

# **Analytical Review and Legal Examination of the Structural Reforms in Iran's Seventh Development Plan**

**Amir Hossein Bamati Toosi<sup>1</sup>**

<sup>1</sup> Department of Economics, Faculty of Economics, Allameh Tabataba'i University, Tehran, Iran

## **Abstract**

Over recent decades, development plans in Iran have served as one of the principal instruments of medium-term public policymaking. However, assessments of their performance indicate that despite the substantial resources devoted to their formulation, achieving development objectives has been hindered by persistent structural challenges. Adopting an analytical and legal approach, this article examines the Draft Seventh Development Plan and demonstrates that a significant portion of its provisions lack conceptual coherence, clear implementation mechanisms, and a well-defined legal status. The content analysis reveals overlaps between programmatic provisions and permanent laws, ambiguity in the designation of responsible institutions, an absence of measurable indicators, and weak oversight mechanisms. Moreover, the misalignment between the political and programmatic timelines, insufficient institutional capacity, and the limited preparedness of Iran's fiscal structure for medium-term budgeting further undermine the feasibility of implementing the plan's provisions. The findings emphasize that enhancing the effectiveness of Iran's development planning system requires legal reforms, strengthened institutional capacity, and the establishment of continuous evaluation mechanisms. Without such reforms, the risk of repeating the persistent cycle of underperformance observed in previous development plans remains high.

**Keywords:** Seventh Development Plan, fiscal governance, legal assessment, Iran's planning system, institutional reforms

## **Extended Abstract**

Development planning has long been one of the central instruments of public policymaking in Iran, intended to guide the country's medium-term trajectory in economic, social, and institutional domains. Since the mid-20th century, a succession of development plans—whether titled “development programs” after the 1979 Revolution or “seven-year programs” before it—have sought to provide a coherent framework for national progress. Yet, despite the vast administrative capacity and financial resources directed toward formulating these plans, the gap between intended objectives and actual outcomes has remained significant. This persistent disconnect raises fundamental questions regarding the structural and legal underpinnings of the planning system in Iran. The Seventh Development Plan (2023–2028), currently under review, represents the latest attempt to overcome long-standing challenges. This extended abstract provides an analytical and legal examination of the structural reforms proposed in the plan, evaluating their

feasibility, conceptual foundations, and coherence with the broader institutional environment.

The analysis begins by situating the Seventh Development Plan within the broader historical evolution of planning in Iran. Development programs have traditionally been formulated with the expectation of providing strategic direction for public expenditure, institutional reform, and policy coordination. While the textual content of these plans often reflects ambitious goals—ranging from macroeconomic stabilization and social welfare enhancements to administrative restructuring—the operationalization of such goals has consistently fallen short. A review of past plans reveals several recurring obstacles: ambiguity in the legal status of programmatic provisions, inconsistency between short-term political cycles and medium-term planning horizons, insufficient institutional capacity, and weak mechanisms for monitoring and evaluation. These foundational issues continue to shape the context in which the Seventh Development Plan has emerged.

Against this backdrop, the present study adopts a dual analytical–legal perspective to scrutinize the Seventh Development Plan. This combined approach is necessary because the challenges of development planning in Iran cannot be fully understood through policy analysis alone; rather, they are deeply intertwined with the structural characteristics of the country’s legal system, administrative framework, and constitutional principles. In particular, the legal coherence of programmatic provisions—whether they align with the hierarchy of norms, respect constitutional limitations, and possess enforceable mechanisms—is essential to determining their feasibility. Many of the weaknesses observed in earlier development plans arise from the improper incorporation of actionable policies into a framework that is, by its nature, temporary and medium-term.

One of the principal findings of this study is that a significant portion of the provisions in the Seventh Development Plan lack conceptual coherence and suffer from ambiguous legal status. A number of articles blur the line between programmatic directives and permanent legislation, thereby creating inconsistencies within the hierarchy of legal norms. Development plans are designed to serve as temporary and strategic documents, valid for a five-year period; they are not intended to modify or replace permanent statutory law. However, several sections of the Seventh Plan introduce structural changes in public institutions or propose alterations to governmental responsibilities that, by legal logic, should be enacted through ordinary legislation rather than through a temporary plan. Such practices not

only undermine constitutional procedures but also create confusion for administrative agencies tasked with implementation.

In addition to legal ambiguity, the content analysis reveals substantial administrative challenges associated with the proposed structural reforms. For example, the plan proposes the transformation of the Ministry of Economic Affairs and Finance into a “Ministry of Treasury and Financing,” a change that entails extensive reorganization. Yet the plan fails to specify what will become of the ministry's numerous other responsibilities—such as taxation, customs affairs, regulatory oversight, and state asset management. Without clear delineation of institutional responsibilities and coordination mechanisms, such reforms risk generating administrative fragmentation, duplication of functions, and implementation delays. Structural reforms, when undertaken without institutional readiness, can produce greater inefficiencies than the problems they aim to solve.

Another major reform proposed in the plan is the adoption of a rolling medium-term budgeting framework. In theory, such a framework aligns Iran with international best practices in fiscal governance, as many advanced economies utilize multi-year budgeting to enhance fiscal discipline, predictability, and long-term planning. However, the study finds that the feasibility of medium-term budgeting in Iran is limited by macroeconomic volatility, unpredictable revenues—especially those tied to oil exports—and the absence of integrated financial information systems. Without stable macroeconomic conditions, medium-term expenditure ceilings cannot be projected reliably. As a result, the transition to a rolling budgeting system, while conceptually appealing, risks failure in practice unless accompanied by deeper institutional reforms.

Institutional capacity presents an additional layer of challenge. Effective implementation of development plans requires robust administrative capabilities, coordinated interagency mechanisms, and skilled human resources. Yet past experience indicates that many Iranian ministries and executive agencies lack the technical expertise or cohesive organizational structures necessary to implement complex policy directives embedded in development plans. Consequently, even programmatic provisions that are technically sound may remain unimplemented due to institutional weaknesses. The Seventh Development Plan does not adequately diagnose or address these structural deficiencies, raising concerns about its capacity for execution.

One of the most fundamental obstacles identified in this study concerns the temporal mismatch between political and programmatic cycles. Development plans operate on a five-year horizon, whereas presidential administrations function on a four-year cycle. This misalignment often results in a lack of ownership: the administration that begins implementing a plan is not the same one that designed it, and the administration that designs a plan may not remain in office long enough to carry out its provisions. This discontinuity undermines political commitment, disrupts policy coordination, and hampers long-term institutional memory. Unless this structural misalignment is resolved—either through adjusting the duration of development plans or instituting mechanisms for binding cross-administration commitments—policy instability will continue to hinder the effective implementation of development plans.

Monitoring and evaluation represent another systematic weakness addressed in this analysis. For a development plan to achieve its goals, it must employ measurable indicators, define clear benchmarks, and establish mechanisms for continuous oversight. Unfortunately, the Seventh Development Plan, much like its predecessors, incorporates many provisions that are qualitative rather than quantitative and lacks operational metrics for assessing progress. Without rigorous monitoring frameworks, government agencies cannot be held accountable for performance, and deviations from objectives cannot be detected or corrected. The absence of performance-based indicators reduces the plan to a largely declarative document rather than an actionable policy framework.

Taken together, these findings suggest that while the Seventh Development Plan contains ambitious aspirations and seeks to address long-standing structural challenges, its feasibility is constrained by deep-rooted legal, institutional, and economic limitations. Structural reforms—whether administrative or fiscal—cannot succeed without first establishing the necessary prerequisites: legal clarity, administrative capacity, fiscal stability, and effective oversight mechanisms. Moreover, the recurrent cycle of underperformance in Iran’s development planning cannot be interrupted unless reforms address the systemic causes of failure rather than merely adjusting policy content.

In conclusion, the analytical and legal assessment conducted in this study highlights the need for foundational reforms to enhance the efficacy of Iran’s development planning framework. For the Seventh Development Plan to move beyond the shortcomings of past programs, it must establish a coherent legal foundation,

delineate institutional responsibilities with precision, provide enforceable mechanisms for implementation, and integrate continuous performance evaluation. Without such structural support, even well-designed policies are likely to remain unimplemented. Addressing these systemic issues offers a promising pathway toward improving governance, strengthening public administration, and ensuring that development planning can contribute meaningfully to Iran's long-term socio-economic transformation.

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