

Original Article

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Institutional analysis of conflict-of-interest situations in Tehran municipality: Identifying structural-functional, behavioral, and legal-regulatory risks

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Abstract

Conflict of interest is one of the most critical challenges in urban governance, with the potential to significantly undermine institutional efficiency and public trust. In complex and multilayered organizations such as the Tehran municipality, overlapping responsibilities, informal networks, and insufficient legal oversight create fertile ground for the emergence of diverse conflict-of-interest situations. Institutional analysis of this phenomenon is therefore essential for gaining a deeper understanding of its structural and behavioral roots. This study employs a qualitative and applied approach, utilizing thematic analysis to identify conceptual patterns. Data were collected through 32 semi-structured interviews with managers, experts, and members of the Tehran city council, and were analyzed through three stages of open, axial, and selective coding. The findings reveal that conflict of interest in the Tehran municipality is a systemic and multilevel phenomenon that is reproduced through the interaction of organizational and functional structures, legal and regulatory frameworks, and stakeholder networks. At the organizational-functional level, the uneven concentration of power, ambiguity in responsibilities, and reliance on informal mechanisms weaken reform efforts; at the legal-regulatory level, fragmented regulations and legislative gaps create opportunities for misuse and discretionary interpretation; and within stakeholder networks, power dynamics and privileged access for specific groups contribute to the persistence of conflict-of-interest situations. The results indicate that effective management of this phenomenon requires an integrated approach that simultaneously addresses structural and legal reforms while also managing stakeholder networks and behavioral patterns.

Keywords

Conflict of interest
Institutional analysis
Institutional risk
Tehran municipality

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1. Introduction

In contemporary administrative and governance systems, conflicts of interest are one of the most critical challenges that can affect transparency, justice, and public trust. Conflict of interest is a “situation” in which individuals are compelled to choose between public and personal interests. This situation is neither new nor limited to professional matters. Individuals face such choices in all areas of daily social life. However, the modern understanding of conflict of interest, particularly in the workplace, dates back to the post-industrial revolution era and emphasizes refraining from exploiting one’s professional position for personal gain. Simply put, “a conflict of interest occurs when an individual’s personal interests clash with public interests, forcing a choice between the two” (Center for Governance and Society Empowerment, 2021).

International definitions similarly emphasize the nature of this phenomenon. The Organization for Economic Cooperation and Development (OECD) defines conflict of interest as a situation in which private interests can improperly influence the duties of public officials (OECD, 2003). Transparency International defines it as a situation in which an individual or institution faces a choice between professional duties and personal interests, where their decisions or actions may be influenced by personal interests or close relationships, or at least give the perception of such influence (Transparency International, 2015). The World Bank also defines conflict of interest as a situation in which an individual’s or institution’s judgment or decision-making may be diverted from impartiality and the public good due to personal, financial, or professional interests. In such cases, even the likelihood or perception of such influence can undermine public trust (World Bank, 2020).

Given these definitions, conflict of interest should not be equated with corruption. Being in such a situation is not inherently unethical. Instead, consequences of not following the regulations can lead to unethical behavior or corruption (Center for Governance and Society Empowerment, 2021). Many conflict-of-interest situations arise from weak laws or socially accepted norms; for example, in societies where kinship relations are highly significant, conflicts of interest arising from such relationships are common and are less likely to be perceived as wrongdoing or social harm.

In the present era, managing conflicts of interest is one of the most significant governance challenges, affecting countries’ ability to improve governance and increase organizational efficiency. This issue is critical in municipalities. Due to their wide range of responsibilities, independent financial resources, and direct interaction with citizens, municipalities are more exposed to conflict-of-interest situations than other organizations. Activities related to construction, issuing permits, land-use changes, and floor-area ratio (FAR) sales—especially in metropolitan cities like Tehran—create situations where the municipality’s revenue interests conflict with the public interest. When a substantial portion of municipal revenue comes from the sale of far or building permits, the municipality shifts from a guardian of public interest to a revenue-driven entity; a phenomenon that transforms the “revenue-versus-duty” conflict into one of the most serious challenges in urban governance. The consequences of this situation manifest in increased population density, traffic congestion, environmental pollution, and spatial inequalities, ultimately reducing households’ access to adequate housing.

The persistence of such situations has led to municipalities being perceived by the public, particularly in developing countries, as highly corrupt organizations. This perception undermines citizens’ trust in urban management and, more broadly, in governance. Therefore, identifying conflict of interest situations and designing effective management mechanisms is not only a means to prevent corruption but also a foundation for enhancing efficiency, transparency, and accountability in public service delivery.

The relationship between conflict of interest and corruption further underscores the importance of addressing this issue. Studies indicate that effective management of conflict of interest is a cornerstone of development and a necessary condition for achieving justice and social welfare. According to the Corruption Perceptions Index (2017) by Transparency International, Iran ranked 131st among 180 countries—a situation partly attributable to the absence of a coherent system for identifying and managing conflict-of-interest situations. Therefore, examining conflicts of interest is particularly crucial in the Tehran municipality, since it is the largest and most complex institution of urban management in the country. Accordingly, the primary research question of

this study is: how can conflict of interest situations in Tehran municipality be identified and managed in a manner that reduces corruption while achieving urban development goals and enhancing public welfare?

2. Literature review

The concept of conflict of interest has long attracted attention across various fields of social sciences, philosophy, economics, and management; however, a single, universally accepted definition has yet to emerge. Bergstrom (1970) emphasizes that the meaning of conflict of interest varies across different contexts and conditions. This perspective has been supported in the works of Michael Davis and Andrew Stark (2001) as well as Dan E. Moore and colleagues (2005), who demonstrated that even the principles of professional conduct evolve (Jafarinia et al., 2021).

Historical studies indicate that conflicts of interest have existed among political leaders and public officials since the earliest formation of public administration. In pre-modern societies, except for a few countries like Sasanian Iran and Tang-era China, conflict of interest was not formally recognized, and it was generally assumed that political leaders could pursue personal interests through the state. It was only with the emergence of modern states following the industrial revolution that officials were obliged to prioritize public interests over personal gains (Center for Governance and Society Empowerment, 2021).

The first scientific studies on conflict of interest can be attributed to Liss (1961). Since then, research on the topic has grown significantly, particularly after 2018. The reasons for this increase include the expansion of interactions between government and the private sector, the strengthening of democracy and good governance, the rise of new public management, financial scandals such as Enron, and the promotion of individual self-interest in Western societies (Jafarinia et al., 2021).

Among institutional economists, including John Commons, resolving conflicts of interest is considered central to the science of economics and economic policymaking (Moratab et al., 2020, p. 38). Commons argued that the foundation of economic action is formed within “conflicts of interest” among groups, classes, and institutions, and that the economy is the field of conflicts and competing interests, which are managed and regulated through institutions and legal rules (Commons, 1990). In essence, he viewed institutions as mechanisms for managing conflicts of interest among social actors.

At the level of behavioral theories, Ghasemi (1990) introduced a three-level model—“win-win,” “win-lose,” and “lose-lose”—to explain the escalation of conflict and its consequences (Ghasemi & Rafeian, 2020, p. 93). Within this framework, he demonstrates that a conflict can evolve from a simple, solvable disagreement (win-win) to hostile competition (win-lose) and ultimately to mutual destruction (lose-lose). Later, in his “nine-stage model of conflict escalation,” Glasl explains how an initial disagreement of interests can escalate from dialogue and reasoning to a stage in which one party contemplates eliminating or discrediting the other (Glasl, 1990).

Thomas Carson (1994) further extended the concept of conflict of interest beyond public officials, arguing that many professional relationships are also susceptible to conflict of interest. Critiquing the definition in Black’s Law Dictionary, he emphasized the inclusion of indirect and potential interests. He defined a conflict of interest as a situation in which an individual’s personal interests impede the proper execution of public duties (Carson, 1994: 387, 390).

Overall, a review of the theoretical literature indicates that conflict of interest is a dynamic, multidimensional, and context-dependent concept. It has been defined and approached differently across various disciplines, including philosophy, economics, and management. This theoretical plurality underscores the necessity for a more precise and context-sensitive examination of conflict of interest, including within the domain of urban management.

2.1. Conceptual framework of the study

Despite the extensive discussions on conflict of interest, there is currently no single, universally accepted model for assessing it at the organizational or micro levels. Most models presented in this domain have been developed at the macro-policy level and only explain partial dimensions of the phenomenon. In the present study, considering the specific characteristics of the Tehran municipality and its cultural and institutional context, the focus has been placed on dimensions that have the most significant impact on the emergence and management of conflict of interest.

The model applied in this study is based on an integrative approach in policy and governance research. In this approach, combining multiple analytical models is recommended for analyzing complex phenomena, such as conflicts of interest, since no single model alone can adequately capture

their multifaceted and interwoven dimensions. This explanatory model aims to illustrate the relationship between organizational structure, institutional functions, stakeholder networks, and legal frameworks in the emergence or control of conflict-of-interest situations. Accordingly, the present study integrates four complementary levels based on recognized analytical models in institutional analysis and good governance:

1. Functional analysis: derived from Merton's functionalist theory (Merton, 1968), aimed at explaining inefficiencies and overlapping processes within the municipal institution and their role in generating or intensifying conflict of interest.
2. Organizational analysis: based on Scott's theory of structure and process (Scott, 2003), focusing on the analysis of structures, decision-making mechanisms, and power distribution.
3. Stakeholder analysis: following Mitchell, Agle, and Wood's "power-legitimacy-urgency" model (Mitchell, Agle & Wood, 1997), aimed at identifying internal and external municipal stakeholders, assessing their influence, and mapping their interactions in the emergence of conflict of interest situations.
4. Legal-institutional analysis: utilizing analytical frameworks from the OECD and UNDP for evaluating anti-conflict-of-interest systems, with emphasis on laws, regulations, and binding frameworks that effectively control conflict of interest.

The combination of these four analytical levels provides a basis for examining conflict of interest in the Tehran municipality in a multidimensional and systematic manner. However, the complexity of the multi-level urban governance structure and the

influence of external factors necessitate attention to intervening variables. These variables act as mediating elements in the interactions among the analytical levels and include:

1. Inter-organizational interactions: the degree of cooperation, coordination, and information exchange between the municipality and other institutions, which, if weak, may lead to overlapping responsibilities, reduced accountability, and increased likelihood of conflict of interest.
2. Citizen participation and oversight: the extent of citizen involvement and advocacy in decision-making and executive processes, which enhances transparency and accountability, indirectly reducing the emergence of conflicts of interest.
3. Media and public opinion: through monitoring, information disclosure, and strengthening managerial accountability, the media can act as effective actors in preventing and controlling conflicts of interest.

Attention to these variables is grounded in theories of network governance, participatory governance, and institutional transparency. These theories emphasize the importance of interaction among institutions, society, and the media in enhancing governance quality and mitigating the concentration of power. Accordingly, the final model of the study is based on the linkage between analytical levels and intervening variables, seeking to provide a comprehensive and systematic depiction of conflict of interest in the Tehran municipality. It should be noted that, unlike stakeholders who are part of the power and interest network, intervening variables primarily affect the way these networks interact and exert influence.

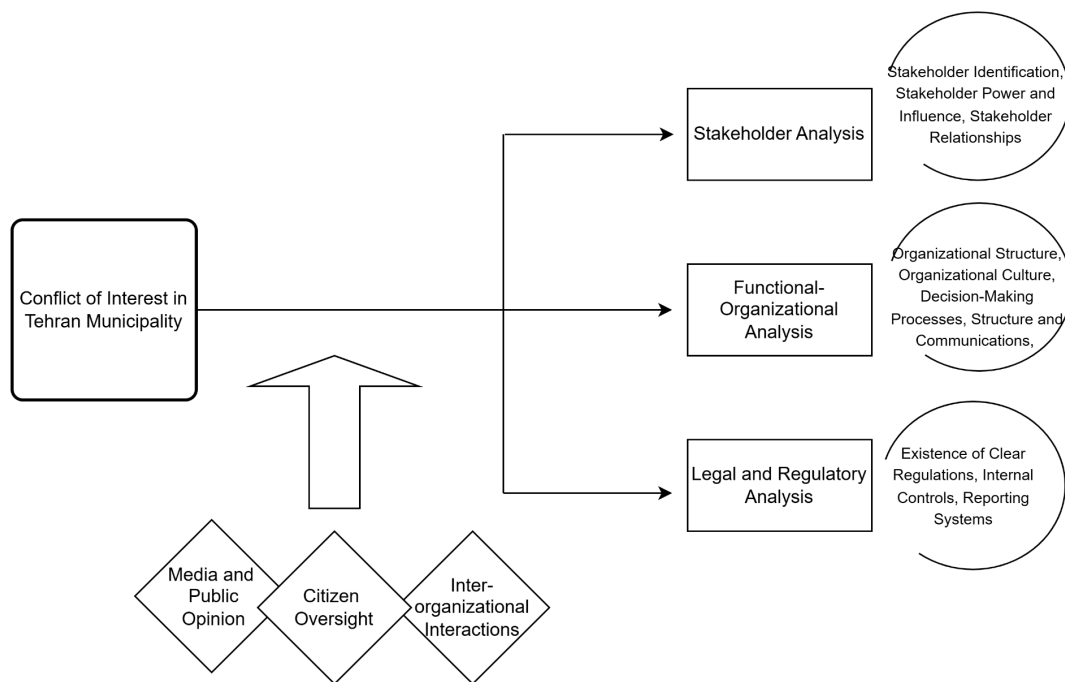


Figure 1. Theoretical model of the research

2.2. Literature background

In recent years, in Iran, attention to the issue of conflict of interest has increased, and numerous studies have examined its various dimensions. Domestic studies indicate that conflicts of interest in Iranian organizations, particularly in urban management and the health sector, often manifest in forms such as revenue-versus-duty conflicts, regulator-executor convergence, and convergence between supervisory and supervised entities (Najafi, 2020). Legal weaknesses, institutional fragmentation, and lack of enforcement mechanisms are the main obstacles to preventing and managing conflicts of interest (Mahmoodi & Mahmoodi, 2022; Hakim et al., 2022). Furthermore, studies such as Sharifi et al. (2018) and Jafarinia et al. (2021) have shown that kinship, political, and social relationships, as well as institutional pressures, play a significant role in reinforcing conflicts of interest, indicating that focusing solely on financial dimensions is insufficient. In the health sector, recommendations such as establishing cooling-off periods for officials, separating duties, ensuring transparency of interests, and appointing independent fiduciaries have been proposed to prevent conflicts of interest (Ghafari & Mohammadzadeh, 2022; Takian & Khanjankhani, 2022). However, most of these studies are limited to identifying conflict-of-interest situations and providing general recommendations, while

operational, cross-sectoral analyses and assessments of the effectiveness of interventions have received less attention. Moreover, conflicts of interest in the structure and functioning of municipalities have been less examined by researchers to date.

At the international level, experiences from countries such as the United Kingdom, the United States, and France indicate that effective management of conflicts of interest requires a combination of legal, normative, and institutional mechanisms (Lee, 2024; Trost & Gash, 2008). Research emphasizes that conflicts of interest are not confined to the political level and can also be observed in medicine, sports, higher education, and urban density management (Tisherman et al., 2024).

Among urban case studies, several practical experiences from municipalities in different countries are noteworthy. An evaluation of the local integrity system in Ramallah municipality (Palestine) indicated that weak public access to information and the absence of a coherent reporting system were among the main factors undermining public trust. Nevertheless, initiatives such as administrative ethics training programs and establishing financial transparency systems contributed to improved municipal performance (Aman, 2015). Similarly, the South African local government has developed a framework to combat corruption and conflicts of

interest, requiring municipalities to establish ethics committees, asset disclosure systems, and programs to prevent conflicts of interest. This framework is part of the national “clean governance” policy, which emphasizes employee accountability and financial transparency (Cogta, 2015). In New York State, a set of laws and guidelines has been enacted to prevent conflicts of interest at the municipal level. These regulations include prohibitions on simultaneous employment, restrictions on receiving gifts, and mandatory disclosure of personal interests. Strict enforcement of these rules, monitored by local authorities, has contributed to increased public trust in municipal management (New York State, 2010).

A review of domestic and international literature indicates that conflict of interest is a multidimensional phenomenon that manifests at individual, organizational, institutional, and social levels, and its management requires a comprehensive and cross-sectoral approach. Significant gaps in previous studies include a limited scope and focus on a single level, weak structural and institutional analysis, insufficient attention to non-financial and context-specific dimensions, a lack of assessment of intervention effectiveness, and the absence of models for evaluating conflict-of-interest risk. The present study aims to fill these gaps by providing a comprehensive framework for identifying, analyzing, and managing conflicts of interest, simultaneously addressing legal, normative, institutional, and structural dimensions. It offers operational and cross-sectoral solutions, evaluates the effectiveness of these mechanisms using empirical and documentary evidence, and simultaneously addresses legal, normative, institutional, and structural dimensions. This approach can lay the groundwork for enhancing transparency, reducing the risk of misuse, and strengthening public trust in Iranian organizations, particularly municipalities.

3. Research methodology

This study is qualitative and applied in nature, conducted to identify situations and processes susceptible to conflicts of interest in the Tehran municipality and elucidate their specific manifestations. Data were collected from various municipal departments, an organization characterized by a complex, multi-level structure with diverse missions and inter-organizational connections, providing an appropriate context for identifying conflict-of-interest situations.

Given the nature of the phenomenon under study, thematic analysis was employed to extract conceptual patterns from qualitative data. This method was selected due to its high flexibility and its capability to uncover meaningful patterns from complex textual data within the Tehran municipality.

The study employed an inductive-deductive approach, whereby themes were initially derived from empirical data (interviews) and subsequently integrated with theoretical concepts for interpretation and understanding. It should be noted that the coding process, while maintaining an inductive approach, was guided by the study’s analytical framework (organizational-functional, legal-institutional, and stakeholder analysis). Thus, the connection between empirical data and the theoretical dimensions of the model was preserved. Accordingly, thematic analysis began inductively and, in the final stages, incorporated a deductive perspective based on the theoretical foundations and conceptual model of the study.

The statistical population comprised current and former experts and managers of the Tehran municipality, city council members, urban activists, and researchers in the field of transparency and urban governance. A non-probability purposive sampling method, based on the criterion of theoretical saturation, was employed. Interviews continued until analytical patterns repeated and no new data emerged. A total of 32 semi-structured interviews were conducted.

The collected data were fully transcribed and analyzed in several stages using a thematic analysis approach. This process followed Braun and Clarke’s six-step framework (2006) and emphasized Strauss and Corbin’s three-step coding approach (1998), including open, axial, and selective coding. The stages were conducted as follows:

- Familiarization with the data: repeated review of interview transcripts to gain a general understanding of meanings and situations.
- Open coding: identification of small semantic units and assignment of conceptual labels (initial codes) to them.
- Axial coding: grouping similar or related codes into categories to clarify relationships between concepts and derive more abstract themes.
- Selective coding: focusing on core themes to develop the final thematic structure and explain relationships among categories.
- Extraction of main themes: a total of 122 initial codes

were extracted, which, after refinement, were organized into 22 principal codes and 100 sub-codes.

- Theoretical interpretation and integration: the final themes were integrated with theoretical foundations and the study's analytical framework to develop a coherent model for identifying conflict-of-interest situations.

To enhance the validity of the analysis, participant review and iterative refinement of themes were employed. For this purpose, summaries of the findings were sent to several interviewees to confirm the accuracy of the interpretations.

To reduce potential bias in data analysis, in addition to a thorough review by multiple researchers, the extracted results were also reviewed by experts and specialists in the relevant field. This process helped refine codes and themes, increasing the precision and credibility of the analysis.

All interviews were conducted with participants' informed consent, and confidentiality of their identities was strictly maintained throughout the analysis.

4. Research findings

The analysis of data collected from various departments of Tehran municipality indicates that conflicts of interest within this institution are extensive and multilayered, permeating the administrative structure, decision-making mechanisms, and intra-organizational relationships. This phenomenon cannot be analyzed solely at the individual or behavioral level. Instead, it is institutionalized at organizational, structural, and even normative levels, emerging from the complex interplay of economic, political, and personal interests among diverse actors.

At the first layer, simultaneous employment and the rotation of personnel between subsidiary companies and the municipality's operational domains constitute one of the primary grounds for conflicts of interest. In many instances, managers or experts who occupy supervisory or policy-making positions concurrently, or after leaving office, work in contractor companies affiliated with the municipality or in its consulting institutions. This situation allows executive and supervisory decisions made during their tenure to be influenced by their future private-sector interests. The dependency structure of subsidiary companies, often entangled with opaque shareholding and familial ties, facilitates the reproduction of this cycle.

"Here, the individual could be a director general, a certified judicial expert, or a member of the engineering

organization. Yes, we have such cases here."

At another level, the conflict between duty and income has become one of the enduring behavioral patterns within the municipality. The revenue system, based on fees and fines—particularly in processes such as permit issuance, construction violations, and contractor services—creates incentives that, in practice, prioritize financial gain over fulfilling official duties. Instead of deterring violations, fines become a source of revenue, and this vicious cycle continually reproduces the tension between governance duties and organizational interests. In other words, the logic of revenue generation has supplanted the logic of public service in decision-making.

"Unfortunately, one of the responsibilities of district affairs is to determine the income level of each district mayor. Although it is formula-based, it often fails to reflect reality accurately. When I force someone to generate a certain amount of revenue, I am effectively saying that you must prioritize income generation. This is my criterion for determining a good and successful mayor."

Conflicts of duties are also observed in many departments, mainly where oversight, execution, and policy-making functions are centralized within a single unit. For example, the very entity that should supervise the performance of districts or contractors is itself involved in project implementation or contract management. This situation creates a form of symbolic oversight or "self-supervision," where the boundary between supervisor and supervised is so blurred that the internal control process essentially loses its effectiveness. Moreover, internal commissions and councils responsible for key decisions often lack independent members, and the presence of stakeholders in these processes increases the likelihood of biased decisions.

"In the urban planning domain, I think Article 100 is similar. When a building is constructed, the permit is issued by the urban planning department, and the inspector is also a member of that department. Later, they review violations under Article 100 themselves. These cases are not few."

"Parallel structures usually exist to create positions for individuals. These parallel entities were created intentionally. Many of Tehran municipality's organizations could be merged, but each managerial post carries resume value. If you look closely, all those who were dismissed from the previous government are being absorbed into the Tehran municipality, and they want a managerial seat to occupy."

Alongside formal structures, informal and network-based ties play a critical role in the formation and reinforcement of conflicts of interest. The findings suggest that kinship, political, professional, and local affiliations have a significant impact on appointments and the selection of contractors. Some decisions are made not on the basis of technical competence but rather on personal relationships, factional loyalty, or group interests. These informal ties, especially at middle management levels, weaken formal decision-making structures and foster a “culture of leniency” toward violations. In such a culture, adherence to rules is not considered an organizational value, and discretionary decisions gain legitimacy under the justification of “managerial flexibility.”

“Another issue is that we issue directives, such as prohibiting the installation of speed bumps on arterial roads. Then we receive a letter from a cousin of someone, a letter from the city council requesting placement of the speed bump... I am compelled to install the speed bump according to what my superior instructs.”

The phenomenon of “rule-making for oneself” is also observable across many departments. Subsidiary departments or companies that stand to benefit from project implementation are also involved in drafting the regulations and evaluation criteria for the same projects. In the absence of an independent regulatory authority, many bylaws and circulars are written in a manner that allows for personal interpretation and decision-making. This effectively creates a form of self-legislation, distancing practice from the spirit of public law and reducing oversight to a mere formality.

“The organization itself sets the rules, implements them, and monitors them. For example, in contractor ranking: the organization decides how to rank them, ranks them itself, contracts with them as the employer, and finally monitors their performance.”

“In 1403 [2024/2025], we had a report from the transportation and traffic deputy showing that, in the first six months, 94% of contracts were awarded outside formal procedures to our friends.”

Another manifestation of conflicts of interest appears in the rotation of managerial personnel between public and private sectors. Known in governance literature as the “revolving door,” this phenomenon occurs in the Tehran municipality through the frequent transfer of managers between contractor companies and the municipality itself. Individuals who previously held decision-making positions regarding projects later work on the same projects as consultants or

project managers. This cycle continuously transfers benefits, information, and relationships from the public to the private sector, eroding professional boundaries.

“The law on conflict of interest in the municipality states that managers cannot engage with the municipality for two years after leaving, even if they establish a company. However, this is not well enforced or fully monitored, and it does not cover all employees, only managers.”

Furthermore, the use of internal organizational information for personal gain is another significant example. Employees and managers with access to sensitive data—such as land, real estate, tenders, and urban development plans—sometimes exploit this information before it is publicly released. Weak data governance and the absence of integrated digital monitoring systems make it difficult to track these conflicts and facilitate information rent-seeking.

“There was a regulation allowing 30% of floor area in tower-garden projects; the height was increased instead of reducing the area. The regulation was supposed to be annulled, but some people quickly understood it and acted within the remaining time... It took two years to annul, and most requests occurred during this period.”

Instances of gift acceptance and informal benefits were also observed. Receiving gifts from contractors, attending ceremonial work trips, or gaining preferential services as executive managers undermines public trust in administrative integrity. The absence of clear guidelines on reporting and recording gifts blurs the boundary between professional interaction and personal gain.

“The problem is that distinguishing between gifts and bribes is difficult. If someone is accused of taking a bribe and the giver claims it was a gift, the court may acquit them. Proving bribery is extremely hard.”

Ultimately, all these forms of conflict of interest are reproduced within a structural context where centralized decision-making, contractor monopolies, and legal ambiguities play a decisive role. Numerous exceptions and provisions in internal regulations enable circumvention of rules, resulting in opaque decision-making processes. Concurrently, the lack of regulatory codification results in contradictory and ambiguous laws, providing legal justification for many conflicting behaviors.

Thus, conflicts of interest in the Tehran municipality are not a collection of isolated behaviors but the product of interacting institutional, economic, and

cultural mechanisms. The interplay of simultaneous employment, dependent oversight, self-made rules, and kinship networks creates a web of intersecting interests that cannot be effectively addressed without fundamental restructuring of power, transparency in information, and legal reform. Effective management requires moving beyond addressing individual violations to institutional regulation, where rules, data, and decisions are publicly visible, and no managerial level simultaneously serves as rule-maker, executor, and supervisor.

4.1. Institutional risksⁱⁱ

In this study, institutional risks refer to a set of factors rooted in the structural, legal, and behavioral layers of the organization that create conditions for the emergence or persistence of conflicts of interest. These factors typically lie deep within the administrative, legal, cultural, and managerial systems and can elevate individual or organizational conflicts to a systematic and recurring level. In other words, institutional risks serve as the underlying drivers of conflicts of interest, and analyzing them is essential for designing preventive policies and programs.

The analysis of institutional risks in this research is based on data from interviews and draws on lived experience and insider knowledge of the administrative system within the Tehran municipality. Findings indicate that these risks can be identified through the three main dimensions of the conceptual model—organizational-functional, legal-regulatory, and stakeholder network. Together, these dimensions form a set of vulnerabilities that increase the likelihood of conflicts of interest, mission deviation, or weakening of oversight mechanisms.

A. Organizational-functional dimension: structural and process weaknesses

At the organizational-functional level, a set of structural and procedural weaknesses reinforces the conditions for conflicts of interest. A primary issue is a vulnerable organizational culture—one that, in parts of the municipality, has yet to align with principles of transparency, accountability, and formal reporting, and often resists reforms. This culture manifests in several observable ways: the absence of independent reporting systems, normalization of unprofessional or corrupt behavior, low uptake of specialized training, and managers' insufficient attention to enhancing employees' knowledge regarding conflicts of interest. Weaknesses in the merit-based selection process exacerbate these issues further. Rapid managerial

rotations, the appointment of underqualified personnel, and the application of personal or non-organizational considerations all reduce efficiency and undermine oversight functions at multiple levels.

At the process level, significant deficiencies exist in monitoring systems, data registration, and digital management. Many oversight mechanisms are inactive, sensitive data—especially in areas such as real estate—are incompletely recorded, and analytical procedures are replaced mainly by scattered statistical collection. These shortcomings create conditions in which decisions are poorly documented, limiting the possibility of effective review.

Therefore, at the organizational-functional dimension, risks primarily arise from structural deficiencies, power concentration, overlapping responsibilities, and a lack of transparency in decision-making processes. This situation aligns with institutional theory concepts such as “path dependency” and “structural stickiness,” indicating that administrative changes occur slowly or revert to prior states over time. Such a structure inherently increases the potential for conflicts of interest and reduces the organizational accountability capacity.

B. Legal–regulatory dimension: gaps and ambiguities

Institutional risks in the legal–regulatory dimension originate from ambiguities, contradictions, or inadequacies in existing regulations. In many cases, the rules are sufficiently broad to allow for diverse interpretations, discretionary application, or circumvention of formal procedures.

A prominent example is found in urban planning regulations, where the scope of decision-making for commissions, the authority of managers, or accountability requirements is not clearly defined. In such conditions, even regulatory tools fail to serve their protective function and may exacerbate institutional risks rather than mitigate conflicts of interest.

The main issue lies in the gap between existing laws and enforcement mechanisms. Although upstream documents assign specific oversight responsibilities to councils and the municipality, in practice, these obligations often lack effective enforcement, and the legal instruments necessary to implement them are insufficiently strengthened.

The disciplinary system for addressing violations exemplifies this gap. Many violations are pursued through administrative committees, whereas their nature requires judicial review. This centralization not only prolongs and diminishes the effectiveness of

oversight but also allows some violations to recur. Moreover, the absence of conflict-of-interest attachments in council resolutions leaves decision-making vulnerable to situations that are contrary to the public interest, resulting in some processes being executed without a thorough evaluation of potential impacts on stakeholders.

Additionally, mechanisms for transparent reporting and accountability are not fully defined. In numerous instances, councils or oversight units are unable to follow up continuously, require managers to provide explanations, or enforce corrective actions. This deficiency gradually renders the municipal oversight system largely ceremonial rather than preventive.

C. Stakeholder network dimension: external pressures and informal networks

Institutional risks within the stakeholder network dimension emerge when power imbalances exist among groups or when effective participation and oversight mechanisms are lacking. In the municipality, specific key stakeholders—such as contractors, senior managers, and influential local groups—exert greater influence over processes. At the same time, lower-level employees, citizens, and even some committees have limited decision-making roles.

In such conditions, oversight councils, which should monitor executive performance, may become passive. A lack of enforcement tools or willpower leads to delayed reporting of violations or insufficient follow-up. This imbalance allows some stakeholders to exploit weak oversight, increasing the likelihood of conflicts of interest.

Moreover, the absence of transparent mechanisms to identify potential conflicts between stakeholders' interests and decision-makers exposes formal processes to informal interventions. Consequently, a significant portion of institutional risks stems from misaligned power among stakeholders and the organization's limited capacity for accountability. These risks stem from the influence of informal networks, personal relationships, political bargaining, and organizational culture patterns, which enable certain groups to exert greater influence over decisions, regardless of their formal position. From the stakeholder theory perspective, this reflects a network of actors with high de facto power but limited institutional legitimacy—conditions conducive to conflicts of interest.

A simultaneous examination of these three dimensions indicates that institutional risks do not operate in isolation; rather, they are amplified or mitigated

through their interaction with one another and in connection with intervening variables. The role of these intervening variables in shaping or reducing institutional risks must be understood in terms of their impact on decision-making processes and the organizational capacity for accountability. Citizen oversight, media scrutiny, public opinion, and inter-organizational interactions can all contribute to risk reduction, provided that access to information, procedural transparency, and institutional coordination are ensured. In such circumstances, these variables function as complementary mechanisms, partially compensating for regulatory gaps or structural weaknesses. However, when information flows are limited or fragmented, and relevant institutions lack adequate coordination in data exchange and regulatory enforcement, the effect of these variables can be reversed, reinforcing areas of ambiguity, increasing the likelihood of informal intervention, and exacerbating institutional fragmentation. Therefore, the role of these variables is neither inherently supportive nor necessarily deterrent; rather, their effectiveness depends on the level of transparency, the integrity of information, and institutional coordination. Consequently, institutional risks in this study can be understood as the outcome of the dynamic interaction between internal organizational factors and intervening variables, which collectively determine the extent to which the capacity to manage conflicts of interest is strengthened or weakened.

5. Discussion and conclusion

The present study, which focuses on identifying and analyzing conflict-of-interest situations within the Tehran municipality, demonstrates that this phenomenon is neither an isolated nor a temporary issue. Rather, it is a systemic, multi-layered problem that is reproduced within a complex network of organizational, functional, legal, and stakeholder relationships. Data analysis, framed within the study's conceptual model, shows that these components, intertwined and complementary, generate a network of institutional risks that collectively undermine mechanisms of transparency, accountability, and institutional efficiency.

From an organizational–functional perspective, the findings indicate that conflicts of interest in the Tehran municipality primarily stem from the dysfunction of educational, supervisory, and evaluative systems. Employees' and managers' lack of awareness regarding the concept and manifestations of conflicts of interest,

the absence of structured training, and the lack of evaluation of training effectiveness have led conflict-prone or quasi-conflict behaviors to become part of the “organizational habit.” Functionally, this manifests as weak transparency, the absence of outcome-oriented performance indicators, and the dependence of supervisory bodies on executive managers. The municipal structure shows overlaps and contradictions in performing key roles—regulation, supervision, execution, and accountability. Units that are supposed to act as monitors are themselves stakeholders in the implementation of the very decisions they oversee, while units that are meant to act as policymakers are entangled in operational interests. As a result, the organization has not only failed to design effective preventive mechanisms but has sometimes contributed to the reproduction of conflict-of-interest situations.

Structural analysis reveals that power concentration, contractor monopolies, and the influence of intra-organizational networks have created a persistent environment for conflicts of interest. The structural interdependence of interests—where economic, political, and organizational stakes are intertwined within institutional structures—means that any reform is likely to encounter resistance within these institutions. Golden signatures, circumvention of regulations through clauses, and deviations from core missions exemplify this situation. Minor or individual reforms cannot contain conflicts; rather, institutional redesign and a redistribution of organizational power are required.

Overall, the organizational–functional dimension highlights that some roots of conflicts of interest lie in the continuity of structural and procedural patterns, which align with Scott’s notion of “institutional resilience or stickiness.” Imbalanced power concentration, ambiguous task allocation, and reliance on informal decision-making mechanisms hinder the sustainability of procedural reforms. Furthermore, the findings substantiate the significance of Merton’s distinction between “manifest and latent functions.” Some procedures, ostensibly designed to enhance efficiency, in practice generate latent functions that reinforce the conditions for conflicts of interest. For example, gaps in performance evaluation systems or the absence of transparent mechanisms for contractor selection intensify the formation of influence networks. Thus, the data indicate that conflicts of interest are a natural consequence of the gap between formal structures and actual organizational practices.

From a legal and regulatory perspective, the dispersion, ambiguity, and contradictions within municipal regulations themselves generate conflicts of interest. Older and general laws, such as the 1955 municipality law and Article 55, allow for multiple interpretations, enabling managers to justify their actions at their discretion. The abundance of contradictory internal circulars and resolutions further creates conditions for private exploitation of rules. Proposed legal reforms include codifying regulations, establishing a comprehensive directive management system, revising the conflict-of-interest law, and drafting specific legislation for subsidiary companies, thereby clarifying rules and reducing opportunities for personal interpretation.

The study’s findings in the legal–regulatory dimension highlight gaps consistent with frameworks discussed in international documents, such as those of the OECD. Weaknesses in defining clear limits and prohibitions on conflicts of interest, the lack of effective enforcement mechanisms, and the fragmentation of regulations create an ambiguous environment that complicates the identification and prevention of conflict-of-interest situations. The findings suggest that deficiencies in binding mechanisms and inadequate coordination among supervisory bodies compromise institutional control capacity. Under these circumstances, OECD-recommended frameworks—such as transparency in relationships, disclosure of interests, and accountability systems—are essential for promoting administrative integrity in urban governance. In other words, the findings indicate that the gap between the “ideal framework” and the “existing regulatory state” is a fundamental factor that sustains conflicts of interest.

Stakeholder analysis reveals that conflicts of interest in the Tehran municipality stem from the complex interplay of four key groups: municipal managers and employees, contractors and affiliated companies, the city council and supervisory institutions, and citizens and civil society. Power in this network is skewed in favor of internal groups and contractors, with citizens occupying the lowest level of influence. Weak public participation mechanisms and limited channels for social accountability have rendered social oversight the weakest component of municipal governance. Consequently, conflicts of interest are not merely an internal issue but a cross-sectional one, which cannot be effectively addressed without strengthening social oversight, increasing transparency, and enhancing public accountability.

Thus, the stakeholder network dimension and observed behavioral patterns suggest that individual and networked actions are integral to conflict-of-interest analysis, aligning with the “power–legitimacy–urgency” model proposed by Mitchell and colleagues. Interviews revealed that certain groups—whether mid-level managers, contractors, or informal networks—can influence decisions due to a combination of power and access, even when their institutional legitimacy is limited. This finding highlights that conflicts of interest are not solely the result of structural weaknesses or legal gaps, but are also reproduced within social interactions and cultural patterns. Kinship ties, factional considerations, and informal exchanges exemplify the ways in which “urgency” and “actual power” of stakeholders, as highlighted by Mitchell, shape outcomes. Accordingly, the analysis demonstrates that structural or legal reforms alone cannot reduce conflicts of interest without identifying and managing influential networks. The study also reveals that external and inter-organizational intervening variables impact the formation and persistence of conflicts of interest within the Tehran municipality. Inter-organizational interactions influence the implementation of laws and the dissemination of information. At this level, the municipality’s relationships with the city council, the Ministry of Interior, the Supreme Audit Organization, the Administrative Justice Court, and urban service institutions play a decisive role. The absence of a clear division of labor and overlapping responsibilities among these bodies fosters conditions conducive to conflicts of interest. For example, joint decisions by the council and the municipality in licensing result in situations where the monitor and the monitored are in the same power relationship, weakening mutual oversight. Citizen oversight and participation, which play corrective roles, are practically limited due to constrained access to information. Similarly, the media, considered a key element of participatory governance, are often hampered by institutional limitations or political considerations.

In other words, at the social level, weak public participation and the limited role of the media act as intervening variables that affect transparency and accountability. Existing participatory mechanisms often operate symbolically, and the media lack access to actual data. At the macro-policy level, budgetary policies, municipal revenue systems, and urban policy orientations structurally exacerbate conflicts between governmental duties and revenue interests. These

variables can accelerate and intensify conflicts, and conversely, when reformed and strengthened, they can moderate and stabilize them.

Overall, the combination of the three main dimensions and intervening variables indicates that conflicts of interest in the Tehran municipality are the result of a networked dynamic. Organizational structures create the conditions for conflict, legal gaps make it possible, and stakeholder networks activate its practical pathways. Intervening variables act as mediators that can either weaken or reinforce this cycle. Therefore, effective management of conflicts of interest requires multi-level interventions targeting organizational structures, legal frameworks, power networks, and behavioral patterns.

Consequently, managing conflicts of interest in the Tehran municipality necessitates an integrated and interdisciplinary approach. Cultural reform, organizational restructuring, structural transparency, and legal modernization must proceed simultaneously. Concurrent attention to intervening variables and the institutional, inter-organizational, and social environment is essential for sustainable reforms. Only in this way can the cycle of reproducing conflicts of interest be broken, paving the way toward transparent, accountable, and trust-based urban governance.

5.1 Challenges and limitations of the study

1. Conceptual ambiguity in defining conflict of interest: One of the primary challenges in this study was the multiplicity of definitions for conflict of interest. This concept is defined differently across managerial, legal, and ethical literature, and a clear consensus remains elusive. Despite providing a preliminary definition of conflict of interest before conducting interviews, respondents interpreted the concept differently. These variations in understanding were reflected throughout the interviews, complicating the process of coding and categorizing specific instances.

2. Sensitivity of the topic and self-censorship among respondents: conflicts of interest within public institutions are inherently sensitive, potentially affecting the interests of individuals or groups. This sensitivity sometimes led respondents to self-censor or exercise caution in describing specific cases.

3. Challenges related to divergent perspectives: During the analysis, some instances required careful interpretation to determine their placement within the framework of conflict-of-interest situations. To maintain methodological consistency and validity, the

study adhered to a commonly accepted nine-category classification framework used in domestic research. Consequently, cases such as “inter-organizational conflicts” or “conflicts arising from deviation from organizational duties,” which fell outside this framework, were not included in the final analysis.

4. Conceptual overlap among some instances: in certain cases, a single instance could fall under more than one conflict-of-interest category. For example, some examples could simultaneously be classified as “conflict between income and duty” and “conflict of self-monitoring.” In such cases, the instance was assigned to the category that played the more prominent and influential role in generating the conflict, based on contextual analysis and behavioral impact.

5. Non-cooperation of some municipal managers and experts: Some individuals declined participation or refused to have their interviews recorded due to distrust or concerns about potential consequences.

6. Limited prior domestic research on organizational-level conflicts of interest: existing scholarly literature primarily focuses on macro-level conflicts of interest, with few studies examining this phenomenon within municipalities or local organizations. This scarcity compelled the researchers to adapt theoretical models to the organizational and managerial context of the Tehran municipality and to develop an analytical framework tailored to the institutional characteristics of this organization.

Authors' Contributions

The manuscript was drafted, data collected, and initial analysis conducted by the first author (70%), while the second author provided research supervision and reviewed the data analysis (30%).

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Conflict of Interest

The authors declare that there is no conflict of interest regarding the conduct of this research, the writing, or the publication of this article.

EndNotes

ⁱ It should be noted that due to the overlap between specific components of organizational and functional analysis, they have been categorized at a single level. The specific examples examined for each component are also mentioned and can be found in Appendix 1.

ⁱⁱ Some of the interview excerpts relevant to this section have been included in Appendix 2.

Appendix 1

Organizational–functional analysis model

This model focuses on organizational structure, processes, and culture in the emergence or control of conflicts of interest, encompassing the following dimensions:

- Organizational structure and task allocation: clarity of roles and responsibilities, decision-making hierarchy, and prevention of task overlaps.
- Organizational culture and professional ethics: the extent to which values such as transparency, accountability, collaboration, and ethical principles are institutionalized in employee behavior.
- Decision-making and oversight processes: transparency and fairness in decision-making, project and contractor selection, performance evaluation, and internal control.
- Intra-organizational communication: level of coordination between units, adequate information flow, and prevention of siloed operations.
- Resource allocation and accountability: fairness and transparency in budget allocation, public reporting, and accountability to stakeholders.
- Human capacity development: training employees on conflicts of interest and promoting a transparent, ethics-driven organizational culture.

Stakeholder analysis model

This model emphasizes understanding the stakeholder network, their power, and interactions in shaping conflicts of interest:

- Identification and categorization of stakeholders: determining the interests, needs, and potential conflict-of-interest positions among stakeholders.
- Stakeholder power and influence: assessing the level of impact and legitimacy of different groups in decision-making.
- Relationships and interactions among stakeholders: examining alliances, pressure groups, and formal and informal influence networks.

Legal–regulatory analysis model

This model focuses on the legal system and binding frameworks for controlling conflicts of interest:

- Transparency and comprehensiveness of laws: clarity and adequate coverage of regulations related to conflicts of interest at both national and local levels.
- Legal oversight and control: existence of effective enforcement and supervisory mechanisms to ensure compliance, accompanied by transparent reporting systems.

- Legal limitations and conflict-of-interest prohibitions: establishment of clear legal boundaries and prohibitions for officials and employees regarding personal or organizational interests.
- Ethical standards and behavioral regulations: presence of ethical guidelines, independent committees, and internal codes of conduct.
- Anti-corruption laws and whistleblower protection: regulations that deter corruption, protect whistleblowers, and ensure transparency in resource allocation.
- Effective enforcement and legal guarantees: monitoring violations, imposing sanctions, and ensuring alignment with higher-level and international laws.

Appendix 2

Quotes related to institutional risks: Below are selected quotes related to certain types of institutional risks:

Cultural-behavioral risk

- Lack of awareness and insufficient training

"Waste management has the highest level of conflict. They are involved in organizational conflicts with the districts. The solution is proper supervision and training of district staff to become familiar with waste contracts. Employees are not sufficiently aware of the contracts to hold others accountable... this is the highest source of conflict."

"The municipality provides much training, but managers do not attend at all, and someone else participates on their behalf, while experts take exams in their place... Moreover, we lack pre-service, in-service training, and performance monitoring and evaluation."

Lack of meritocracy

"The biggest challenge: it is fine to replace a deputy, but why replace an expert who has detailed knowledge of the district? Moreover, when they are replaced, unrelated and unqualified individuals take their place."

Two major conflicts of interest emerged because appointments were not based on merit or testing. Now, after all these conflicts, these individuals are completely unqualified."

"In my view, the most important source of conflict of interest is discretionary appointments and arbitrary instructions."

Functional-process risk

- Weaknesses in transparency processes

"...for example, I am certain that the traffic department has never seen the directive issued by urban services. We always leave many loopholes, even in our own instructions. There is no transparency."

"It is performative, like the transparency system itself, which contains curated data that does not harm anyone. For example, a city council resolution states that any international trips taken by municipal managers at the municipality's expense must have their outcomes and reports published in the transparency system. Some uploaded their travel catalogs instead."

"Transparency is truly the missing link in the Tehran municipality. It is largely symbolic. We have a transparency

system, but anything that should be included on it must pass through a hundred auditing filters. For instance, municipal properties in private use were mandated by a council resolution to be uploaded to the transparency system. After four to five years of back-and-forth, perhaps 70% of them were removed. Why? Because the property belongs to a certain individual."

"I do not have a standardized price list for cultural or social topics to determine whether costs are real or not. For example, in the field of urban development and traffic, I have an approved price list from the planning organization that is updated once or twice a year. If I want to lay asphalt, I can pour 4 cm instead of 7 cm... and someone might notice and measure it. Ultimately, the quality suffers. However, in social and cultural work, I have no such guidelines... a critical point is that when we do not have subordinates, this range of discretion is wide... one of the causes of conflicts of interest is the absence of clear standards in all areas: whether in verifying contractor invoices, commissioning artistic work, or valuing cultural and social projects... it has always been discretionary. Recommendation: drafting a standardized price list for cultural and social activities."

- Weaknesses in oversight tools

"The permits issued undergo a multi-month process, during which conflicts and violations by the implementers may occur. However, when does the supervisory body intervene? Years after the permit is issued, it acts as a remedy after the fact. Almost no permit is ever addressed during its implementation or prior to issuance; it is always afterward."

"...some information is completely hidden—not only between deputy offices but even within them—for example, how permit fees are calculated. You can never understand how they calculate it, what formula they use, or what numbers they input, despite a city council resolution requiring a calculator on the transparency system, where any citizen can enter the area and request the calculation. Instead, the work is done arbitrarily. The urban development deputy office carries out this process."

"In my view, the city council, which is supposed to oversee the Tehran municipality, is itself involved in conflicts of interest; therefore, it does not reach a point where it can address conflicts of interest."

- Participation and accountability

"Structurally, the official communication channel between citizens and the Tehran municipality is only the 137 hotline. It is legally recognized as such. However, 137 is primarily for urgent issues or complaints, not consultative or advisory purposes. Therefore, structurally, there is little provision for citizens to provide input. Although there are mechanisms in place for citizens to submit proposals, where are they actually considered, screened, and implemented? Council resolutions require decisions to be shared for public input beforehand, but they are not implemented. Other platforms, like 'man shahramaram'—previously 'ba ham'—were citizen engagement tools. 'man shahramaram' was imposed on citizens and caused complaints."

I suggest that at least the supervisory bodies operate under the city council rather than the Tehran municipality. In organizations such as inspection organizations, security, or the 137 monitoring system, citizen complaints should not be reported back to the violator for a response; instead, there should be a higher-level oversight. Furthermore, 1888 was merged into 137, becoming 137 plus."

- Weaknesses in supervision and quality control

"...in street cleaning, we employ Afghan workers because they do not have official identification and mostly work illegally, without bank accounts, so we must pay them manually. We hire unauthorized Afghan workers and pay them only one-third of a normal wage because they are not legally allowed to work. They only clean the visible surfaces and throw small waste into the drainage channels."

"The waste we collect produces 700,000 liters of leachate daily. There are intermediate stations from which the waste is transported to Kahrizak. Those collecting the waste should have leachate collection tanks and transport it to treatment plants. However, 90% of our intermediate stations currently have malfunctioning wastewater treatment systems and discharge leachate into the streets."

- Weaknesses in data governance

"...we have an organization that, based on its new equipment, determined the total area of green spaces in Tehran. The parks organization, which allocated work to contractors based on its own measurements, did not accept this because the area given to the contractor was reported as one hectare. In contrast, the other organization said it was less than half a hectare. Payment was based on area, so this discrepancy caused conflict. Indeed, the circle of conflicts of interest is very broad, even between two brothers or an individual with themselves."

"The property organization has repeatedly instructed that its properties be entered into the comprehensive property system, but the districts do not comply. The district has the information, but the property organization does not... the district uses it for its own profit."

"...this is indeed a type of conflict of interest. Databases across the city and governance structures should be linked in a way that prevents violators from exploiting these gaps."

"Some cases go back and forth. After two months, a letter states 'done,' but 20 years later, it is suddenly reported that the 22 districts have 15,000 unresolved cases under Article 100 of the commission. Why? The process is flawed."

Structural risk

- Monopoly

"For example, it is said that a contractor can collaborate for two consecutive years, but not in the third year; yet there are still individuals who monopolize these projects because information on smaller projects is not disseminated."

"We know of contractors in the municipality whose work experience with a particular municipal department

exceeds that of long-standing municipal employees."

"The issue relates to modern smart systems, which generate conflicts between the smart systems domain, implementation methods, and usage tools. This can lead to monopolization. In some of these companies, shareholders are insiders within the municipality and influence decisions regarding company selection."

- Deviation from organizational mission

"Municipal officials often take actions aimed at securing political opportunities in the future."

"Tehran municipality should return to its core responsibilities as outlined in Article 55; only then will problems be resolved. Previously, vaccines were the responsibility of the municipality; however, with the involvement of the Ministry of Health, this responsibility is now irrelevant to the municipality. The law must be amended."

- Concentration of power and authority

"The biggest problem is the statement: 'I deem it appropriate.' When someone becomes a manager with power, this phrase is all they use, and currently, there is a high concentration of authority."

"If we want to define a superior level for conflicts of interest, we must see who holds the 'golden signature.' That person decides priorities at their discretion and oversees law enforcement, which is harmful. One consequence of golden signatures is the emergence of conflicts of interest."

Legal-regulatory

- Legal deficiencies

"We have observed in a series of city council resolutions that statements made several years ago are open to multiple interpretations. Additionally, there is regulatory inflation, characterized by overlapping and sometimes contradictory managerial directives within each period, as well as erroneous instructions. The law is ambiguous; it does not clearly define the area—whether it refers to a residential zone, a place of residence, or a work area... this law is open to interpretation."

"The law can be easily circumvented... it is as if it were written to be bypassed."

"We interpret the law arbitrarily. It is applied only to employees."

"Clause 7 of the resolution prohibiting the use of engineering permits by the urban development deputy has problems... they interpret it themselves... this prohibition is also flawed. For example, if you are a lawyer in the municipality's legal department, you can work on construction permits. Similarly, those who hold permits cannot operate in their own districts but can work in other areas; this constitutes a loophole. There is no requirement for the person to obtain a job within the municipality. The law does not clearly define the area as either a residential zone, a place of residence, or a work area. The law is interpretable, and when addenda are issued, they further compromise it."

"...this law is interpretable, and the addenda, when issued, undermine the original legislation."

"The general laws have not been updated for a long time, and this is one of the major problems that leads to

widespread conflicts of interest and corruption. The municipal law dates back to 1955, if I am not mistaken, and has not been revised since then. For example, one of the municipality's duties was to oversee public bathhouses, which no longer exist."

Regarding the law prohibiting interference, we encountered several cases where relatives of municipal managers were members of an auditing institute. Violations occurred, and acquittals were issued. Different interpretations of the law were applied, including a second interpretation. The law prohibiting interference is open to interpretation due to its numerous ambiguities. For instance, it raises questions about whether it applies only to municipal managers or to managers in other organizations as well. In one case, it was argued that the individual had been the audit manager at that time, not the director of general assemblies, and was therefore acquitted."

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