

Critical review of the theoretical and methodological framework of economic research and programs of Tabriz municipality

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Abstract

While Tabriz is grappling with various issues such as a non-operational budgeting system, lack of transparency, patronage, low capacity to implement policies and programs, technocracy in decision-making, low productive investment, poverty and regional inequality, uncontrolled marginalization, ineffective adaptation of the city's institutional structure, and similar problems, the predominantly imitative strategies that have been applied rather than being indigenous solutions to these issues have often themselves become part of the problem. The blind adoption of strategies from “one best practice” of industrialized countries (solution-oriented approach), and the disregard for the issues, conditions, and requirements of Tabriz’s local context, have turned the implementation of those solutions into a problem and led to the inefficiency of urban governance. The “limited access social order” in urban decision-making and resource allocation has caused a small number of stakeholders benefiting from the current dysfunctional situation to continue basing their proposed research, programs, and policies on solution-oriented rather than problem-oriented approaches. The present article, within the framework of New Institutional Economics and the art of economic science methodology, while critically examining the translational transfer of solutions from other contexts and the attempt to implant them in a different context like Tabriz, concludes that addressing the aforementioned challenges is contingent upon adopting a problem-oriented approach and the proper application of theories and models. Of course, the stakeholders of the status quo will obstruct problem-solving in this manner. Therefore, the solution is that, at historical junctures, we should design the transition from the current situation to the desired situation in such a way that, instead of attempting to completely eliminate the stakeholders of the status quo (and consequently provoking their resistance and violence), we engage their interests in productive activities and the inclusive broadening of the decision-making and resource allocation system.

Keywords: Limited Access Social Order, Problem-Oriented Approach, Solution-Oriented Approach, Tabriz Municipal Programs and Policies.

1. Introduction

There are numerous issues within the living environment of Tabriz and also within the municipality organization and the Tabriz City Council itself. Despite constant attention and the expenditure of material, financial, human, and organizational resources, these issues remain unresolved. Among

them are the non-operational budgeting system and its misguided policy orientation, lack of transparency, patronage, low capacity for implementing policies and programs, technocracy and technocratic decisions, low productive investment, poverty and inequality between regions, the ineffective adaptation of the institutional structure of the municipality and city council in dealing with novel issues, and the like. The accumulation and deepening of such problems have led to citizen dissatisfaction, insecurity in the human and physical environment of the city, and vicious cycles of underdevelopment. And who does not know that backwardness and stagnation in an era known for its historical acceleration carry political, social, and economic consequences?

One of the main reasons for the persistence of organizational inefficiency in Tabriz Municipality and City Council is the flawed knowledge system and urban planning approach. Due to the technocratic approaches of urban managers and the limited access social order that governs decision-making and resource allocation, there is little opportunity for reform. Given the dominance of the limited access order in Tabriz's urban management, some policies and programs such as government downsizing and privatization have the potential for deviation during implementation, while others such as good governance (World Bank), which forms the theoretical basis of the Strategic-Operational Plan (2019–2023) fail to be implemented.

The question is: Why, despite regulations aimed at transparency, meritocracy, combating corruption, public participation, alleviating poverty and inter-regional inequality, and the like, do we not witness the realization of such goals in practice?

The flaw in the budget programs, the municipality's Strategic-Operational Plan, and the dominant policy proposals in Tabriz's urban research is that they propose policies and institutions based on the "one best practice" of advanced countries as a model for Tabriz, without considering indigenous characteristics (the limited access social order). However, the implementation of that successful model is conditional upon fulfilling hardware, software, and institutional prerequisites, the vast majority of which do not exist in Tabriz's local environment. Therefore, efforts to implant programs, policies, and projects from a successful industrial model into Tabriz lead to deviation of affairs, failure to achieve goals and ideals, the incurrence of costs, and the waste of resources. Moreover, potential opportunities that could have been realized through a problem-oriented approach, diagnostic understanding of the local environment, and solving the city's real issues are turned into threats.

The continuation of erroneous policy-making is partly due to methodological oversights by researchers and managers, partly due to their vested interest in the existing dysfunctional conditions, and also due to the absence of a punishment system for those who repeat unsuccessful and erroneous policies. Of course, some proponents of "one best practice" policies hold an ideological belief in a timeless, placeless, and positivist science. They attribute the meager outcomes of implementing those policies to poor execution and claim that the local environment has failed to adapt itself to the assumptions of the theory. This is while, fundamentally, a theory should explain, predict, and prescribe proposed policies by taking into account the coordinates and

conditions of the local environment. In other words, a theory must be validated and supported within the indigenous context to be effective.

Given the repeated failures of translated and imported programs and policies, escaping the current unfavorable situation requires ideas that, instead of adopting solutions from another environment and transferring them uncritically to the Tabriz context, prioritize a problem-oriented approach and a diagnostic understanding of the local environment, making it the foundation for short-term, medium-term, and vision-based programs. Of course, in this path, stakeholders of the status quo and those who wish the limited access social order in decision-making and resource allocation to persist will create obstacles.

Therefore, within a theory that recognizes the limited access social order, the transition process must be designed in such a way that, while preparing conditions for a transition with the least violence from the current situation to the desired situation, even a small increase in inclusive access to urban decision-making and resource allocation reinforces and strengthens itself. The details of this process can be observed in the chart below.

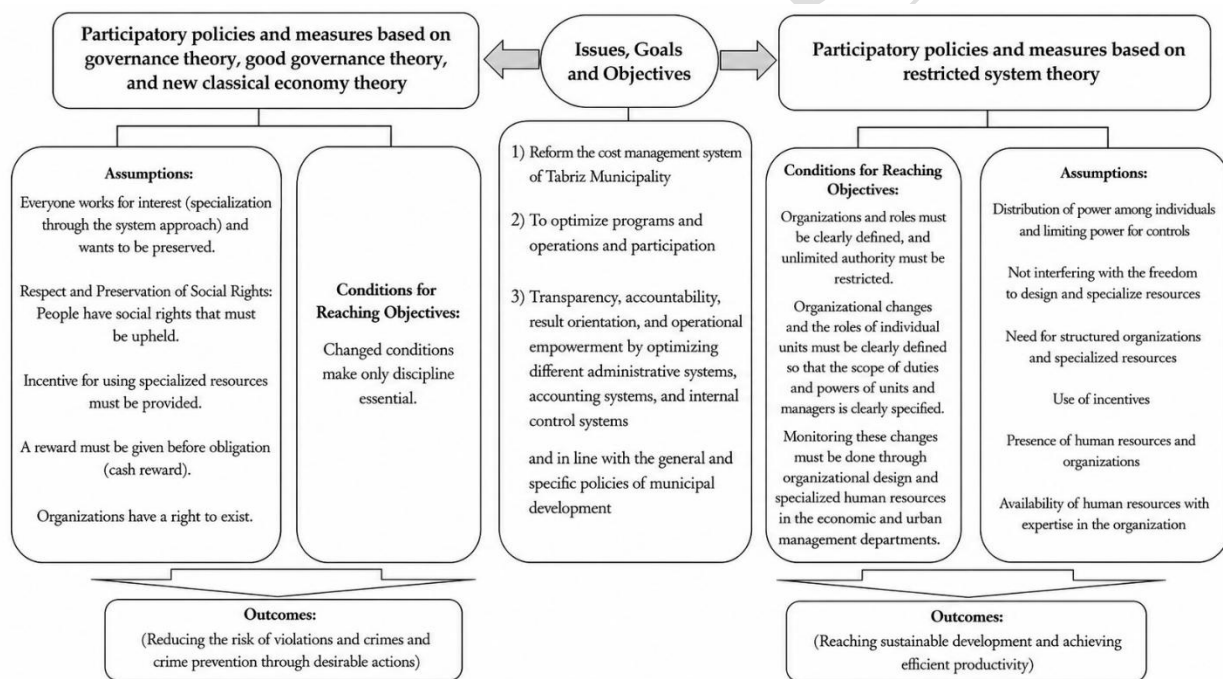


Figure 1: Policy-making and Implementation within the Framework of Various Theories with the Aim of Overcoming Urban Problems and Achieving Goals

The article is structured as follows: First, the literature is presented in three parts, in this order: 1) the story of parrot-like imitation of the education and research system, policies, programs, and institutions; 2) the nature of the model and how it is applied; and 3) the lack of one-to-one correspondence between fundamental principles and proposed policies. Next, the theory of limited access social order and open access is discussed. Subsequently, the research methodology is presented, followed by a pathology study of some of Tabriz city's documents and programs in the following sequence: a) the research project "Pathology of Tabriz Metropolis Municipality's Participation in Investments"; b) Tabriz Municipality's Strategic-Operational Plan (2019–2023); c) the research project "Reforming Tabriz Municipality's Revenue-Expenditure Management System"; and d) Tabriz Urban Budget Planning System. In the next stage, the research findings, results, and recommendations will be presented.

1. Literature Review

In this section of the paper, the literature is discussed in three areas: 1) the story of parrot-like imitation; 2) the nature of the model and how it is applied; and finally, 3) the lack of one-to-one correspondence between universal fundamental principles and proposed policies for all social contexts.

1-2. Previous Studies

Since relevant points from previous studies have been mentioned throughout the article where appropriate, and to avoid repetition, a concise summary of studies and development knowledge related to the content of this article is provided in Table (1) below.

Table 1: Summary of Previous Studies.

Authors	Topic Studied	Main Research Findings	Applicable in Management	Areas in Urban
Michael Sandel (2023)	Monetization of all social affairs	The monetization and commodification of all aspects of life leads to a moral crisis in society and brings instability.	Applicable to urban budgeting	
Amartya Sen (2010)	Development and Freedom	Income, equipment, capital, streets, etc., are means of development, not its goal. Human beings and citizens are both the goal and the means of development. Therefore, democracy, participation, giving people the right to express their views, and strengthening civil institutions are the way forward.	Applicable to participatory budgeting and preventing corruption. Promoting transparency in urban management.	
Acemoglu and Robinson	Social violence, institutions,	Citizens' rights have historically emerged from demands. We need both a strong government and a strong society that constrain and condition each other	Applicable to managing the transition	to the from

(2020); North et al. (2016)	development, and social freedom	toward development. The transition process must be designed in a way that engages elites in productive activities, thereby minimizing violence. Eliminating elites is violence-inducing because they are stakeholders and will resist.	limited access social order to open access social order. Broadening political and economic markets.
Andrews et al. (2020); Fukuyama (2018); Ostrom (2015); Rodrik (2018)	Government empowerment and political decay	Understanding institutional diversity for different social contexts is important. Policies, programs, projects, and plans must be designed based on a diagnostic understanding of the local environment and rooted in problem-oriented approaches derived from the local context so that the administrative system and government organization become high-capacity and empowered. Translational imitation of these from abroad hinders this and leads to rent-seeking, corruption, arbitrariness, patronage, etc.	Applicable to overall urban management, especially the budgeting system, administrative system, and bureaucracy.
De Soto (2006 & 2010)	Growth of urban wealth and capital	Administrative barriers and ineffective adaptation of institutional and legal structures to scientific and technological changes hinder the creation of capital and wealth in cities. One of the main roots of the expansion of urban marginalization lies in these administrative barriers, which have political-economic origins.	Applicable to institutional development, urban investment, and solving the problem of marginalization.
Raghofer (2005); Momeni (2005); Khalatbari (2005) & Ashtarian (2005)	Budgeting system	An accountant-like, bean-counting approach to budgeting is wrong. Budgeting should be carried out as a guardian of the interests of present and future generations. Budgeting should be free from the bargaining power of those with money and force and should be in line with collective interests, giving priority to development-level analyses over micro and macro analyses. Our budgeting system is programmatic only in words; in reality, it is based on the bargaining power of individuals and groups and therefore leads to waste and corruption.	Applicable to the urban budgeting system.
Momeni (2010); Raghofer (2010); Ackerman (2006) & Yousefi (2010)	Corruption and development	The growth of anti-productive and anti-developmental institutions has paved the way for brokerage, corruption, and a parasitic economy in the name of the "market" in Iran. Rentier societies lacking democratic institutions are more prone to corruption; hence, there is a negative relationship between democracy and corruption. The need to strengthen civil institutions, the media, expand transparency and accountability, and prevent the concentration of power in the hands of a few. Privatization and liberalization, etc., in the absence of requirements and prerequisites, become tools for	Applicable to urban management, especially the management of the urban budgeting system.

		corruption, plundering public assets, and transferring them to individuals and abroad.	
Kuran (2020); Basu (2021); Hirschman (2003) & Havel (2024)	System of beliefs and ideologies	One of the most fundamental reasons for the non-implementation of incomplete contracts between the (urban) government and the people is the belief system. Free-riding on society; the spiral of silence, foresight, and preference for living in a web of lies; exit instead of protest against inefficiencies, etc., stem from our society's punishment and reward system and our beliefs. Worse still, we exert pressure for the silence of others.	Applicable to establishing the commitments and promises of officials in various areas of urban management.

2-2. Parrot-like Imitation (in the Fields of Education, Research, Projects, Policies, and Institutions)

Since, first, competition between societies is the embodied form of competition between ideas, and second, social and human sciences in developing societies such as Iran and East Azerbaijan Province lack an endogenous character and scientific efforts are largely reliant on the translation of works and utilization of others' intellectual achievements; therefore, in attempting to explain the existing issues of Tabriz, the most appropriate starting point for discussion is to examine how urban management, programs, and research deal with social science and the main pillars of social research that influence policy proposals and the direction of the city's programs. This approach reveals the intellectual roots of many of Tabriz's urban problems.

Development thinkers such as Gunnar Myrdal (2003), John Kenneth Galbraith (2009), Ernst Schumacher (2019), Adrian Leftwich (2006), Michel Foucault (2022), and Paulo Freire (2006) have uncovered the hidden objectives and purposes behind the transfer of science for dominating others. The effort to transfer educational and research resources and approaches from the West to developing countries with the aim of domination highlights the importance of a critical approach by researchers and urban planners toward the fundamental pillars of research — namely, the theories, concepts, and metrics transferred from the West. The passive acceptance and translational adoption of educational resources and research methods (solution-oriented rather than problem-oriented) have led to false consciousness among urban managers and researchers. Likewise, the imitation of programs, policies, and projects from the “one best practice” of the West has created problems for Tabriz and has emptied our organizations of capability and capacity.

For developing societies, parrot-like imitation has occurred in three stages (Andrews et al., 2020: 107). The first stage, i.e., the accumulation or “big push” stage in the 1950s and 1960s, was based on the principle that wealthy countries possess more [material] things than poor countries (such as bridges, factories, and ports). Hence, construction was considered the key to development. Romer

(1993) considers the main concern of this initial stage of development thinking to be filling “object gaps,” which was later replaced by the second stage of filling “idea gaps” (education system, policies). In the second stage, i.e., the policy reform or structural adjustment stage in the 1980s and 1990s, it was said that “wealthy countries have good policies, so adopt good policies to achieve development.” Tabriz’s urban budget programs have largely been prepared and formulated within the framework of this structural adjustment program. The question arises regarding the suitability of this budgeting system with the indigenous realities of Tabriz.

In the third stage, the emphasis is that “wealthy countries have good institutions; therefore, to achieve development, good institutions must be promoted.” The Tabriz Municipality’s Strategic-Operational Plan (2019–2023) in the area of bureaucracy has been prepared and formulated based on this good governance theory. It has also taken the structural adjustment program as the basis for budgetary issues.

In the municipality’s four-year program, it is overlooked that transparency, meritocracy, free elections, and the like as “good institutions” although accepted features in good governance theory and many other policy recommendations, can disrupt the social order. This is because they lead to the removal of groups from power who are capable of generating violence and retaliation in society. In a society with a “limited access social order,” these groups do not tolerate the components of good governance and do not allow themselves to be removed from the circle of power. Therefore, the recommendations of urban planners, urban economists, and other social science researchers in the form of imitation and translation from the best practices of others are not only not useful for achieving development but can even be harmful (North et al., 2017). From this perspective, the policy recommendations of conventional economics and the World Bank’s good governance theory are violence-inducing for underdeveloped or developing economies.

Neoclassical economic theory entails a set of explicit and implicit assumptions about the nature of politics and government: competition is maintained, entry is free, property rights exist and are protected, an already orderly society exists, transaction costs are assumed to be zero (North et al., 2006), and it implicitly considers the “Weberian” assumption that violence is monopolized by the government and will not be used to abuse citizens (North et al., 2016). Given these unrealistic assumptions, neoclassical economics and the World Bank’s good governance theory are incapable of understanding the fundamental problem of development. This theory does not take the issue of violence into account. Considering the role of violence in shaping social orders, institutions, organizations, and their development over time, two issues stand out: first, development within the natural state and limited access to politics and the economy; and second, the transition from limited access orders to open access orders (North et al., 2016: 398).

As Matt Andrews and colleagues (2020) point out, parrot-like imitation in the first stage was not unfamiliar; that is, a poor country could create the illusion of “development” in the minds of its citizens and external donors by showcasing apparently dazzling new infrastructure (first stage) and imaginary commitment to policy reforms (second stage). However, parrot-like imitation in the

third stage operates more insidiously, because “institutions,” as important as they are, are also urgent [short-lived]. The process of forming effective institutions occurs in an entirely different ontological space compared to building highways or vaccinating children. But when displaying real success is difficult even under the best conditions, if the legitimacy of development actors depends on the continuous repetition of stories of success in building good institutions, then parrot-like imitation becomes a tactic for perpetuating the status quo and lock-in.

The fact that imitation and translational adoption of successful industrial models are placed on the agenda within the system of education, research, and urban policy-making stems, from a methodological perspective, from a lack of proper understanding of the nature of the “model.”

2-2. The Nature of the Model and How It Is Applied

At the heart of a theory, various models can be constructed. Models isolate distorting effects in order to demonstrate how specific mechanisms operate in reality, and in other words, they simplify reality. It is obvious that the omitted information must be of lesser importance and must not undermine the explanation. With the selective nature of information, differences between various explanations also begin, and from this point onward, the discussion of competing theories becomes evident.

In the methodology of positive economics, Milton Friedman (2002) considers unrealistic assumptions to be an essential part of theory-building. In his view, the most important issue is that the theory makes correct predictions. However, it is unlikely that we will reach correct results with incorrect premises and assumptions (Allen, 2022). Moreover, theories have functions other than prediction. They explain, enlighten, and prescribe. Therefore, it is difficult to imagine that correct predictions can systematically be obtained with incorrect assumptions (Streeten, 2000).

In general, for a model to be useful in following reality, the following must hold:

- The main hypotheses of a model must reflect the environment under consideration; in other words, the local reality must confirm the model’s assumptions.
- The mechanisms present in the model must be confirmed and supported by the mechanisms in reality.
- The direct and implicit outcomes and implications of the model must be proven, and the local reality must support them (Rodrik, 2017).

These are the points that must be taken into account when selecting models for research and urban planning in Tabriz so that their explanations, prescriptions, and predictions can untangle the city’s urban problems. Given that neoclassical economics and theories such as the “World Bank’s good governance” lack these requirements for Tabriz’s local environment, they must be revised from both methodological and substantive perspectives to align with the local environment before they

can be applied in research. In other words, either these models must be expanded or research and policy prescriptions for urban issues should be carried out using other models that have greater compatibility with Tabriz's local environment.

2-3. Lack of One-to-One Correspondence Between Fundamental Principles and Proposed Policies

One of the most fundamental oversights in urban planning and research in Tabriz is the assumption of a one-to-one correspondence between fundamental principles and policy proposals. In reality, however, no such correspondence necessarily exists. For example, in the theory of good governance [World Bank], which is strongly recommended by Tabriz's urban development program (2019–2023) as the framework for city management actions, recommendations are made for “transparency,” “participation,” “freedom of choice,” and the like. Tabriz's urban program, along with many theses and doctoral dissertations at the University of Tabriz in the fields of economics and urban planning, present these same components as policy proposals. However, these are fundamental principles that must be accompanied by appropriate policy and institutional implications suited to the coordinates of the local environment in order to be considered as policy proposals.

If we achieve the methodological maturity mentioned in the previous sections, in many cases we will find the entry point proposed by translated theories for achieving Tabriz's development goals to be inappropriate. Because those theories, based on their assumptions, propose a specific starting point for achieving urban development; but if those assumptions are not confirmed and supported in Tabriz's indigenous context, taking action based on the guidelines of those theories becomes a voluntary step toward leading the city into a dead end.

1. Theory of Limited Access and Open Social Orders

Based on the various relationships between power holders, the type of rent and competition, and the type of organizations in a society, limited access or open access social orders in political and economic markets can be briefly illustrated according to the table below:

Table 2: Types of Limited Access (Closed) Orders and Their Characteristics. North et al. (2017)

Characteristics	Fragile Order	Limited Access	Basic Limited Access Order	Mature Order
Power Holders	Individuals		Individuals and organizations	Cohesive organizations
Relationship among Power Holders	Coalition of some power holders with conflict against others		Coalition of all individuals and organizations	Coalition of all organizations

Factor Order	Maintaining	Distribution of rents among individuals	Distribution of rents among organizations	Distribution of productive rents
Factor Transformation	of	Coalition of all power holders	Coalition of organizations	Distribution of productive rents
Factor of Reversion and Regression		Breakdown of the coalition by one of the groups outside power	Destructive rent distribution and conflict over limited resources	Conflict from new forces

Reference:

The fragile order is a society in which one or more powerful groups can disrupt its order. Either power struggles continue, or some powerful individuals form a coalition to distribute power and rents among themselves and exclude other power holders from the circle of power. Individuals outside the coalition are considered a threat to the order, and there is a possibility that the existing order will break down and society will be exposed to chaos. If the ruling coalition can contain potential threats and establish order for a long period, a significant transformation will gradually occur: powerful individuals organize their forces, and organizational relationships among powerful individuals replace personal relationships. Political stability provides the ground for economic growth, and this society can reach the second type of society or the basic limited access social order.

In the basic limited access order, powerful individuals transform into powerful organizations. Despite the formation of powerful organizations, powerful individuals can still threaten the basic limited access order, but the probability is much lower than in the fragile limited access order. In this order, as in the fragile limited access order, rents are distributed among power holders. The economic fate of this society depends on the manner of rent distribution. The formation of creative destruction competition and productive rent distribution guides society toward the “mature society.”

There are no straightforward and easy rules for transitioning from a limited access social order to a mature and open social order. This transition depends on the contextual conditions of societies in terms of economic, political, cultural, historical, geographical, and other factors. Nevertheless, power holders must pass through several bottlenecks: 1) conflict or coalition; 2) personal relationships or organization-building; 3) limited competition and unproductive rents or creative destruction competition and productive rent distribution. Taking into account the specific conditions of each society, one must become familiar with the logic of choosing these crossroads and find solutions in each society to pave the path of transition to development (forming coalitions, organization-building, and creative destruction competition along with productive rents).

4. Research Methodology

The method of the present article is the political economy approach (the art of economic science). Economists usually divide economics into two distinct categories: positive economics (what is) and normative economics (what ought to be). However, it is not at all clear where applied economics (the art of economics) fits in these categories. Applied economics belongs neither to positive economics nor to normative economics, but to a category called the “art of economics.” Empirical research in positive economics should be designed to test whether a theory can be tentatively accepted or not. Such empirical tests are often inappropriate or irrelevant when applying theory to real-world problems. Moreover, introducing the art of economics exempts normative economics from dealing with economic policy and enables a deeper examination of the question of which goals are appropriate for economic policy. The art of economics accepts a set of goals set forth in normative economics and, drawing on insights from positive economics, discusses how to achieve those goals in the real world (Colander, 2001).

Today, most empirical research conducted by academic economists is highly formal, technical, and econometric in nature. Most of us accept that someone who is only an economist is a weak economist. Nevertheless, pressures for appointment, employment, promotion, tenure, and publication have become such that economists must always teach, research, and promote increasingly narrower fields if not small patches. As a result, without understanding institutions, the history of economic thought, economic literature, how to evaluate quantitative and qualitative data, or how to weigh evidence, and without possessing a broader vision, they become narrow-minded specialists. David Colander (2001), Paul Streeten (2000), and Dani Rodrik (2017) strongly criticize both the topics that have been neglected in economics and the issues that have illegitimately been absorbed into it.

To address the shortcomings of the conventional economics approach, Dani Rodrik emphasizes that economics needs non-market values and reasoning. Most great economists such as North (1992), Rodrik (2017), Elliott (1978), Stiglitz (2024), and others stress that economics must be broadened both in terms of method and field of study in order to analyze economic phenomena. From this perspective, the lack of pluralism in economics is considered a serious flaw. For this reason, we discuss the topic of the present article within the framework of political economy, which, centered on economics, can draw on discussions from politics, sociology, social psychology, and ideology related to the subject.

The final point that needs emphasis is that the purpose of empirical research in the “art of economics” method is not to test theories which is specific to positivistic economics but to apply theories to real environmental problems. The appropriate methodology for such applications depends on sociological and political observations, and stopping within the boundaries of the precision required by the law of significant figures is not generally correct. Therefore, constructing hypotheses and testing them may be suitable for empirical research in positive economics, but it is not suitable for empirical research in the art of economics. In line with this, using tools of

observation and secondary documents, while critically examining the policy proposals of some of the most important research and programmatic documents of Tabriz, we will offer theorizing and policy proposals appropriate to Tabriz's context for escaping the current dysfunctional situation. Subject to the adoption of our proposals in Tabriz's urban management, future studies in the framework of positivistic economics can test the correctness or error of our theory and policy proposals.

In the present study, our unit of analysis is the city of Tabriz. The reason for selecting the documents under review from among the multitude of documents and studies is their thematic importance for the management of Tabriz. In conducting the study and judging the policy proposals of Tabriz's programmatic documents and urban research, we have tried to benefit from frontier discussions in development knowledge. For example, after decades of promoting the "solution-oriented" approach by the World Bank and the International Monetary Fund, the admission by these two international institutions of the failure of the solution-oriented approach in the 2005 report titled "Economic Growth in the 1990s: Learning from a Decade of Reform" is noteworthy. Unfortunately, despite this, the aforementioned admission has not received attention from most of our planners and researchers. Also, the recommendation to summarize the criticisms of North, Acemoglu, Rodrik, and Fukuyama regarding the "solution-oriented" approach and publish them publicly in the form of a concise book in 2008 by the World Bank is another milestone that has been overlooked by our policymakers, planners, and researchers.¹

Therefore, in this study, the basis of our critique and examination of programs and policy proposals from urban research is, first, the observation of Tabriz's reality regarding the gap between promises, expectations, and performance, and second, prominent theories that have addressed the necessity of a problem-oriented approach and the importance of diagnostic understanding of the local environment. Within this framework, we have broadened our concepts, variables, and field of study compared to the positivistic method and neoclassical economics. For example, within a new concept of "urban development," we have emphasized that the physical construction of the city is a means of development, not its goal. Regarding the necessity of pluralism, we have argued that urban social issues should be studied in an interdisciplinary manner, not merely economically, sociologically, or politically in an artificially separated way. In the domain of analytical variables, we have also introduced "ideology" as an analytical variable and no longer placed it under the assumption of "ceteris paribus," and so on.

5. Critical Examination of the Theoretical and Methodological Perspectives of Tabriz Metropolis Research and Programs

¹ For a critique and review of the World Bank's 2005 report, see Dani Rodrik's article (2006). Also, the book published by the World Bank in the form of views by North, Rodrik, Acemoglu, and Fukuyama can be considered in the translation by Farshad Momeni (2020).

In this section of the paper, we focus on the perspective of some research studies and the first Strategic-Operational Plan of Tabriz Metropolis (2019–2023) in order to trace one of the most fundamental and decisive intellectual reasons for the dysfunctional state of Tabriz. Before entering the discussion, we note that the perspective of the aforementioned documents allows for critical discourse from various dimensions. Nevertheless, we limit ourselves to only one or two intellectual shortcomings in each document and leave more detailed discussions for other writings. It is also strongly emphasized that the common distinguishing feature of all the documents and programs we examine below is the uncritical imitation and adoption of theories and the “one best practice” method, which is referred to as the “solution-oriented” approach.

In the solution-oriented method which is the prevailing approach in most economic and social research in Tabriz experts first conduct studies to reach a decision on a “solution,” then design how that solution should be introduced into the operational context, and finally proceed with implementation. However, such stages in a linear process (whether slow or sudden in nature) provide little opportunity for learning and adaptation to the local environment.

In the solution-oriented approach, many individuals and researchers, when thinking about what to do when facing a problem, limit their policy reforms and initiatives to a narrative consisting of two parts: (a) the current situation we have, or the way things are currently done in the context in question methods that people present in that context know how to perform, but which have not solved the problem; and (b) the best practices that exist in other contexts and are believed to have solved similar problems, but we are not sure how to implement them in the desired time and place. Policy reform and change often focus on replacing current domestic practices with the best foreign practices. However, reformers have more options than these two. They can act in a problem-oriented manner by focusing on a diagnostic understanding of the local environment. We will return to this point in the recommendations section of the article.

5-1. Critical Review of the Research Project “Pathology of Tabriz Metropolis Municipality’s Participation in Investments”

The research project “Pathology of Tabriz Metropolis Municipality’s Participation in Investments” can be the subject of serious discussion and critique from various dimensions. In this brief review, we examine it from four perspectives: 1) solution-oriented approach; 2) micro-foundation and unidimensionality; 3) resource-orientation; 4) inattention to comparative considerations and neglect of foundational-ethical considerations.

5.1.1. Solution-Oriented Nature of the Project

The aforementioned research project explicitly states on pages 128 and 129 that, in order to fill the gap between the current situation of Tabriz and the desired situation (the situation of leading cities in industrialized countries), it adopts models and solutions from successful leading examples. In other words, this project has reached a consensus on a solution for Tabriz by borrowing from leading foreign examples and seeks to introduce that solution into Tabriz’s context and proceed

with implementation. This process is illustrated in a linear fashion in Figure 1-5 on page 142 as follows.

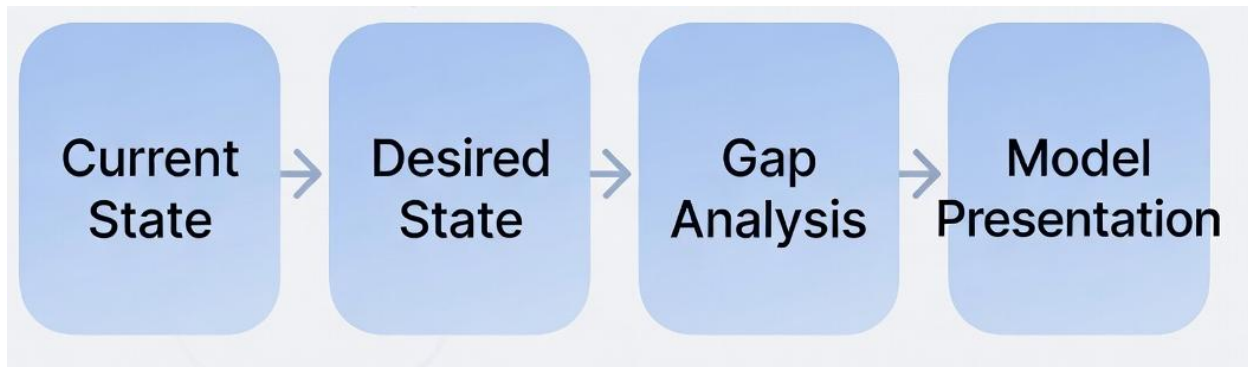


Figure 2: Method of Formulating a Model for Expanding Participatory Investment of Tabriz Municipality

Reference: Mousavi, 2021

However, as previously mentioned, such stages in a linear process provide little opportunity for learning or effective adaptation to the local environment of Tabriz. The project implementer could have used an experimental and iterative process (Andrews et al., 2020: 258) with the following characteristics:

- Multiple solutions should be identified and implemented through diagnostic understanding of the local environment.
- Iterative experimental steps should progressively allow the emergence of real solutions (i.e., locally legitimate ones).
- Ultimately, disciplined, experimental, and flexible learning could help adapt to the specific features of the local context.

When dealing with complex challenges such as low productive investment, we need a different approach an approach in which policymakers and reformers can test new ideas, learn what works and why, apply those ideas, and repeat the process until a suitable solution is reached. In other words, we arrive at an appropriate solution through trial and error within the local environment, rather than parrot-like adoption of a “one best practice” solution and attempting to implant it in Tabriz. It is in the shadow of this methodological oversight that excessive and ill-timed burdens are imposed on Tabriz, causing it to lose even its previous half-developed capabilities.

5-1-2. Micro-Foundation and Unidimensional Nature of the Project

Productive and technological investments at the microeconomic level require considerations at the development level and macroeconomic stability. Despite this, since the perspective of the aforementioned research project on the issue of investment is micro-founded in the same manner as translated economics textbooks, and is carried out with microeconomic analyses and an insular view of the economic sphere², this mono-economic perspective not only fails to secure property rights for productive investments, but itself prepares the ground for greater insecurities and, consequently, the decline of future investments in Tabriz.

From an epistemological standpoint, we must recognize that we are dealing with a homonym called “economics.” This term becomes relevant when we talk about the behavior of an individual, household, or firm; it becomes relevant when we discuss macroeconomic issues; and it also becomes relevant when we address issues at the level of economic development. The key point is that if there is no methodological awareness of the problem of “human informational limitations,” and if there is no methodological precision regarding the hierarchical priority of development-level analyses and issues over macroeconomic ones, and macroeconomic over microeconomic ones, then in the name of economic science, both in theory and in practice the ground is prepared for the promotion of violence. It is clear that in the absence of development-level and macroeconomic prerequisites, prescribing micro-founded models establishes jungle-like relations and the law of the jungle in Tabriz and imposes dollar-based votes; meaning that whoever has more wealth, force, and power dominates others in social spheres, leading to exploitation and infiltration of local government. Within jungle-like relations, under the name of urban investment, rent-seeking and excessive greed find the opportunity to emerge. Because this phenomenon disrupts social cohesion, urban management in this space becomes extremely costly.³

5-1-3. Resource-Oriented Nature of the Project

Throughout the aforementioned project, the shortage of financial resources and capital is placed at the center of urban decision-making, and public-private partnership projects are prescribed accordingly.⁴ However, a correct and comprehensive perspective requires that, without denying the existing limitations and constraints on Tabriz Municipality’s financial resources, we also pay attention to other factors.

If the basis of our analysis is the observation of Tabriz’s realities, we must agree with Hafez and Stiglitz (2003) that development is fundamentally not the accumulation of capital but a process of organizational change. When we adopt programs, policies, plans, and projects for Tabriz in a

² The research project in question discusses the requirements for participatory investment on page 149 in the form of the following diagram, focusing on the micro-foundations of economics, without any specific reference to institutional structural relations, government quality, mental constructs of agents, political challenges, or the like.

³ For further elaboration on the topic, refer to Dr. Farshad Momeni’s lecture on this subject.

⁴ For example, the respected reader is referred to the summary and conclusions on pages 81 and 82.

translational manner based on the idea of “one size fits all,” we face resource wastage and financial corruption, which, in their absence, might not have made our financial problems so severe. Therefore, we also need institutional and organizational changes and attention to the direction of Tabriz’s expenditures. In terms of sequence and priority, our main problem is not resource limitation, but the wastage, corruption, and mismanagement of resources. Urban management based on command-and-directive organizations, which hinders the creativity of citizens and concerned municipality and city council employees, creates the ground for resource wastage. Hence, to solve the resource problem, the quality of institutions must be improved, organizational changes must be placed on the agenda, and the direction of municipal expenditures must be prioritized.

William Easterly (2001), in a pessimistic assessment of imitative models for managing societies, acknowledges that “the billions of dollars granted since the 1960s through the efforts of consultants, foreign lenders, the International Monetary Fund, and the World Bank have been wasted and have not led to the desired results.” In our own experience, during Mr. Ahmadinejad’s administrations, more than 700 billion dollars were injected into the Iranian economy without achieving progress. Similarly, in the 2010s (1390s) during Mr. Hassan Rouhani’s government, despite the injection of nearly the same amount into the Iranian economy, the 2010s turned into the “lost decade.” Therefore, our fundamental problem is not the limitation of rial or foreign currency resources, but institutional and organizational changes must be considered. It is clear that we need considerations that are analytically convincing and whose implementation proves effective.

The resource-oriented approach can also be criticized from other aspects. If we consider the goal of urban development to be the expansion of citizens’ real freedoms and the strengthening of civil institutions, and if we avoid arbitrariness in decision-making and resource allocation, then the tools of urban development (financial resources, asphalt, infrastructure, etc.) will be provided with the least resource wastage. In this regard, successful experiences of urban management can be found in the works of Evans (2004), Amartya Sen (2006), and Acemoglu and Robinson (2020).

5-1-4. The Project’s Inattention to Comparative Considerations and Neglect of Foundational-Ethical Considerations

The dominant view of the aforementioned project toward economic science is that economics is a set of “scientific” propositions free from value judgments for understanding the behavior of economic agents — a view in which matters such as time, place, stage of growth and development, or being Muslim or non-Muslim are irrelevant, thereby granting permission for imitation of “one best practice.” However, given that conditions, issues, requirements, values, history, and geographical constraints differ across societies, a critical and active engagement with Western theories and models must be adopted within an indigenous framework. Since the requirements and prerequisites for investment growth in an Islamic society are not internally or externally

compatible with those of a capital-driven society, emphasis must be placed on the importance of indigenizing economic science in this field so that, by aligning tools and objectives, the interests of Islamic society and economic agents are secured in line with values such as social justice and collective benefit.

5-2. Pathology of Tabriz Municipality's Strategic-Operational Plan (2019–2023)

A critical review of the “Strategic-Operational Plan of Tabriz Municipality (2019–2023)” reveals many issues worthy of discussion. We highlight some examples below.

5-2-1. Lack of an Islamic Vision in Tabriz Municipality's Strategic-Operational Plan and the Need to Remedy It

The Strategic-Operational Plan of Tabriz Municipality (2019–2023) lacks an Islamic vision and explicit Islamic explanations regarding the manner of decision-making, resource allocation, and urban management. Given that some requirements of urban management from an Islamic perspective were addressed in the previous section, complementary points are presented here.

Fundamentally, we must answer the question: Is it necessary to have urban economic planning from an Islamic viewpoint? While conventional economics exists in its fully developed form, is it necessary to also have Islamic economics? This question is of special importance because the subject matter of both disciplines conventional economics and Islamic economics is almost identical: the allocation of scarce resources among countless uses. From this perspective, engaging with Islamic economics is only justifiable when the effort to develop this science aims to actualize objectives that existing analyses of conventional economics cannot address. If the set of variables used for analysis is broader, and the mechanisms and methods of resource allocation and distribution differ from those of conventional economics, then the need for Islamic economics becomes essential. Therefore, the first question that may arise concerns the purpose and objective behind any type of planning for resource allocation and distribution. If resources were unlimited, such study and planning might not be necessary. However, resources are limited and insufficient to satisfy all the desires of individuals and social groups. Thus, in budget and development planning, we face the complex question of how to allocate resources, whose desires to fulfill, and what criteria should guide this choice. One answer is provided by Umar Chapra in the book *The Future of Economics*: resources should be used in a way that contributes to the realization of society's vision, namely welfare and well-being (Chapra, 2006: 25).

However, the term “welfare and well-being,” although used by some economists, is itself a contested term and can be defined in various ways. It may be defined in a purely material sense, neglecting its spiritual dimension. Depending on which definition of welfare and well-being is accepted, it determines a completely different mix of goods and services that must be produced using scarce resources. This can lead to different mechanisms for allocation and distribution (ibid., 26). Consequently, whenever economic science enters discussions of human welfare and well-being in its broad sense, its task becomes much greater, and of course more complex and difficult.

In this case, economics may no longer be able to confine itself to economic variables. It may have to encompass all variables, including ethical, psychological, social, political, demographic, and historical ones that contribute to such comprehensive “welfare.” Moreover, at times, economic science may be compelled to answer questions that relate solely to the maximization of wealth and consumption.

Therefore, if the purpose of urban planning is to achieve welfare and well-being in the sense of maximizing profit, wealth, and utility of the neoclassical “economic man,” then we have no need for Islamic economics. But if the realization of citizens’ social welfare in a broader sense is what urban planners have in mind, then both the theoretical foundations and the requirements and prerequisites for achieving that goal must be discussed in the urban development program.

5-2-2. Blaming Marginal Settlers

The Strategic-Operational Plan of Tabriz Municipality blames urban marginal settlers for cultural issues and lack of cooperation with officials, whereas technocratic relations, failure to involve citizens in social management, and the ineffective adaptation of the government’s institutional structure to rapid scientific and technological changes are the causes of the marginalization phenomenon. Moreover, the issue of urban marginalization is primarily a political and legal matter rather than a cultural one. The cultural aspect (in its non-Weberian sense) is itself heavily influenced by the political aspect, even though it also affects it.

5-2-3. Person-Dependent Nature of Tabriz Municipality Management

The depiction of the current state of city management on page 31 of the plan book indicates the person-dependent nature of Tabriz Municipality’s management. The urban plan attempts to eliminate such relations by applying the “good governance theory” and establish a non-person-dependent organization. However, since the good governance theory [World Bank] itself creates the grounds for violence in rentier developing societies and limited access social orders, the municipality’s planners have not succeeded and will not succeed in achieving this goal.

5-2-4. Considering Solutions to Complex Problems as Easily Achievable

Strategy 43, titled “Transformation of Structures and Regulations Based on the Principles of Good Urban Governance,” recommends and prescribes the following executive policies:

- 431- Accountability, performance transparency, and promotion of integrity and combating administrative corruption;
- 432- Downsizing, streamlining, effectiveness, efficiency, and rationalization of the municipality’s structure;
- 433- Review of policy-making, planning, and standardization;
- 434- Establishment of performance management and strengthening of evaluation and assessment;

- 435- Outsourcing of delegable municipal tasks;
- 436- Neighborhood-oriented approach in management and decision-making systems;
- 437- Continuous and effective qualitative training of municipal employees;
- 438- Promotion of self-esteem and organizational commitment among employees (Strategic-Operational Plan of Tabriz Municipality, 2020: 32).

Furthermore, in the area of structural-administrative transformation, Article 60 of the plan obliges the municipality to realize the principle of meritocracy by the end of the first year of the program. Article 61 prohibits any recruitment or employment of human resources under any title in the municipality, its organizations, and subsidiaries, except with legal permits. Article 62 makes any change in the status of employed personnel conditional upon obtaining legal permits. Under Article 63, the municipality is required to submit a comprehensive bill on transparency of municipal affairs and conflict of interest by the second year of the program in order to promote administrative integrity, and by identifying damaging bottlenecks and establishing the relevant system, protect its human resources (*ibid.*, 94).

The easy treatment of solutions to complex problems in Tabriz's urban development planning reflects the planners' inattention to the philosophy behind the formation of the natural state (limited access social order in the domains of economy and politics). One of the requirements for escaping the dysfunctional situation resulting from limited access order and patronage in natural states is to recognize it as historically natural while not considering the transition from unfavorable conditions as easily achievable. This is because the "increasing returns of the institutional matrix" and the phenomenon of "path dependence" have created a group of stakeholders who resist reforms. Paying attention to these points ensures that we design the starting point of reforms in a way that does not lead to more violence and disorder. The transition outlined by the Strategic-Operational Plan requires a society with the characteristics of effective adaptation and institutions of an open access order as supporting pillars characteristics that Tabriz currently lacks. Therefore, urban development planning must consider one of its most fundamental tasks to be the conscious planning of the transition from the "limited access order" to the "open access order" without provoking further violence.

5-2-5. Fruitless Discussions on the Size of Local Government

On page 32 of the urban plan book, under Strategy 43 and Executive Policy 432, reference is made to downsizing and streamlining, effectiveness, and efficiency of the municipality's structure. However, fruitless debates about the "extent" of government intervention should be set aside in favor of discussion about the different types of involvement by local government, its quality, and the effects of intervention or non-intervention. What is overlooked in discussions of government downsizing is that, in the contemporary world, government withdrawal and intervention are not

mutually exclusive alternatives. In other words, government intervention is assumed, and the issue that must be addressed is the “type” of this intervention, not its “extent.” Therefore, we must avoid the Newtonian “either-or” logic, as such a view has led to the imposition of heavy costs on societies. What should be the guiding principle is a wise combination of government, market, and civil institutions that oversee both the state and the market.

5-2-6. Desirable Goals That Are Not Achieved by the Theoretical Approach of the Urban Development Program

Strategy 54, titled “Promoting Social Justice and Reducing Inequalities,” recommends and mandates the following executive policies (it should be noted, however, that such components cannot be called executive policies. They must be equipped with policy implications and implementation processes to be worthy of the title “executive policy”):

- Empowering citizens residing in disadvantaged areas;
- Inclusive justice in the provision of urban services to all citizens, especially in disadvantaged neighborhoods;
- Promoting citizen participation (Strategic-Operational Plan of Tabriz Municipality, 2020: 33).

Additionally, Article 96 obliges the municipality to allocate resources in the annual budget for citizen participation with a “neighborhood-oriented approach” and to submit an annual report to the City Council (*ibid.*, 124).

The question that arises is: What is the compatibility between imitative programs and models in the form of “one best practice” and soliciting participation from indigenous citizens?! Imitative approaches are inherently technocratic, creativity-killing, and participation-hostile.

Despite the urban plan’s emphasis on the necessity of citizen participation, we briefly review the proposed monitoring, decision-making, and allocation committees of the aforementioned plan to see whether popular participation and oversight by civil institutions truly held importance for the plan’s drafters, or whether the claim of public participation in urban planning was merely a fashionable slogan.

According to Article 92 of the plan, the municipality is required to form a Credit Allocation Committee for the optimal utilization of credits, revenues, and resources (cash and non-cash) with the following composition: Mayor; Head of the Infrastructure, Transportation, and Traffic Commission of the City Council; Head of the Planning and Budget Commission of the City Council; Deputy for Finance and Economy; Deputy for Technical and Infrastructure Affairs; Director General of Financial Affairs and Accounting; and Director General of Planning and Budgeting (Strategic-Operational Plan of Tabriz Municipality, 2020: 123).

Furthermore, according to Article 150, the Steering Committee which is to meet every three months to follow up on the implementation of the plan's provisions, effectiveness, coherence, and prioritization of programs and projects has the following membership: Mayor as Chairman of the Committee; Deputy for Planning and Human Capital Development as Vice Chairman and Secretary of the Committee; Relevant Deputy Mayor(s) depending on the subject; One expert and knowledgeable specialist depending on the subject (selected by the Mayor); and Head of the City Council Research Center (ibid., 182).

As we can see, in the Credit Allocation Committee there is no mention of involving citizens in decision-making and credit allocation. In the Program Steering Committee, outside the municipality and city council, only one expert selected at the Mayor's discretion is allowed to participate. The question is: To what extent can such committees, in the absence of civil and popular institutions, address errors, lack of transparency, potential corruption, rent-seeking, and the like, and actually deliver the good governance envisioned by the urban plan?!

It should be noted that there are at least five areas of discussion regarding such paradoxes in the first urban development plan of Tabriz (2019–2023); however, due to the length of the article, we refrain from discussing them here.

5-2-7. The Urban Development Program's Neglect of Processes for Exiting Uncertainty in the Human and Physical Environment

Given the plan developers' explicit acknowledgment of environmental uncertainties in the city and their commitment to addressing them, the goal of the 12-year Vision Statement and the Strategic-Operational Plan (2019–2023) is stated on page 22 as follows: "Tabriz will be a city with a human-centered identity, clean, healthy, vibrant and dynamic, resilient and resistant to natural hazards and disasters, knowledge-based with a coherent structure and coordinated urban management, balanced and equitable in terms of urban development, as a center for the exchange of superior services and influential at the regional, national, and international levels, with a treasure trove of culture, civilization, and tourism."

Also, under Strategy 11 titled "Observing Human Dignity and Values in Urban Management," the following executive policies are proposed: transforming the city into a place of living with peace and mental health; ensuring the safety of citizens' movement on sidewalks and streets; adapting urban passages for the mobility of disabled, veterans, and handicapped individuals; and observing building height and density according to human scales (ibid., 24).

Article 84 of the Technical and Infrastructure chapter of the plan also repeatedly refers to compliance with urban planning and architectural regulations for physically disabled and handicapped individuals (ibid., 114).

Under Strategy 14 titled "Improving and Upgrading the Quality of Architectural and Urban Planning Services," Executive Policies 145 and 146 emphasize unnecessary bureaucracy and existing administrative barriers and the need to remove them (ibid., 25).

Under Strategy 22 titled “Sustainable Environmental Management of the City,” the following executive policies are proposed, among others:

- Controlling air and surface/groundwater pollution;
- Preparedness for the adverse effects of the Urmia Lake environmental crisis and participation in its revival.

Executive Policy 263 emphasizes timely and accurate public information on the status of environmental pollutants in normal and critical situations. Executive Policy 272 emphasizes adapting the public transportation fleet for the disabled and low-mobility individuals (ibid., 27-28).

Some of the executive policies related to Strategy 31 proposed for enhancing urban safety and resilience include:

- Securing urban spaces against natural and man-made hazards;
- Establishing Health, Safety, and Environment (HSE) offices in Tabriz Municipality;
- Urban watershed planning through surface water management, development and maintenance of drainage systems;
- Implementation of natural hazard prevention projects;
- Increasing the speed of fire suppression, rescue, and relief services to citizens;
- Creating maximum awareness regarding safety matters and prevention of fires and accidents;
- Establishing urban safety and health management systems (ibid., 29).

For the creation and strengthening of scientific management, Strategy 41 proposes several executive policies, including:

- 411- Regulating the conduct of affairs;
- 412- Establishing a meritocracy system in assuming responsibilities;
- 413- Making decision-making research-based and conducting important affairs with a futures studies approach;
- 414- Establishing an economic, social, and urban information bank and planning for the regular collection of required statistics and information for urban management;
- 415- Replacing long-term, regulated insight instead of short-term and taste-based views (ibid., 31).

Executive Policy 431 calls on the municipality to be accountable, demonstrate performance transparency, promote integrity, and combat administrative corruption (ibid., 32). Articles 60 to 63 oblige the municipality to: 1) realize the principle of meritocracy, 2) avoid arbitrary recruitment and employment of human resources, 3) avoid voluntary change in the status of current municipal employees, and 4) ensure transparency of affairs, administrative integrity, and addressing conflicts of interest (ibid., 94). According to Article 123, the municipality is required to prepare a comprehensive plan for organizing disturbing and polluting industries and occupations by the end of the first year of the program and to act upon it after approval by the Council (ibid., 146).

Executive Policy 346 emphasizes the need to identify and address service shortages in deteriorated and marginal tissues (ibid., 30).

As is evident, all the highlighted items above which the Strategic-Operational Plan of Tabriz emphasizes addressing are symptoms of uncertainty in the human and physical environment of Tabriz. Uncertainty causes fundamental disruptions in the processes of accumulating physical, human, social, and institutional capital and prevents the formation of rational specialization and division of labor in society.

It should be noted that as societies move toward greater complexity especially complexity arising from unconventional population density the importance of the phenomenon of uncertainty increases, and accordingly, the importance of establishing non-person-dependent relations and organizations grows for: 1) exiting uncertainties in the human and physical environment, 2) achieving resilience in the urban economy, 3) enhancing effective adaptability to novel phenomena, and 4) increasing competitiveness with other cities. Achieving non-person-dependent organizations is of far greater importance for the metropolis of Tabriz, with its high population density and the resulting environmental uncertainty. The question is: Where in the Strategic-Operational Plan book have the requirements for transitioning from the limited access order to the open access order, and from person-dependent organizations to non-person-dependent ones, been thoughtfully considered as a process? Furthermore, does the translational imitation of approaches, programs, policies, and projects from a successful model, along with neglecting problem-oriented approaches and the lack of diagnostic understanding of Tabriz's indigenous issues, intensify and deepen the problem of uncertainty? Does the dominant positivistic knowledge system, constructionism, and physicalism in city management create the ground for expanding uncertainty in the human and physical environment? If the answers are affirmative, then what is the relationship between acknowledging uncertainty in Tabriz's human and physical environment and the translational imitation of solution-oriented policies and approaches, as well as the neglect of explicitly stating the transition process toward an open access social order?

5-3. Critical Review of the Methodology of the Project “Reform of Tabriz Municipality’s Revenue-Expenditure Management System”

5-3-1. Neoclassical and Narrow-Minded Economic Approach of the Project

The research project “Reform of Tabriz Municipality’s Revenue-Expenditure Management System” (Olad, 2021) has been carried out with a neoclassical perspective. This theory highlights an asymmetry puzzle that it leaves unresolved. It assumes that local government can operate as a revenue-maximizing firm while also maintaining the stability of the political and social system. However, at both the local government level and the individual level, if our concern is the maximization of wealth and income, the stability of the political and social system comes into question. Under this approach, whenever citizens’ cost-benefit calculations dictate, they will violate social and urban rules; similarly, whenever short-term economic calculations and the municipality’s revenue/expenditure calculations dictate, the municipality is encouraged to approve and enforce revenue-maximizing laws whose medium- and long-term consequences are social and political instability. This purely economic and wealth-maximizing agenda paralyzes the city’s political and social system. Because it implicitly grants permission for free-riding by the people on the municipality and, conversely, free-riding by the municipality on the people.

The aforementioned research project does not pay sufficient attention to the fact that “urban development” refers to a city in which the capability poverty of citizens is minimized and a capability richness emerges in the city and its citizens. Capability richness consists of the set of virtues, dispositions, spirits, human, ethical, and religious values that we must possess to achieve perfection, not merely material success. A large city with big buildings, skyscrapers, large squares, highways, and beautiful statues may help a number of people achieve material success, but it does not necessarily mean having an ideal, satisfactory life accompanied by happiness and prosperity. As Fazeli (2020), quoting Amartya Sen, states, the good feeling of living occurs in a city where the meaning of urban development is the development of the capabilities of urban humans. A society that wants humans to matter never thinks of the city merely as cars, streets, and transportation systems to be realized through a neoclassical revenue/expenditure system.

5-3-2. The Project’s Unfamiliarity with the Nature and Process of Institutional Reforms

The aforementioned research project claims to have placed institutional reforms in urban management on its research agenda, without any correspondence between the content and policy proposals of the project and the appropriate institutional policy proposals. In response to the unprovable claim of this project, the following points can be mentioned:

In underdeveloped countries, the entry point into economic discussions in the institutional approach is not neoclassical income and “profit,” but the issue of “violence” and the transition from a fragile closed social order to the threshold of an open access social order. If we had analyzed the urban budget with a focus on the “limited access social order,” the entire research would have taken a completely different path.

If you are an institutionalist researcher and acknowledge the pervasiveness of “uncertainty” in the human and physical environment of the city, you would highlight and emphasize issues related to “adaptive efficiency” and non-person-dependent organizations. In the entire aforementioned research, there is not even a mention even at the level of terminology of adaptive efficiency. The central discussion of the project is about allocative efficiency.

If institutional reforms were on the research agenda, they should have discussed the transition process toward belief systems that reduce uncertainties in the urban environment.

If institutional reforms were on the research agenda, they should have discussed “time” and the history of Tabriz, analyzing “historical lock-ins,” “path dependencies,” and “accumulated sediments” in city management. But in neoclassical theory, history does not matter. Equilibria in this theoretical model are momentary equilibria. Yet, without a long-term historical view of Tabriz, it is impossible to trace the formation of ideas, beliefs, and institutions and unlock the locks of underdevelopment.

If institutional reforms were on the agenda of this project, it should not have constantly written about the “price system.” Institutions become relevant precisely when the price system does not work. And because the price system does not function in underdeveloped and rentier contexts, the foundation of economic analyses must be based on institutional analysis.

If institutional reforms were on the research agenda, emphasis should have been placed on institutional variables and their indicators in the general introduction chapter, rather than discussing the urban budget from a narrow revenue/expenditure perspective.

If institutional reforms were on the research agenda, instead of merely emphasizing the price system, ideology and ethics should have been brought into the discussion. Because without ethical considerations, “free-riding” occurs and raises the costs of city management to the point of bankruptcy.

If an institutional perspective had a place in this research, it would not have viewed the municipality as an economic firm and would not have discussed it with a mono-economic and micro-founded perspective. Comparing Tabriz Municipality to a firm in a rentier economy is a view that arises from neglecting the different levels of economic analysis (micro, macro, and development), their interlinkages, and the proper sequence and priority among them. This methodological neglect and the resulting policy proposals create the ground for social violence.

If an institutional perspective had a place, it would have clarified the relationships among social subsystems and their impact on city management, advanced the text with those considerations, and discussed them as analytical variables.

If institutional considerations had a place in this project, it would have distanced itself from the discourse of “constructionism,” the ideology of urban “physicalism,” and the dominant “positivistic” knowledge system.

If institutional considerations had a place, the view toward urban poverty and the way out of marginalization would have been different from the neoclassical perspective of the project.

5-3-3. Other Issues Worth Discussing Regarding This Project

The project as a whole is merely a list of dos and don'ts and lacks indigenous pathology, sequence, and priority.

It presents fundamental principles instead of policy proposals. Fundamental principles, in the absence of appropriate policy and institutional implications suited to the coordinates of the local environment, have no applicability.

In other words, this research is solution-oriented.

Its knowledge system is positivistic and not applicable.

Many of its claims are unprovable even at the theoretical level.

It lacks a dissection of problems.

It pays very little attention to the executive capacity of the municipality and city council.

Without explaining the process of expanding equal opportunities for the urban poor, and beyond that, without creating minimum facilities for benefiting from those equal opportunities, claiming that the urban budgeting system is fair is a bitter and painful joke. In other words, the urban budgeting system of Tabriz, within the framework of the policy proposals of this project, does not significantly enhance the capabilities and functioning of the urban poor.

5-4. Tabriz Urban Budget Planning System as a Platform for Spreading Poverty and Anomalies

In examining the 2023 budget bill of Tabriz Municipality, we witness minimal attention to sequences and priorities, requirements, issues, orientations, and policies or more precisely, the programmatic logic governing the budget and the discussion is mainly about the method of resource allocation and its points of impact. Such an approach to urban budgeting not only renders us incapable of actively confronting the phenomenon of poverty and unjust inequalities, but itself becomes one of the tools for the emergence of such issues. In a programmatic and developmental approach to budgeting, the focus should be on issues, requirements, and policy orientations of budgeting so that it can limit the direct and indirect bargaining platforms of the upper strata of urban society and the arbitrary actions of managers in decision-making and financial resource allocation. The interlinkage between program orientations and poverty and inequality can be argued as follows.

In the not-too-distant past, confronting poverty and inequality was mostly raised as an ethical issue, and classical and neoclassical economists discussed poverty as the product of the poor's own individual incapacities and abilities. Moreover, classical economists believed that the poverty of labor was a tool in the hands of those with wealth, force, and power to ensure the obedience of the poor; a silent weapon that makes the poor submissive to serve industry and the wealthy. But with the clarification of the determining effects of economic poverty [and capability poverty] and its impact on consumption patterns, production, human motivational aspects, environmental degradation trends, the level of human capital accumulation, political stability, social values, and so on, no one anymore considers confronting poverty as a purely ethical approach (Momeni, 2007: 204). In this sense, it can be said that the determining power and outcomes of any one-year or multi-year development program depend on how that program deals with the issue of poverty and unjust inequalities. The interlinkage between the issue of poverty and unjust inequalities with Tabriz's urban budgeting system can be illustrated in the following diagram.

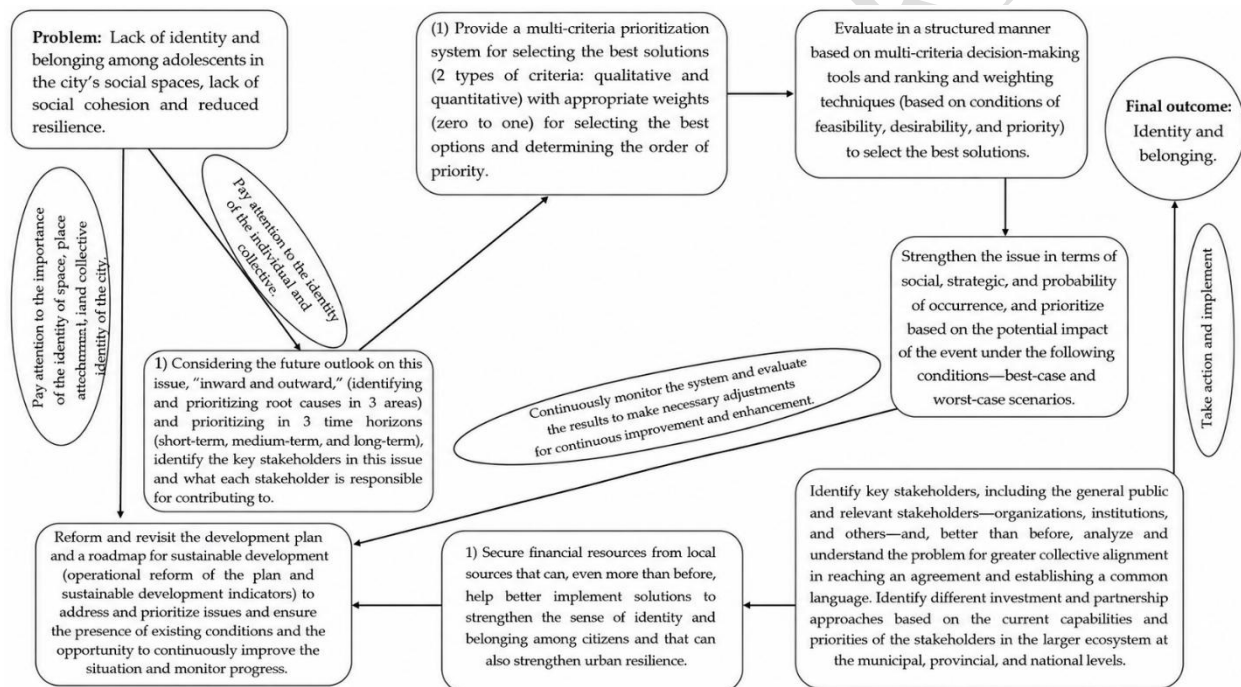


Figure 3: Interlinkage of Poverty with the Budgeting System

Reference: Research Findings

6. Overall Conclusion and Recommendations

Given the violence-inducing nature and repeated failures of imitative policies and programs borrowed from foreign "one best practice," we must abandon such solutions and policy proposals that prescribe "one size fits all." Instead of predetermined solutions (solution-oriented approach),

policy-making should be carried out through a diagnostic understanding of the issues in the local environment (problem-oriented approach).

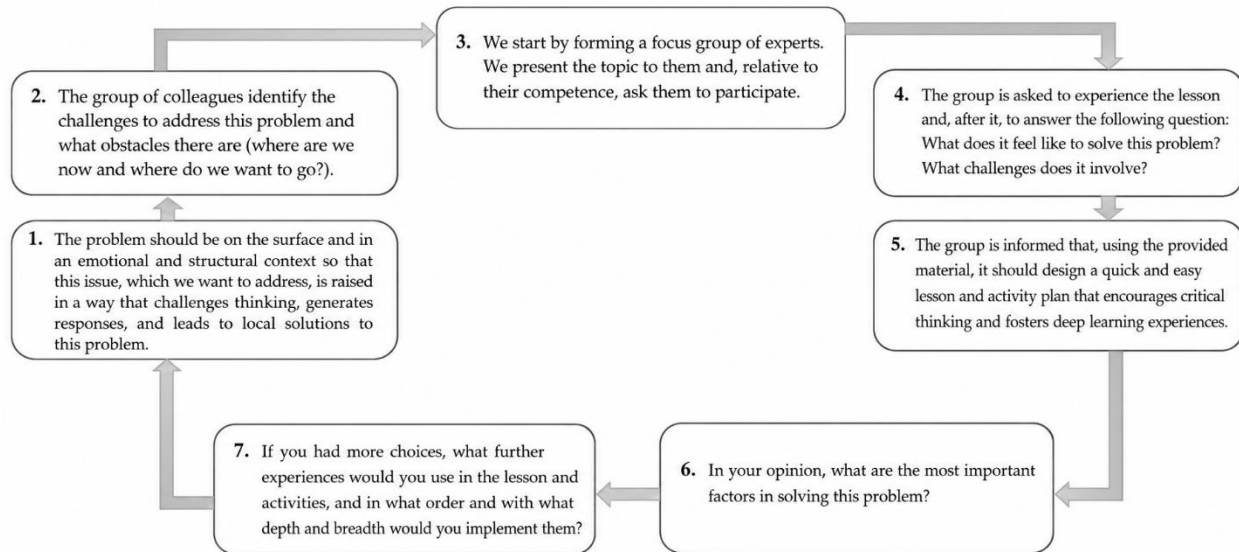


Figure 4: Problem-Oriented Process from the Local Environment

Although fundamental principles such as strengthening the private sector, making the public sector efficient, securing property rights, transparency, meritocracy, absence of corruption, programmatic and operational budgeting, alleviating poverty and inequality, and the like are acceptable and endorsed in all societies, different local environments face institutional diversity, different cultural, economic, and political heritages, and diverse initial historical and geographical conditions. Therefore, to establish these fundamental principles, we must prepare appropriate policy and institutional implications suited to the local environment. In the absence of this, the outcomes and achievements will differ from what is promised. It should be noted that we cannot present these fundamental principles as policy proposals. Rather, by dissecting the problems on one hand and providing policy implications on the other, we must prepare the conditions for problem-solving.

Urban planners and researchers who offer policy proposals must be aware that there is no general and universal solution for our issues that simply prescribes successful advanced models for Tabriz. Therefore, we must derive solutions to our problems from practice, perseverance, trial and error. Hence, we must prepare organizations and institutions that, first, discard failed options and, second, provide favorable conditions for testing alternative options. But in circumstances where existing stakeholders and technocrats will obstruct this, how should we create such organizations? At this level, it can be answered that, contrary to the World Bank's good governance theory, the solution does not lie in the complete elimination of the stakeholders of the status quo (who have the potential capacity for violence). The transition from the current situation to the desired situation

must be carried out with an understanding of the logic of the limited access order, and the situation of the upper strata should improve overall through increased public access to urban social relations (of course, improving the conditions of the upper strata not through rent and corruption, but through productive avenues). In other words, we must practice and select mechanisms through which the upper strata also benefit from increased public access to decision-making and resource allocation. If this happens, the threat of renewing coalitions among the upper strata and stakeholders of the current dysfunctional situation will be neutralized. Under such conditions, small positive changes create new forces to expand the scope of change, and gradually self-sustaining compatibility emerges and institutional self-reinforcement occurs.

Another point is that we should not, like conventional economic theory or the World Bank's good governance theory, take the executive capacity of the city council and municipality for granted. In many cases, our urban problem is low executive capacity and the need to enhance that capacity so that the city council and municipality can implement policies and programs. Assuming executive capacity for the municipality and city council leads to excessive and ill-timed overloading and destroys even the previous half-developed capabilities. Under conditions where the municipality organization and Tabriz City Council are often helpless in completing logistical tasks such as asphalt paving, sidewalk construction, fixing potholes, and the like, how can we assume the executive capacity of Tabriz Municipality for implementing the components of good governance or structural adjustment policies, privatization, and productivity enhancement? Therefore, we must prepare programs to empower local government.

One of the paradoxes of the Strategic-Operational Plan of Tabriz Municipality (2019–2023) is that on one hand it claims to demand public participation in decision-making and resource allocation, while on the other hand it presents a pre-prepared institutional list and composition for committees that leaves no room for popular creativity and indigenous participation. Given that throughout human history, "rights" have emerged from people's demands, citizens must have popular demands and support the structuring of civil institutions in the direction of realizing citizenship rights, and not be overly content with officials' promises. Of course, in general, urban development requires both strong civil institutions and a strong urban government that constrain and condition each other and prevent each other's excessive greed.

Authors' Contributions

First Author 100%

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Conflict of Interest

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