that the main target groups of welfare benefits in the period before the 1979 revolution were governmental bureaucrats and army forces but in the after 1979 revolution period the targeted groups changed and newly formed and redefined groups were became the main target groups of welfare programs. Also, the oil revenue has provided financial resource for government and it has been independent from society in procuring finance for its programs. As a result did not form appropriate interaction between government and society and welfare programs have been production of political structure. Subsequently, Welfare benefits have served to favor government ideology and political purposes; form patron-client relationships between government and society. This form of relation acted as one of the main obstacles for the full accomplishment of civil society in Iran.

Keywords: welfare policies, civil society, target groups, modern state, oil revenue

Introduction

Modern states have had programs for better management of society, and a main part of these are directed to providing welfare to people. Through widespread scientific, cultural, social, political, and economic development, particularly in the last two centuries, this issue has become even more important. Welfare promises and policies have become one of the main sources of legitimacy for governments and election programs.

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Iranian governments in the 20th century have paid attention to the welfare of society. The first well organized programs for the modernization of welfare planning can be dated to the Constitutional Revolution, which put the idea of mass education on the political agenda (messkoub, 2006), but this program remained incomplete due to subsequent events. Welfare programs were continued in the insurance of railroad workers by the state of Reza shah. Modernization programs were pursued with greater intensity under the new king, Mohammad Reza shah, and from the fourth developmental program under the Pahlavi dynasty, the subject of welfare was emphasized. Also, the apparent aim of the White Revolution was the improvement of rural villagers and urban workers' livelihoods. Moreover, a modern bureaucracy was formed during the Pahlavi era and became a mechanism for social change. State bureaucrats and army forces enjoyed government welfare programs and, through these, could improve their social statuses.

After the 1979 Revolution welfare programs continued differently. During this period the targeted groups changed and newly formed groups (such as martyr families, soldiers, and war veterans) and redefined groups (such as the oppressed and marginalized) became important. The selection of these groups as target groups was based on the ideology of the revolutionary regime. These groups supported the revolutionary regime and helped to establish the new government and maintain it across the time. In return, the revolutionary government provided welfare benefits for them. The oil revenue has provided financial resource for government. As a result, the government has been independent from society in procuring finance for its programs. Thus, an important question is: *What is civil society's role in offering these programs?* In addition, *how has been the interaction between government and civil society in relation to social welfare programs in Iran and what has been the effect of this kind of interaction on formation, growth, and development of both welfare programs and civil society?* This article deals with the interaction between government and civil society and its effects in the modern Iran which divided into two periods: before and after the 1979 revolution.

This study is with a comparative-historical perspective. In its historical aspect, we focus on modern Iran from an emerging nation-state in 1925 to the end of Khatami's reformist government in 2005. In comparative terms, we compare two periods in modern Iran; namely, Iran before the revolution (from the emergence of a modern nation-state in 1925/1304 to the downfall of Mohammad Reza Shah in 1978/1357), and Iran after the 1978/1357 revolution.

The paper opens with a discussion on the relationship between government and civil society, and then the article's assumption will be put forth. We then evaluate the history of social welfare policies in modern Iran. The final section presents conclusion.

1. Government, Civil Society and Welfare Policy

.This paper is based on an institutional approach (a state-oriented analysis), whereby attention to civil society and the form of interaction between it and the government is an important factor in understanding the government's actions and policies. Since the main focus of policies and programs is directed to the improvement of social groups' conditions, attention to their demands is necessary. The main channel for reflecting social demands are the tools possessed by civil society. A government's action and policies in the domestic area is outcome of interaction, opposition, independence, or separation of these two arenas (government and civil society). Those policies which can be successful, effective, and social needs-oriented are the outcome of interaction between government and civil society. In the condition that their relation is not based on interaction, the government tries to control civil society. Lack of interaction between them has unpleasant outcomes – one being independence of government from society and its hegemony on civil society. This results in lack of accountability of government to society.

In fact one of the main causes of the independence of government from society is rooted in a government's financial resources. When a government has an independent resource for financial provision of its programs, it doesn't feel the need to seek social support for providing its expenditures and does not have an efficient system of taxation. In this situation, if a government ignores citizens' rights, it perceives its social and welfare activities and programs as its benevolence towards citizens, not the citizen's inherent right. In this manner, social programs serve as a tool for a specific political purpose; for instance, to gain legitimacy in specific conditions. In this situation, efficiency of social and welfare policy will decline; as a result, the government's legitimacy would decline in public opinion.

These kinds of governments attempt to co-opt specific groups which could provide partial legitimacy for the government. The range of these groups is different based on government ideology; they may be among the lower class, the marginalized, bureaucrats, workers, farmers, capitalists, landowners, and other groups. In this situation a major part of the policies are directed to co-opt these groups and maintain their dependency on the government. Hence, the social benefits are victim to political purposes in favor of specific groups. In fact, in order to keep and prioritize these groups, governments provide specific advantages and benefits (such as political, economic, educational, and welfare benefits). This form of relation between government and specific social groups' leads to the creation of new groups within government, which instead of providing of benefits for them, supports the government against opposition groups and legitimizes government activities. As a result the policies take a clientele form and the government's relation with society becomes a patron-client relationship.

In this manner, the social balance becomes disordered and some groups become more powerful than others; not because of their merit, but garnered from their relation with the government and governmental rents. Since the main governmental benefits are directed to these groups, other groups may be ignored by the government, or at best they would be deemed unimportant and consequently are not provided channels of participation, or mechanisms for participation in policy and decision making are restricted. This leads to an outcome whereby civil society has no important role in social and welfare programs, and the government tries to control and prevent the growth and development of civil society. Government activities are directed to the creation of restrictions on civil institutions and organizations, which weaken and disrupt civic activities. Consequently, the equivalence and interaction between government and civil society will be in disorder.

2. The Role of Government in the Policy Making in Twentieth Century Iran

Active, dynamic, and balanced interaction between government and civil society, especially in the field of social policy, has not assumed an efficient form in modern Iran. The main evidence is in the separation of government from society and its economy, which led to larger government, weaker and fragile civil society, and insufficient social welfare policy.

Iran, from 1920s pursued modernization seriously, but the modernization was incomplete and unit-dimensional. These modernization programs and their outcomes focused on nation-state building, and utilized Iran's ancient civilization as a government ideology to generate needed social legitimacy. In order to gain social legitimacy and strengthen its social basis, the government offered some social and welfare advantages for specific groups, including bureaucracy staff and military forces. Easy access to financial resources allowed the shah to act independently from society, and he did not need to finance these provisions from society. Hence, he viewed himself as absolute king of the country and other groups as his peasants. He did not allow them to participate in social welfare area. The main target groups of social benefits were the government's bureaucracy and military forces, and in some cases rural individuals which, when needed, the government used against urban groups' activities. As a result, social welfare policies became a ideological and political tool in the government's hand and their main purpose were to provide state legitimacy. This approach to social welfare policy and social groups acted as one of the main obstacle for civil society development. Generally, it seems that the Pahlavi state's social welfare policies were limited, legitimacy providing, non-participatory, and dependent on oil revenues.

After the 1979 revolution, a new chapter opened in Iranian social welfare policy and the government's relation with social groups. Provisions for all citizens' needs are expressly codified in the 29th article of the Iranian Constitution.

Also, the revolution's ideology was based on prioritizing the excluded and marginalized groups (categories that were redefined as a result of the revolution), families of martyrs, and military and non-military pro-revolution groups (newly formed groups). As a result, redefined and newly formed groups have been important as revolutionary groups and, as supporters of the revolution; they have been selected as target groups of welfare benefits in the post-revolutionary period. In order to institutionalize this ideology, several foundations were formed, acting as welfare organizations. These foundations are non-accountable to the government's three branches, and they are accountable only to the supreme leader, easily accessing his office's financial resources. Financial independence and free from accountability have given them a status independent from different social groups. Also, Islamic Republican ideology and its opposition with capitalism lead the state to divide society into two major groups: insiders against outsiders.

The insiders are those that act consistent with the government and its policies, and are the main target groups of social welfare programs and form part of society by which the government attains legitimacy, i.e. they provide legitimacy for the government. This kind of relation does not require participation of all social groups in different stages of welfare programs, or their participation is solely passive and formal. Also, in this period, an appropriate and suitable relationship between government and different social groups has not formed, instead the form of their relation was patron-client, and welfare services have played important role in this field. This has acted as one of the main obstacles for the reinforcement of civil society. The government has used dependent groups against those who advocate civil society, and who try to reform and correct this situation. So, it seems that the main characteristics of welfare programs after the revolution are ideological, non-participatory, legitimacy-providing, clienteles, based on oil revenues, and as a result have acted as one of the main obstacle for the development of civil society. Generally, it seems that welfare policies in the modern Iran were produced by a political structure that relied on oil incomes, with social actors having no active role in this field, and government being the central actor in this area with no attention to actual needs of society. So, welfare policies in these two periods (before and after the 1357/1978 revolution) have both been against the development of civil society.

3. Social Policies in the Iran

3.1. Emergence and development of the modern state in Iran (1925-1941)

After the constitutional revolution in the 1910s, Iran experienced unrest in the countryside. At the same time, the need for an authoritarian leader was sensed by everyone, and in this situation Reza Khan as a military officer could emerge in the political sphere.

He reached power by a coup and established an authoritarian government, through which a modern state was formed. When he came to power, Iran was in a dark situation; for example infant mortality and illiteracy rates were very high, and social security, housing, job security, etc. were in a poor situation. Reza Shah, as new king of Iran, began two sets of actions. The first set was directed to prevent the independent activity of groups, closing an open political sphere, disbanding political parties, stopping their activities (Abrahamian, 1383; Furan, 1388; Keddie, 1371). The second set of actions was related to developing the economic, social, cultural, and ideological arenas and the creation of a new modern army. In fact "Reza Shah, after the elimination of local threats to country unity and integration... could begin an expansion program of modernization, nationalization, centralization, and development" (Keddie, 1371, p. 152). These actions supplemented his attempt to consolidate an absolute dictatorship.

His actions in the economic area included the establishment of three banks, monopolization of tobacco in 1307/1928, adjustment of the tax system (Karshenas, 1382), and nationalization of foreign business. Also oil revenue, which had become an important factor in Iran since 1914 (Ibid, p. 11), entered into Iran's economy; however, its revenue was limited. Reza Shah's economic action had two main outcomes. The first was harm for traditional classes, who could not adjust to the unequal distribution of the economic programs. The second was a transition from an agricultural economy to a commercial economy, and this led to government becoming relatively independent from the dominant economic classes.

Moreover, Reza Shah implemented new programs for industrialization. These programs included establishment of the first sugar industry, electricity production, construction of a national railway, and the establishment of textile and cement industries. Yet, the modern education system was structured so that its latent function was to serve government ideology which emphasized Iran's ancient magnificence. The education system was inspired from secularism, nationalism, and the magnificence of Iranian Kingdom. Also, modernization programs led to the formation of a working class, expansion of the government apparatus, formation of a modern army, and an increase in the number of bureaucrats that became a large part of the middle class. This part of the middle class played an important role in the independence of government from (civil) society. Basic and major changes in favor of the working class began in 1310, when the first regulations for railway workers were enacted by the Administration.

This regulation financed treatment and remedy expenditure of workers that were injured during work, paid compensation to injured workers, and paid the worker's family whose member died during work (Gerami, ??, pp. 12-13). In addition, the Iran Insurance Joint Stock was established in 1314/1935.

Generally, Reza shah attained power in an unfavorable situation, but he integrated the country and began the social, economic, and political programs for modernization which changed the countryside. The main base of actions relied on violence and repression, which acted as a main factor for the separation of government and (civil) society, and consequently government lost its social bases. Government, in order to diminish this vacuum, focused on the army, which could provide legitimation. As a result, military forces received more advantages, and a new relationship between government and bureaucrats and militaries was formed. The government provided them welfare benefits, and they provided a social base for government. This relationship continued in the next government after Reza shah.

3.2. The Period of political freedom (1941-1953)

This period began with the downfall of Reza shah and ended in the 1953 coup. In 1941, Iran was occupied by Allied Forces, and this had a bad effect on the Iranian economy. Upon reaching power, the new king of Iran, Mohammad Reza, enacted political freedoms. His first action was amnesty that included all political prisoners. However, it was observed that, like his father, he could form an absolute despotic state. With the downfall of Reza shah, central power was unstable; a struggle between court and parliament began, and the labor movement was rehabilitated (Azqandi, 1386, p. 282). The main part of these movements resulted from revived activities of the Tudeh party. It could organize many strikes among workers, and in 1325, one of the greatest strikes in Middle East history was held successfully by Abadan oil industry workers (Furan, 1388, p. 401). Also, in this era several parties were formed, all of which tried to obtain power. None of them could obtain power completely, but The National Front (*jebhe-ye melli*) was the only political party that relatively obtained power for a short time. Mossadeq, as the National Front leader, promised and enacted a series of political, economic, and social reforms. For example, he established an advanced tax system that removed the tax pressure from consumers and low income individuals. This era is also important for the Iranian economy and developmental planning, because the first development planning was implemented for the 1948 to 1953 period, but disconnection of oil revenue disrupted the plan. However promised reforms and developmental programs were disappointed by disruption of oil revenue, and this was an indicator of the growing dependency of the Iranian economy on oil revenue.

In addition some social and welfare programs were legislated. "Bayyat [prime minister in that period] legislated the comprehensive work law in 1323 [1944] that included restriction of work hours, adjustment of factory's condition, payment for holidays, prohibition of child labor, and guaranteed the right of union formation" (Abrahamian, 1383, p. 263), but these plans were disappointed by Bayyat's dismissal.

Ghavam, as the next Iranian prime minister, ordered a provision for a comprehensive work law, encouraged the Tudeh's minister to reorganize their ministries, promised to recognize the Tudeh's labor union as the sole agent of the working class, and formed the High Council of Labor in order to create an unemployment insurance, determine wage levels, and create middle committees between employers and employees (Ibid, p. 289). Also, Mossadeq's establishment of the Workers' Social Insurance Organization' "was a turning point for a workers' social insurance program that had started in 1931 in order to provide support to those working in the road and railway construction" (Messkoub, 2006, p. 231). This organization developed into The Social Insurance Organization at the end of the 1340s, and its coverage extended to all waged and salaried employees (ISSR, 1378: section 5.4). Generally, because of the opening of the political sphere, the bases of welfare policies in subsequent years were formed in this period.

3.3. From coup de tat to revolution (1953-1979)

By the 1953 coup de tat, a new chapter in the country's management, parties' political activities, economic revenue, relationship between government and society, and social and welfare programs had been opened. But the trajectory of Iranian political history after the 1953 coup was based on the destruction of participatory legislative institutions, and disabled the basis of popular political systems such as parliament and Executive Power" (Azqandi, 1386, p. 232). All important decisions were ordered by the shah, and he played the key role in all aspects of policy. In order to prevent opposition movements he established the Security and Information Organization of Country (*Savak*) in 1958, and this organization was accountable only to the shah. After the coup period, the government again became independent from society, and dominated it by relying on army force, *Savak*, oil revenue, and foreign contributions, obstructing the opportunity of any political action.

The political situation created a vacuum between government and society. To close this gap, the government created two governmental parties named "People" and "Nationalists" that, besides the parliament, acted as part of the regime legitimization apparatus. But they could not claim popularity, and the two party systems consequently were replaced with a single party system in 1975 with the establishment of the Rastakhiz party.

The thought behind a single party system was that the regime needed a positive instrument to get popular patronage and stimulate the population, especially the government's staff and members of governmental organizations, to express their loyalty to the shah. This shows that the shah, by creation of the Rastakhiz party, added an instrument to his other controls, such as the army, the bureaucratic system, Savak, and oil revenues. Furthermore, by closing the political sphere and removing labor unions, the government tried to establish new unions by Savak in order to create loyal labor organizations.

But these unions had no power to influence the policy process, and became a tool in the hands of government for its purposes. The existence of a union in each factory confirmed that Savak had wanted to control workers in the workplace (Furan, 1388, p. 493). The allowance of activity that was awarded to workers was not there in reality, but was for controlling them. Nonetheless, during this period several programs were implemented for improve their situation and gain their support.

In the fourth development program (1348-1352/1969-1973), insurance was granted for workers and the government's staff, along with health and safety protection (Ghaffary&Omidi, 1388, p. 152); but this act included only a segment of the workforce (Halide, 1358, p. 183). Of course, its charitable intention was suspected, and this was for generating legitimacy, so that although these programs covered only some workers, in Iranian mass media it was introduced as a show of attention from the shah to the people. Hence, it did not improve the worker's situation and the working class was dissatisfied with the regime. The Shah never could claim their support.

Oil revenue and government access to international financial resources increased during the years after coup. The "[...] easy access to these resources together with foreign loans replaced the country need to reform the tax system for the equipment of domestic resources" (Karshenas, 1382, p. 193). Nevertheless, the government was faced with an economic crisis, financial problems, and a negative balance in foreign trade in the late 1950s and early 1960s. As a result of these crises and US pressure, the Shah was forced to conduct some reforms, such as opening the political sphere a little, and enact some social reform in the White Revolution (*Enqelab-e Sefid*). In fact, the liberalization policy for 1340-1342 (1961-1963) years was a test of regime legitimacy (Siavoshi, 1386, p. 34).

Some groups opposes to the principles of the White Revolution caused the 1963 uprising that was suppressed, and the political sphere and opportunity for mobility and political activity was closed again.

The share of oil revenue increased from the first developmental program to the fifth program; its share in the program was respectively: the 37/1 percent for the first program, 64/5 percent for the second program, 66 percent for the third program, 63 percent for the fourth program (Soudagar, 1369, p. 550), and 80 percent for the fifth program. As oil revenue was increasing, government would revise program expenditures, for example in the last three programs the government increased expenditure as well as increased oil revenue. One of the major outcomes of increasing oil revenue for the government was an unwillingness to modify the tax system. The important aspect of public finance during 1963-1977 was increases in oil revenue to finance government expenditure and weaken attempts to tax (Karshenas, 1382, p. 367).

Another aspect of the tax system was a very low share of direct tax, and a relatively low share on real estate and commercial profits. Nonetheless, the fifth program planned new capacities for taxing the points of redistribution, such as focuses of new taxes on rich people (Planning and Budgeting Organization, 1340, p. 1961), but increases in oil revenue diverted the government from this plan. "As government's need for tax revenue was very little, its rent characteristically independent government from civil society, such a system ignored even the most important socioeconomic groups from participation in policy making" (Siavashi, 1386, p. 36). This caused the shah to feel that society did not need to supply government expenditure, and thus he treated the programs as examples of his kindness on the people.

Even though the Shah removed independent voices for assessment of social policy, labor laws, and social security (Messkoub, 2006), several welfare programs were enacted; such as Military Retirement Fund, development of Workers Social Insurance (created by Mossadeq) to Social Insurance Organization, Organization of Medical Insurance, etc. also, the Pahlavi foundation was established in 1958 as a charitable institution and financed by Mohammad Reza shah's assets, but gradually all of his relatives/family were involved, investing in it and competing with each other for huge transactions in import and export, banking, and agriculture (Soudagar, 1369, pp. 145-148). It also supported the Iranian students abroad that were approved by the government, especially after the oil revenue increased in the early of 1970s, and paid them regular monthly assistance (Katouzian, 1387). There was attention to social welfare in the developmental programs. In the fourth program a separate chapter was allocated to social welfare for the first time (Ghaffary&omidi, 1388, p. 152), a "Supreme Council of Social Welfare" was established in order to coordination planning and avoids interference, duplication, and wasting of resources; in the fifth developmental program an emphasis on welfare and agricultural expansion; also, the government was obligated to implement a policy of insurance and medical services in the areas where the private sector could not reach (Ibid, p. 153).

Furthermore, a series of food subsidies was offered by the government. But these subsidies had no correct targeting and a major part of them was received by the upper class. This was because the main part of the subsidies was to control prices, and the upper class consumed more than the lower class.

These modernization programs and the growing of governmental institutions and apparatus caused the formation and expansion of a military-administrative bureaucracy. The Shah tried to gain their full loyalty and support as his supporters in order to have a strong social stature. The upper and middle class members of them took a lot of benefits, since they were a part of governmental apparatus, and their number was not small (Furan, 1388, p. 369). By growing the bureaucracy, the government could influence citizen's daily life (Abrahamian, 1383, p. 549).

In fact, government had grown as much to have offered wages and other benefits such as medical insurance, unemployment insurance, educational loans, pension benefit, and even low cost housing to citizen and limit them when it was necessary (Ibid, p. 539). Also the Shah had a specific attention to military officers because they were the main protector of him. The government strategy in the political economy was to create a middle class as a social basis. But its real goal was to gain the satisfaction of educated citizens in order to preventing serious political opposition from arising (Katouzian, 1387, p. 253). So, these two layers had interests in maintaining the regime.

3.4. After the 1979 revolution Era

3.4.1. Establishment of new regime and creation of revolutionary institutions (1979-1989)

The 1979 revolution ended 2500 years of Iranian monarchy. The revolution's main slogan was the establishment of an Islamic government and the governance for the poor; this was the ideology of new regime and cause to designate the poor as a main group. On the one hand, this group expected improvement in their situation, and on the other hand, the revolutionary regime needed their support. The newly established government also wanted to eliminate the old regime's bureaucratic apparatus and create a militant group that supported the revolution. These groups could replace the old social forces. So, attracting them was one of the main priorities for the newly established regime. This group was composed of several categories including the Oppressed and Marginalized; revolutionary committees and military forces (a major part of them was from the two aforementioned groups); clerics and new administrative employees; those who had lost one of their family members during the revolution and war with Iraq (Martyrs' family); and in the following years, Veterans and Warriors (*Isargaran and Janbazan*) were added to them.

Ayatollah Khomeini divided society into two classes, which clearly included the Oppressed against Oppressors and slum dwellers against place dwellers. He used these dichotomies intending to promote one class over another (Saeidi, 2001, p. 223) and the prioritized classes were the slum dwellers and oppressed. In order to do this, the ideology that was crucial for Islamic Republic government needed to be institutionalized.

In order to institutionalize of this ideology and respond to the desire of revolutionary groups, several Para-governmental and revolutionary foundations; such as Martyr foundation, Oppressed and Veterans foundation, Housing foundation, 15th Khordad foundation, Welfare (*behzisti*) Organization, and Assistance Committee were formed in the first years after the revolution. These foundations, except the Housing Foundation and Welfare Organization, are free from accountability to the republication powers in the government, and only accountable to the Supreme leader, thus they could exist without monitoring and have an autonomous status. In fact, all foundations which were established and developed in 1979 were used as a weapon to strengthen the government and help to clean up the administrative apparatus (Keddie, 1383, p. 25), by doing so, they responded to the ideological and cultural needs of an Islamic state (Saeidi, 2004, p. 485).

These post-revolutionary policies strengthened the marginalized's commitment to the radical clergy. Many of them received land in order to build housing. They took jobs in the Iranian Revolutionary Guard. The loyalty of the poor were maintained partly by expanding consumption items and housing subsidies, acting in favorite of rural groups, also by increasing health and education, implementing quotas, subsidies, price controls, redistribution of confiscated properties, and direct financial rewards based on government oil revenue (Keddie, 1383, pp. 40-41). These contributed to keeping the lower classes loyal to the state. In fact it is not surprising that the government, in order to influence the poor to non-voluntarily obey the state, relied on subsidiaries rooted in oil revenue, controlling opinion, and forcing authority on Muslim peasants when it was claiming to support them (Parvin & Taqavi, 1385, p. 171). Hence, these targeted groups were integrated in and were dependent on the newly established regime, and a patron-client relationship was formed. In the following years, these foundations gained easy access to financial resources, and this accelerated and facilitated their activities. They control many income resources; possess several factories and firms; have specific budget lines; receive religious duties; and are exempt from taxes. Their power is such that the government is not able to rectify them; for example, "[...] when government set out to implement an economic reform in 1998, the foundations did not actively participate in this program" (Saeidi, 2004, p. 485) and none of the units and firms covering by the foundations were involved (Mosallanejad, 1384, p. 123).

When the fifth *Majlis* (1996-2000) in the budget bill for 1999/2000 passed the removal of a number of tax exemptions, including those for these organizations, in order to increase the tax revenue, the Guardian Council vetoed the bill on the ground that these were non-governmental organizations in the public sector under supervision of the Supreme Leader (Saeidi, 2001, p. 232). In fact, the foundations became a part of the legitimation apparatus for the government by forming patron-client relationships between the government and target groups, giving easy access to their financial resources and their non-monitoring status aid as their duty.

3.4.2. Structural Adjustment and Prices Stabilizing (1989-97)

The beginning of this period coincided with the end of war and the beginning of the President Hashemi Rafsanjani era and Ayatollah Khamenei's leadership. The Iranian economy was not in a good situation and there was not regular developmental planning. The first priority of the new government was the reconstruction of the war's devastation. The main policy and orientation of the Rafsanjani government for economic reconstruction was based on structural adjustment prescribed by the World Bank for developing countries' economies. In the first stage in "1989, the government provided the condition for the growing of industrial investment by assignment of exchange to industry and elimination of cumbersome administrative regulations" (Nonejad, 1381, p. 210). Government, in direction of structural adjustment policies, began privatization by transferring more than one thousand governmental industry and firms (Keddie, 13836, p. 51).

Privatization faced by major problems. Most factories were transferred to dependents, the ruling oligarchy, and their relatives. Also, "[...] in the 1994 the *Majlis* passed a law which allowed the government to sell state enterprises in different ways, whether in cash or long and medium term installments, to those who devoted themselves to the war, the prisoners of war, and the relatives and members of those who were killed in the war" (Saeidi, 2004, p. 493; Keddie, 1383, p. 75). These groups might not have enough financial means to buy and control these enterprises; but the law in practice would recognize Para-governmental organizations as their representatives (Saeidi, 2004, p. 493). As a result, many firms and economy units were transferred to foundations and special people during privatization. In fact, the privatization policy's aim was more to transfer firms and factories to dependent groups more than attention to generating efficiency. So, diplomats or commercial bourgeoisie or owners of large liquidity were gained from public interest, rents, and rates (Movaseghi, 1385, p. 285). This policy's aim was to absorb advocates, and create dependent groups that could form advocates, just as was done in the early years of the revolutionary government's establishment. But, unlike those advantages which were in favor of the underclass, in this period patron-client relationships were based on the transfer of corporations and economic advantages to dependent people.

Generally, the reconstruction policies created a new economic class that was the government's main anchor (Bashirieh, 1380). So, privatization and other post-revolutionary economic policies can be questioned because of their creation and development of rents and economic advantages for elite and semi-governmental individuals.

This created a new class due to Rafsanjani's economic policies and the promotion of luxury gains in this class occurred alongside the fact that middle and lower classes were (as one of the most important regime's anchors) the main victims of structural adjustment policy, which led to a legitimacy crisis for the government.

3.4.3. Political Reform Era (1997-2005)

During the seventh presidential election in 1997, a new discourse entered the political sphere through Mohammad Khatami and his advocators which had been unparalleled until then. The core of it was civil society strength and people's participation in decision and policy-making. This policy could have ended clientelistic relationships, and for this purpose, some adjustments in the previous mode and structure of decision making were unavoidable. This situation was unfavorable for those who had formed patron-client institutions before Khatami and for those who were a part of the government decision-making apparatus. So they created some obstacles in the way of forming civil society. Thus, although reduction in patron-client policies occurred in this era, it didn't form an active civil society. In the other hand, the government's failures in two decades before Khatami led to a legitimacy crisis in public opinion, and possessed legitimacy only with those who outside of the clientelistic system who were attracted by such policies. Khatami's discourse generated legitimacy for a reformist government in those who the previous governments had lost legitimacy for them, but this time, legitimacy was not based on giving governmental rents and economic advantages but based on discourse and promising people participation and accountability on their policies. So, there was simultaneously dual legitimacy for the rule of the Islamic Republic.

In direction to implementation of 29th principal and article 2 and 4 of principal 21 of Constitution, and creation of macro cohesion and welfare policies in order to development of social justice and supporting all of country's people against natural, social and economic events and its outcomes by attention to condition and content of this law, the Welfare and Social Security Comprehension System in 1383/2004 was establishment (WSSCS, 1383: Article 1)ⁱ, which was one of the most actions of reformist government. Activity and participation of nongovernmental section was recognized in the 6th article of the law.

The article (H) express that “government interfere in executive and administrative level of social security is done in a situation that NGOs have not enough efficiency for services offering or the government interfere be necessary in order to adjustment of social security services market and compensation of market inefficiencies (Ibid, article 6). Also, the law enacts for the accomplishment of WSSCS the formation of the Welfare and Social Security Minister, as a result, the WSS Minister established in 1383/ 2004.

The establishment of the WSS Minister was an important action for welfare and social policy. According to the Ministry's Law, the welfare institutions and foundations such as Social Security Organization, Medical Insurance Organization, Red Crescent, Martyr Family Foundation, Imam Khomeini Assistance Committee, etc. should enter under the rule of this minister. Since none of welfare organizations and foundations was accountable for their service delivery and expenditure, the establishment of a Welfare Minister could have supervised these foundations. When they become a part of the government body, they could be accountable to supervising organizations, and this was an important step in the path to achieving an active civil society. Another action by Khatami's government that was important to civil society improvement was an effort to an adjustment of the tax system. In fact he did “[...] many actions in order to tax taken from tax evasions, reduce oil dependency, and great exchange rate liberalization in direct to synchronization with international markets rate” (Keddie, 1383, p. 69).

Developmental planning entered a new phase. The third program was one of the most advanced Iranian Programs, developed for 200 to 2004, and it was consistent with governmental citizen-orientation and civil society. In this program, some guidance such as “culture promotion of public participation focusing on principle of citizen right and social responsibility, institutionalizing liberties and right expressed in Constitution, development of public participation and public supervision on country's various issues by expanding of civil institution in form of parties, groups, professional and independent trade organizations/ associations (PBO, 1387, pp. 15-19) [...] were entered to planning literature. But this program as well as other programs was suffering by several structural problems such as rent policies, tax system weakness, low- income making, and lack of an efficient social security system (Neili, 1380; quoted in Ghaffary&Omid, 1388, p. 190). The fourth program referred to the issue of unequal income redistribution, lack of comprehensiveness in the offering of social security services, multiplicity of institutions and protective apparatuses, and vulnerable groups unfairly enjoying access rather than influential groups (Ibid). The program considered specific assignment for government on targeted subsidies; but, the fifth parliament passed the act in order to stabilize prices and excused the reduction and adjustment of prices that prevented from the running of the third article of fourth program, which was dedicated to targeted subsidies.

Moreover, the fourth program attended to institution-building, structural reform, and creation of legal capacity. For example, in the social and welfare areas the "creation of Supreme Council of Health and Food Security" (84th article), development of distributional justice improvement regulation in fairly public access to health services (90th article) ... development of councils, NGOs, organizations, and public supervision comprehension schedule (98th article), requirement of 'citizenship right chart' developing (100th article) had been in the agenda (Ibid, p. 192).

By focusing on this agenda could find out that Khatami's policy was willing to grant more freedom, ruling of law, strengthening of civil society, economic development with justice, and moderation in foreign policy" (Keddie, 1383, p. 63). But this involved the reduction in power of some institution and other organizations, leading to resistance and sabotage by some groups dependent on government (that mentioned above) in order to bring about the fail of reform achievements.

4. Conclusion

This paper showed that Iran has approximately eight decades of modern welfare programs and services. Early on, they were limited, but gradually developed, and they eventually became a legal principle in the post-revolutionary government, finally upgrading to the policy-making level in the late 1990s and early 2000s. The programs had a limited coverage initially, but their coverage was developed over time and has been engaged in institution-building.

Iran, in the Pahlavi era, on the one hand observed the creation of modernization programs, but was incomplete and one-dimensional. On the other hand, the government's ideology became based on nationalism and Iranian ancient magnificence. Like other governments, the Iranian monarchy needed legitimacy and public support. In this period the government relied heavily on military forces and bureaucracy. These groups were the major pillars of the government and they were major providers of social support and legitimacy. Thus the main part of government's welfare benefits was directed to these groups. Since government had an easy access to huge oil revenues and foreign finance, it could provide and offer welfare benefits for these classes. Hence, the situation of these classes was improved, but subclasses and marginalized groups' situations did not improve as well as these groups.

The non-democratic nature of the government, and the fact that the Shah considered himself the master of all citizens, deprived social groups and receiver of welfare benefits from participation in different aspects of social and welfare programs such as decision making, policy making, and implementation. This set of factors caused the Shah to consider himself above the society, and he saw himself as the patron of society.

It therefore all groups should obey the government's orders and provide legitimacy for his government. In fact the non-taxation and non-participation character alongside reliance on oil revenue cause the creation of a self-centering attitude in the shah towards social different groups, especially civil society. As a result, participation, liberty of political activities, and criticism were suppressed, all political participation pathways were closed, opposition parties were closed, and corporate and civic activities extremely controlled. Consequently, the relationship between the Shah and different social groups became a patron-client relation and this relation acted as a main obstacle for the expansion of civil society. This continued somewhat differently in the post-revolutionary government.

In the post-revolutionary period, because of Islamic and state ideology, welfare services were expressed as a legal principal (29th principle of constitution). Government ideology was based on the creation and redefinition of several groups which had been treated unkindly by the old regime. The main reason for more attention to these groups was because of the support that they provided for the government, and the government needed their support for establishing and maintaining the revolutionary system. Hence, revolutionary foundations were formed as welfare foundations just after the revolution. The services of these foundations, alongside other governmental services, were directed to specific groups, especially military and nonmilitary pro-revolutionary groups. The selection of targeted groups is based on government revolutionary ideology rather than eligibility thus their efficiency is reduced severely.

Moreover, oil revenue, as in the pre-revolutionary period, has served as a tool for the revolutionary regime's ideological purposes and provided necessary financial resources for it. Hence, the government has not tried to reorganize and modify its tax system in order to increase its revenue. On the other hand, the absence of taxation has had a function for government; this revenue caused the government to become independent from a main part of society and prevented the interaction between government and civil society. The target groups which received welfare benefits know government was for themselves, while other groups that are prevented from these advantages and have no participation in any way have become alienated and separated from government. This caused the government to lose legitimacy from the latter groups and has gained legitimacy from the former groups. This dichotomous legitimacy was exposed in the presidential election of 1997, which led to the winning of civil society's candidate. But this dichotomous legitimacy deepened afterwards. On the one hand, government had legitimacy from the advocates of civil society and civil rights, and on the other hand from revolutionary foundations and institutions alongside other parts of government such as the Judiciary, Guardian Council, etc. from groups who benefited from welfare advantages.

Hence, welfare programs acted as one of the main obstacles of the accomplishment of civil society in Iran after the revolution.

Although similarities between these periods existed, there are several differences between them. The first is that in the pre-revolutionary period, the ultimate decision was made by the Shah himself, but in the post-revolutionary period the provision of welfare for citizens became a legal principle and has gained legal status. The second difference relates to the targeted groups and recipients of welfare. While the main recipients were both pro-government in these two periods, in the pre-revolutionary era most of them were among military and administrative staff; i.e. bureaucrats, army forces, Savak, and other security forces.

After the revolution, several groups have been important; redefined groups such as the marginalized, poor, and oppressed, and in some cases other groups, for example rural groups, are added to these targeted groups.

It should be mentioned that while these programs have evolved, they do not succeed in diminishing poverty, reducing inequality, creating social justice, and appropriate housing, but in the cases of education and health they were relatively successful. Since these programs were offered only by government and directed towards specific groups, access to them was limited to these specific groups and they do not possess the right of choice. The main features of Iranian modern welfare programs have been non-participatory, legitimacy-generating, based on oil revenue, and unaccountable. The political and ideological nature of these programs has caused the selection of target groups incorrectly, based on unfair standards. Also, since their expenditure was financed by oil revenue, they could not play an important role in income redistribution and the reduction of the inequality and class gap. In fact, welfare policies were offered by government without civic group participation both pre and post-revolution.

Government's access to financial resources (oil revenue, foreign loans, and religious donations, economical enterprises under the control of revolutionary foundations after the revolution) has allowed their independence from civil society, and civil society has not participated in the offering of welfare programs. Welfare benefits have served to favor government ideology and political purposes; form clients and patron-client relationships within government and society. This form of relation acted as one of the main obstacles for the full accomplishment of civil society. Therefore, welfare policies in modern Iran were a production of its political structure, and social agents and actors have had no active role in their emergence.

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¹- WSSCS, 1383: Made 1. This law covers are included retirement, disablement and death, unemployment, ageing, weariness in the way, none protector and social problems/ damages, accidents, mental and physical patients, medical care and health service insurance, support from mothers especially in pregnancy and custody of the child, child and none bread winner women protection, creation of widows insurance, aged women, inequality and poverty reduction, and relief and rescue. It remembers on social security that having social security as is mentioned in this law is the right of all citizens and its provision is the government duty (law of WSSCY, 1383)