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Decentralization or Distraction? Iran's Post-War Gamble

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BABEK CHALABI, AUG 1 2025

Following a 12-day war with Israel in June 2025, Iran's leadership has ramped up nationalist rhetoric, stressing unprecedented national unity where even ethnic differences have come to no account. At the same time President Masoud Pezeshkian, a reformist elected during the crisis, has initiated efforts to devolve more powers to provincial governors. It has also raised questions about whether Iran is moving toward a version of federalism or simply seeking administrative devolution. Could a federal approach reshape Iran's political system and enhance inclusion for ethnic minorities?

Federalism in Iran: A Historically Taboo Idea

Federalism, a system in which regions have a level of autonomous power, has long been a sensitive and even taboo issue in contemporary Iranian politics. The Islamic Republic established in 1979 has been a highly centralized state. Since then, the supreme power has generally regarded suggestions of transferring real power to the provinces with great suspicion. Even new regime hard-liners have admitted the attractiveness of federalism while noting that it is impractical in the existing system.

For example, during his presidency (1997–2005), Mohammad Khatami remarked that “the most desirable method of popular government is federal administration,” yet stressed that implementing it in Iran was impossible. His Interior Ministry reportedly kicked around the idea of splitting the country into 10 federative regions before it determined that, “from a constitutional point of view, we cannot be federal.” That is how the Iranian constitution and system of governance vests a unitary body of politics, which would also prevent ‘real federalism’ from ever being realised without a complete reformation of the law. Minority rights advocates and some intellectuals have, over the years, quietly favored discussion of a more decentralized state to ease tensions.

On rare occasions, even official institutions have flirted with the concept. In 2012, for instance, the Research Center of Iran's Parliament proposed exploring a federal framework, an extraordinary recommendation at a time when governance in Iran had arguably become “more centralized than ever.” But, such proposals went nowhere. The country's conservative and reformist political elites have mostly refused to entertain federalism as a possible territory, singing in unison about the danger it poses to feeding separatist impulses or leading to national unraveling. The fact that Khatami's passing nod to federalism could still re-enter the public domain and be seen as a breach of a taboo that had lasted close to two decades underlines its enduring sensitivity. Until recently, no senior official had seriously floated the idea of shifting power out of Tehran.

New Moves to Delegate Power: Federalism or Just Decentralization?

In the aftermath of the recent war and amid ongoing economic and social pressures, the Iranian government under President Masoud Pezeshkian has placed a new emphasis on decentralization. Over the past months, Pezeshkian repeatedly vowed to delegate greater authority to provincial governors to cut through bureaucracy and allow local problems to be solved “from within” the provinces. He argues that empowering local officials will speed up decision-making and service delivery, a crucial need as Iran struggles with issues ranging from post-war reconstruction to

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water shortages. In a telling quote, President Pezeshkian emphasized that “each governor, as the president of their own province, should [be able to] analyze and guide affairs with awareness and agility”, rather than waiting on slow central directives. He praised the transfer of authority as a process that the government was “committed to complete because it is correct and effective.” He said it was a “big step” in the direction of improvement in governance. These are designed to be part of a wider push to modernize Iran's government and to bring about a more balanced development in all regions.

President Masoud Pezeshkian has championed greater provincial authority, saying every governor should act as the “president” of their province. His administration claims this will cut red tape and improve local governance, especially after the recent war. However, the flurry of provincial empowerment has also sparked debate and some consternation within Iran's political class. Critics of the government have cynically dubbed the move “federalism”, implying that the administration is undermining the country's unified structure. This pushback appears to be driven by two concerns: first, that devolving power could threaten Tehran's control, and second, that it might just be a populist distraction from bigger problems. In response, officials from the President's office have been trying to clarify that what is happening is not federalism. “What federalism?” scoffed Mohammad-Mehdi Tabatabaei, the President's communications deputy, in a rebuttal to the critics. He explained that the plan to increase governors' powers remains “within the framework of the law” and simply allows governors, as “high representatives of the central government in each province,” to carry out national programs with more flexibility. In other words, policy and planning will still be set at the national level.

However, implementation can be more locally tailored, far from granting provinces independent legislative or financial control. Pezeshkian has stressed that devolution will be accompanied by accountability: governors may get more latitude, but they must still work toward national goals and be held responsible for outcomes. “It's not as if we give authority and everyone can do whatever they please,” he said, warning that unfettered local power without oversight would lead to chaos.

Thus, the government believes this is administrative decentralization, not political federalism. Indeed, there is no indication of altering the constitution to create provincial parliaments or ethnic self-rule. The Interior Ministry's plan, as described, is essentially to make governors more powerful agents of the central government in the provinces, not to make them independent actors. This model echoes initiatives from Iran's past, for example, the elected city and village councils that Khatami introduced in the late 1990s as a form of local self-administration but stops well short of a true federal system. Supporters of the move, including many in Parliament, argue that decades of over-centralization have hindered development and that giving provinces more decision-making authority will unleash competition and innovation at the local level. “If we want to feel growth and progress in the provinces...we have no choice but to delegate authority to governors,” says Mohammad Saleh Jokar, head of the Majles Internal Affairs Committee. Proponents also point out that nothing in Iran's constitution forbids delegating powers; presidents and ministers have always had the right to transfer certain duties to local officials. The fact that it hasn't been “done properly” in 45 years is, they say, more a failure of political will and bureaucratic habit than a legal barrier. Now, under the pressure of crises, that may finally be changing.

Post-War Nationalism and Ethnic Minority Concerns

Iran's flirtation with decentralization is unfolding against the backdrop of a surge in nationalist sentiment following the June 2025 war with Israel. The brief war sparked by Israeli attacks on Iranian nuclear and military sites saw Iran suffer the elimination of several commanders but also rally its forces to hit back hard. In its wake, Iranian leaders have heralded a “powerful sense of national solidarity” that the conflict galvanized. President Pezeshkian, for one, has commended the way “everyone rose” to defend the country, including people “who had felt alienated from the government before”. In a recent speech, he observed that people in Iran who felt wronged or left out, such as political prisoners and exiles, set aside differences to join in fighting against the external threat. “Iran is for all of us, whether we are black, white, man, woman, speak this language or that; whatever our ethnic group and religion,” he said, making a point about an ideal of inclusive patriotism. This language of unity-in-diversity reflects a conscious recalibration: the regime is purposely attempting to mobilize Iranian nationalism that crosses ethnic and sectarian positions, in particular to buttress domestic stability after the devastating war. Even Supreme Leader Ali Khamenei

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has emitted signs of inclusiveness, saying that to defend the nation, whatever group or faith, anyone who “has their heart with Iran” must get involved.

On the other hand, such post-war nationalist narratives could help Iran consolidate its internal fronts. A large segment of the overwhelmingly Persian people, who have long been at the forefront of upholding the Iranian identity, are appreciative of not capitulating to foreign harassment and will listen when told that they must be united. However, in the longer term, that's a dangerous game to play, especially for a country like Iran, which has a pretty mixed ethnic population. Over 60 percent of its people are not ethnically Persian, such as South Azerbaijanis, Kurds, Arabs, Baluch, Turkmen, and more, and some of them nurse simmering grievances about the marginalization of their culture and politics. It's also that such a surge of Persianness can risk distancing these minorities if it elides their unique identity or claims to rights. There's a very fine line between ‘rally around the flag’ and a story of nationhood that's mono-ethnic. Iranian authorities will argue that their integration vision, as framed by this week's statement “Iran belongs to all of us” by Pezeshkian, includes all ethnicities. However, actions speak louder than words in this case.

So far, the signs of substantive inclusion are mixed. On one hand, the very fact that Masoud Pezeshkian himself is an Iranian Azerbaijani (Turkic) from West Azerbaijan province is symbolically significant; his rise to the presidency has been touted as a gesture of national unity and a break from tradition (most of Iran's past presidents were ethnic Persians). His administration has also made token nods to diversity, for instance by urging fairness “without attention to race [or] religion” in governance. Ethnic minority activists, however, are deeply skeptical that the regime's new direction will redress their fundamental grievances. And nowhere is this skepticism more evident than among Araz News, an outlet serving Iran's Azerbaijani community. In a recent analysis, Araz News argued that promises of “delegating authority” without establishing a real federal structure are merely propaganda, offering “no sign of recognizing the rights of [Iran's] nationalities”. The outlet noted that Iran's political system still concentrates power overwhelmingly in Tehran; under the Islamic Republic's centralized model, even provincial governors have traditionally “no independent executive authority” at all. Just cutting some bureaucratic red tape between local and central government, which is what the current delegation initiative amounts to in the end, “is far below true decentralization, let alone real federalism, according to the critics.

What Iran's ethnic minorities have always wanted, from their perspective, are steps like local control over cultural and educational matters (the right to schooling in the first language of students, for example), a reasonable portion of economic resources from the regions where they live and political representation or autonomy that allows them a say in their future. In theory, federalism could accommodate many of those demands, giving provinces or ethnic regions self-government within an Iranian national structure. But the current regime has not signaled any intent to grant such autonomy. Supporters of minority rights warn that overlooking these deeper issues and trumpeting “national unity” is a formula for future alienation. The unity of the external war might well be short-lived if, once the immediate external threat passes, Kurdish or Baluch activists perceive that their people are still not offered a meaningful say in how the local population is governed, or if Azerbaijani environmental and linguistic grievances are unresolved. Without structural reforms, there is a danger that ethnic unrest could exacerbate the very divisions that the regime is trying to bridge through its rhetoric of unity. In short, Tehran is betting that patriotic fervor will put out ethnic brooding. This bet can pay off handsomely in the first instance, with an external enemy looming large, but is harder to sustain in the nitty gritty business of governing.

Outlook: Will Iran Embrace a Federal System?

In light of these developments, is Iran truly on the path to federalism? The short answer does not appear in the term's classic sense. While the idea of a federal Iran is no longer completely unmentionable, especially after figures like Khatami deemed it an ideal form of “people's government,” the prevailing signs indicate that the Islamic Republic's leadership is not prepared to overhaul the state on federal lines. Embracing federalism would require profound constitutional changes, devolution of power, and a reconceptualization of national identity, steps that Iran's ruling clergy and Revolutionary Guard establishment have historically resisted, equating them with potential national disintegration. None of the primary power centers in Iran has endorsed such a vision. Even President Pezeshkian, for all his reformist leanings, has been careful to frame his decentralization drive as fully compatible with the existing system and “within the framework of the law”. When detractors raised alarms about federalism, the administration's

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sharp retort, "Which federalism?" made it clear that Tehran is unwilling to cross that line.

What we are likely to witness instead is a continued push for controlled decentralization: giving provincial officials more operational leeway and perhaps incrementally increasing local input in development projects, but without ceding the central government's supremacy. In practice, this might mean governors can expedite projects, reallocate some budget items, or coordinate disaster responses independently yet ultimate authority and oversight will remain with Tehran's ministries and the President's office. If successful, such measures could indeed improve governance and reduce popular frustration in neglected provinces. They may also have a political calculus by appearing responsive to provincial needs and appointing more locally born administrators, the regime might hope to undercut separatist sentiments and strengthen the sense of belonging among minorities without granting them formal autonomy.

It is important to note that Iran's leadership is pursuing this path not from a position of comfort but under duress. The late 2022 nationwide protests, which were especially intense in Kurdish and Baloch regions, and the economic malaise affecting poorer provinces, have driven home the dangers of over-centralization. The recent war with Israel added another layer of urgency: it demonstrated both the rallying power of patriotism and the peril of having all decision-making bottlenecked in the capital. Indeed, part of the rationale for delegating powers was to ensure governance could continue smoothly even "if the central cabinet is targeted" by the enemy. Thus, pragmatism is pushing Tehran to recalibrate its governance model, but up to a point. The Islamic Republic's highest goal is regime survival and stability; any reform that could weaken its grip significantly must be taken gingerly.

In conclusion, Iran is not turning too much to federalism, as it is gingerly experimenting with decentralization as a survival strategy. It is similarly possible to view the regime's post-war embrace of nationalist unity discourses and transformation of local governors as analogous strategies to reinforce internal coherence. It looks like the regime might be trying to assuage or buy off Iran's non-Persian ethnic groups, who as a whole are close to two-thirds of the country's population, as a strategic hedge in case of, say, a more catastrophic conflagration that involves Israel and the United States more directly. Should there be another crisis, the government may seek to gain the loyalty or at least the neutrality of these communities through promoting decentralization or inclusive language. Nevertheless, no matter the regime's formal justifications, it's hard to imagine that these are good-faith efforts to improve life for citizens of Russia, Belarus, etc. Today, Iran still grapples with basic infrastructural collapses, such as regular electricity blackouts and water shortages. These daily hardships starkly contrast with the promises of empowerment and "balanced development" now being circulated by officials.

In reality, the post-Israel attack atmosphere reveals a regime that seems more shaken than emboldened, one that is resorting to political messaging as a form of damage control. Rather than charting a bold new course, Tehran might simply improvise to postpone or dissipate public anger and crushing possibilities for nationwide unrest. Decentralization, in this sense, serves less as a reform program and more as a policy of survival. In the short term, a spike of national pride and a more agile administration would seem to buttress the state's legitimacy. However, the key splits, ethnic unevenness, excruciating pressure for regional self-rule, and people's longing for a real stake in democracy have not been attended to. Unless the state tackles those on a more fundamental level at some point, it might, for example, go back on Khatami's nod to federalism, the central power in Iran will continue to suffer from cyclical legitimacy crises in the various parts of the country. As one skeptical commentary put it, delegating a few powers "without a real federal structure" is ultimately "only for show" and does not signal any genuine recognition of Iran's multi-ethnic reality.

So far, federalism in Iran is more talk than walk, a hypothetical than an approach. It remains unclear how long the Islamic Republic will stick to a unitary system, unless de-concentration of power incrementally ensures the country and the regime survive the rough years ahead.

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