The Divine Hand of the State? How Religion Has Influenced Social Policies for the Poor In Iran

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Abstract

As a paramount concern in development planning, poverty alleviation encompasses a variety of agents and actions, depending on the larger context of organizations and political economy within which it is embedded. Iran has a distinctive constellation of religion, society, and politics. This thesis examines how religion has influenced the ways in which the poor have been helped in Iran since the formation of the (modern) nation-state in the 1870s.

Religion has often been considered a monolithic institution that inherently supports or obstructs social policies for the poor. The notion of functional differentiation—and emancipation—of the state from the religious sphere constitutes the conventional understanding of how social policies are to be planned and implemented—a notion contrary to theocratic ideals. There exists a marked disparity between this secular understanding of social policy and the lived reality in many parts of the world, where such policies can generate resistance from their intended recipients, especially when they are considered to disrupt religious ties, imperil religious authority, and undermine traditional sources of social meaning. Therefore, how religion influences social relationships and how religious beliefs can help or hinder the formulating of social policies remain crucial issues.

Religion in Iran has affected social policies in varied ways. First, as an organized set of beliefs, religion has invariably cultivated a moral-spiritual discourse to help the needy by motivating state officials who are in charge of social policies. Second, as an institution, religion has established, mediated, and unsettle relationships between the poor and the principal agents of poverty alleviation. Finally, as an instrument, religion has been used by the state to serve populist or security purposes.

This thesis shows that if the ‘guiding hand’ of the state and the ‘divine hand’ of religious institutions are joined, the impact can be either regressive (particularly for religious minorities) or progressive, depending on a host of variables among which the central one is the historically produced power relationship between the two sets of dominant institutions. Herein lies a central dilemma for development planners: if modernization efforts do not take into account religious sentiments, which are a primary source of meaning for people, such efforts are bound to fail in the long term; and yet, if religious sentiments dominate state-making efforts, it can at best lead to ‘charitable efforts’ without deep constitutional groundings of the rights of the poor to state resources. Therefore, how to blend state policies and religious beliefs is a crucial issue if both religious extremism and state monopoly are to be avoided in crafting social policies.

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I dedicate this thesis to all these fascinating people, to the people in poverty who have earnestly strived for a better future, and to those who care for the lives of the poor.
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1- Introduction

1-1 Motivations and Overarching Concerns

There are various vantage points from which one can view history and make short stories. Consider, for instance, the following three ones about the lives of the poor in Iran:

- *Once upon a time, there was an uncaring king enslaving the poor. A ‘divine hand’ emerged—the hero—and brought salvation from the shekels of tyranny and poverty. The poor became happy. End of the story; Period.*

- *Once upon a time, there was a caring king trying to free people from the shackles of underdevelopment and poverty. A religious man rebelled—the villain—and enslaved the masses. Many people became unhappy. End of the story; Period.*

- *Once upon a time, there were many unhappy poor people struggling for better lives. A lot of things happened, but nothing changed that much for them. They are still unhappy. End of the story; Period.*

Presenting divergent viewpoints, these stories are interconnected, for they share key elements: the poor, religion, and the state. A question looms large: how do we juxtapose these partial histories to put forward more complex explanation as to ‘how things turned out the way they did?’ Motivated by this overarching question, this study is particularly concerned with ‘*the ways in which religion has played a social role in poverty alleviation efforts in Iran.*’

1-2 Why This Research?

Poverty alleviation is a central issue in development planning. It includes various agents and actions, depending on the larger organizational as well as political economy context. Iran is a specific case, where an uncommon blend of politics, religion, and society underpins the institutional context within which public planning is embedded. Despite this salient characteristic, various ways in which the institution of religion has influenced
public planning, in general, and social policies, in particular, in Iran has not been fully examined.

Understanding the dynamics of religion, as a powerful force in shaping cultures, is critical to many areas of study, ranging from art, literature, and music to history, politics, and public health. Contrary to the ‘religious studies,’ which are offered in seminaries, ‘studying religion’ has been mainly pursued in sociology and political science in Iran. Other areas of study—such as history, anthropology, economics, and architecture—have also studied religion as a major force in human experience, but from their own disciplinary perspectives. For instance, many studies have investigated the role of religion in shaping physical structure of cities or its architectural manifestations.

Nonetheless, little research has been conducted on the impacts of religion on development planning processes in Iran—despite more than a century-long presence of such impacts. Much has been written about the formation and evolution of development planning in the country since the 1930s. Written by economic development scholars, however, these studies have mostly investigated socio-economic or political factors that have affected the ways in which development plans were implemented.

After their first implementation in the late 1920s, social policies for the poor continued to be in place and were affected by various social, economic, and political forces, one among which is religion. However, the fact that after eighty years of policy intervention still many poor families live all across the country shows that neither the state nor religious institutions have succeeded to fulfill their promises of eradicating the poverty on their own.

This issue calls for a different policy perspective, which not only would incorporate religious concerns but also is effective in addressing the grave problem of poverty in this country. However, proposing such a policy perspective requires a historical awareness of how these policies have been affected by various forces, mainly religion, in the past. This is particularly important in prescribing social policies for the poor in Iran because, despite relatively extensive published works, the dynamics of poverty alleviation in this country are still not fully understood. Particularly, little
scholarship has been conducted on various roles that religion has played in the ways social policies were planned and implemented in this country. *This thesis attempts to address this gap in the literature. With the aim of promoting a historical awareness that is required for proposing future policy perspectives, this research investigates various ways in which religion has influenced social policies for the poor in Iran.*

1-3 Research Questions

Historically, the institution of the mosque in Iran has carried out the responsibility of assisting the needy by its own wealth redistribution system. However, once emerged in early twentieth century, the new institution of the (modern) state also claimed this responsibility through policy intervention. The ways in which religious institutions and the state reacted to this situation has taken various forms, ranging from confrontation and competition over resources, to collaboration and tacit agreement on solutions.

The triumph of the 1979 revolution culminated in the establishment of the Islamic Republic of Iran—a unique blend of theocracy and democracy a prime goal of which was to eradicate poverty and to ease the plight of the poor. In other words, the revolution ushered in a new era in the state-religion relationships as to how the poor would be helped. To fulfill its promises, the new regime pursued various approaches to protecting the very bottom, including provision of energy subsidies, cash money, and public housing. Yet, social policies were also in place before the 1979 revolution and since the formation of the (modern) nation-state in Iran in the 1870s. Such policies were planned and implemented to serve a variety of purposes, such as providing health care, education, and land plots to the poor. However, many of these social policies encountered resistance from both the poor and religious authorities for many reasons, one among which was that these policies were also intended to curb the social power of religious authorities.

Against this backdrop, a profound understanding of various interactions between the poor, the state, and religious institutions is critical for prescribing policy perspectives in Iran. Inspired by this issue, this thesis aims to address the overarching question of
“how has religion\textsuperscript{1} influenced social policies for the poor in Iran before and after the 1979 revolution?”

This study rests on the assumption that experiences of each country arise from its distinct institutional setting and historical epochs. It is assumed that planning ‘ideas’ cannot be simply and blindly ‘uprooted’ from their place (and time) of conception and ‘planted’ somewhere else (Healey 2012) or at a different time. Even so, ‘lessons’ learned from one context are capable of crossing the time-space boundaries. Predicated on these assumptions, this research also attempts to address the following two sub-questions:

1- \textbf{What does account for the role that religion has played in poverty alleviation efforts in Iran?}

2- \textbf{What could be learned from past experiences to prescribe more effective and just social policies in future Iran?}

1-4 Research Methodology and Design

As Louis Menand (2015) puts forward: “history is the prediction of the present.” Historical analysis therefore is able to “explain why things turned out the way they did.” But, more important to this research is the fact that such accounts are also capable of illuminating the future, for they can provide lessons from the past to inspire future practices. This research is anchored in past historical moments that animated or thwarted the role of religion is social policies for the poor in Iran; however, it is not a scholarship in the field of history. Borrowing Menand’s categorization of histories, it bears elements of both top-down histories—how the state endeavored to help the poor—as well as bottom-up histories—how the poor struggled for welfare in Iran. It also bears characteristics of ‘sideways histories’—“histories in which causes have an oblique relation to the effects […] and extract unintended or unexpected long-term consequences from apparently isolated and eccentric events” (Menand 2015). Seen that way, this

\textsuperscript{1} Although different religious traditions had their own influence on social policies, this study focuses on the influence of Islam—as both the official state religion and the faith practiced by the majority of population. Exploring the influence of other religions is out of the scope of this study (see section 1-4). The words religion and Islam are used interchangeably in this study.
research explores, for example, how the Cold War influenced the way social policies in Iran incorporated religion.

To address the research questions, this study undertakes a historical analysis to examine various interactions between the poor, the state, and religion in Iran since the formation of (modern) nation-state in the country in 1870s. Focusing on the role of religion, this study investigates those historical elements that have impacted social policies. It thus relies primarily on the secondary sources—namely, historical accounts, academic literatures, and professional reports. In addition, past observations, interviews, and content analysis are also used as primary sources for this thesis.

Building on the lessons gleaned from the literature, this research first develops an overarching theoretical framework (Chapter 2) explicating the role of the state, religious institutions, and societal organization in public planning and poverty alleviation. Exploring various understandings of ‘helping the poor,’ this section also provides a theoretical base for the two concepts of secularization and social contract. Using this theoretical framework, this research develops a conceptual framework for analyzing the influence of religion on social policies in Iran (Table 1).

Taking a longitudinal study, the next two chapters (Chapters 3 and 4) provide a detailed account of various forms of interactions between the poor, religion, and the state, and their impacts on social policies. Designed to be retrospective-prospective, this study considers the 1979 revolution as a turning point in (religiously inspired) policy-making processes. All along, these two chapters seek to demonstrate how a combination of endogenous and exogenous factors caused religion to impact social policies, either positively or adversely.

Finally, this research summarizes (Chapter 5) various ways in which religion has influenced social policies for the poor in Iran. It also analyzes the relevance of the two theories of secularization and social contract for describing the role of religion as an agent of policy change and poverty alleviation in Iran.
Taking a normative perspective regarding the interconnection of religion and public planning is out of the scope of this explanatory research. However, this study summarizes major lessons that could be learned from Iran’s experiences to enlighten future social policies. It also analyzes the possibility of taking social movement perspective to role of religion in poverty alleviation undertakings in Iran. In the end, this study presents major implications of its findings for future scholarship and research.

1-5 Limitations

This scholarship has four major limitations. The first limitation is rooted in undertaking a historical study in a City Planning master’s thesis, specifically when there are numerous historical events each of which to be found in different historical resources. In other words, there are too many dots in the history—even dots have their own other dots (Menand 2015). Covering all of these resources to conduct an encompassing historical research is a considerable undertaking that goes beyond the scopes of a master’s thesis. Acknowledging this limitation, this study seeks major events, and leaves out minor ones. Even so, here is another limitation: How to choose which dot is major and which one is minor? After all, with arbitrarily choosing historical events would come the trap of compiling a ‘partial’ history. Acknowledging this limitation, this study picks those major ‘billiard balls’ that critically changed the social policy-religion game.

The second limitation derives from the problem of defining ‘religion’ per se. While various faith traditions are practiced in Iran, and each has its own influence on social policies, this research mostly focuses on Islam, as the official religion of the state and the one that has been practices by majority of the population. The words ‘religion’ and ‘Islam’ are, therefore, used interchangeably in this research. Acknowledging this limitation, this study leaves out the influence of other religious traditions on social policies to be explored by future scholarships.

The third limitation is related to the scarcity of scholarship, poll, survey, or published reports reflecting how ‘the poor see themselves and their conditions.’ In Iran,

\[2\,99.4\% \text{ of Iran’s population practice Islam and 90-95\% of the population are Shia Muslims.}\]
the poor’s attitudes are not properly recorded or officially released. This is partly because poverty alleviation discourse has usually been dominated by ‘how others (the state, religion, or the society) see the poor.’ Finding various attitudes of the poor still awaits further investigation. Acknowledging this limitation, this study would try to trace the poor’s attitude from their recorded reactions to social policies or from actions they took to live their lives.

Finally, while doing fieldwork is a vital—if not necessary—aspect of most planning scholarships, particularly those that are conducted on poverty, this study is not based on the field research. Acknowledging this limitation, this research is designed to be a historical analysis of past events.
2- Literature Review

2-1 Overview

Developing and, to some extent, implementing social policies lie primarily in the domain of state apparatus and public sector planning. When the poor become the key target group of such policies, an understanding of the nature of state engagement in poverty alleviation efforts and how the poor and the poverty has been conceptualized and viewed would dramatically influence such policies. To understand how religious sentiments have—or have not—influenced these policies, this research needs a theoretical and conceptual background on the relationship between religion and development, specifically should there be such an influence at all? This question immediately brings up the issue of secularization, both as a theory that has driven modernization, industrialization, and development in developed—and some developing—countries, and as a historical trend. Iran is not unique in this regard; hence, an understanding of other nations with a more or less similar institutional and historical setting to that of Iran would also bolsters an analysis of the Iran case.

In an attempt to provide a broad theoretical framework, this literature review is comprised of five main sections. First, it begins with a discussion on the role of the state and public sector planning as well as the ensuing arguments for and against development from the top and below. The aim is to provide a general discussion around the role of state in, broadly speaking, development planning. This will be followed by a brief review of the literature on different policy approaches to poverty alleviation and the role of government in such processes. The third section reviews the current literature on the religion-development relationship. Specifically, it tracks how the issue of religion has been addressed in development literature from mid-twentieth century to the present time. Given that the role of religion in development planning, in general, and public sector planning, in particular, touches the issue of secularization, this section also provides an overview of theories of secularization. This review will be followed by providing some examples of how government and/or non-government organizations (NGOs) have been
involved in developmental affairs. The focus would be on how and why religious groups have got involved in assisting marginalized groups.

2-2 Development “From the Top” and “From Below”

The “Great Debate” between proponents of government planning, like Karl Mannheim and Rexford Tugwell, and its opponent, like Friedrich Hayek, in the 1930s and 1940s seemed to be settled in the 1950s (Klosterman 1985). It is evidenced by the formations of welfare states in Western Europe and, to some degree, in the United States. In fact, combination of factors and historical moments, such as the Great Depression, Keynesianism, and the Second World War, contributed to the rise of public sector planning in Western countries (Sanyal 2005a).

In the 1970s, two paradigm shifts in development thought emerged. The first was an intellectual shift from “planning from the top,” inspired by social movements, Non-Governmental Organizations (NGOs), and other non-bureaucratic, non-statist social actors, as an alternative planning mechanism to public sector planning (Sanyal 1998). The main argument was that the top-down, hierarchical approach to development programs that was based on the Weberian bureaucratic theory has left little room for “the marginalized and the poor” to get involved in decision-making processes. The second shift was the emancipatory projects of social justice that underpinned the “alternative” approaches that emerged in this decade. Criticizing the mainstream development as exclusionary, impoverishing and homogenizing, this approach to participatory development sought territorialism, cultural pluralism, and environmental sustainability (Hickey and Mohan 2004; Friedmann 1973). These intellectual shifts, however, did not enjoy the chance to be practiced during the 1970s because of both the economic crisis of 1971-1972 and the increasing number of authoritarian military regimes that came to power in newly formed democratic nations of the global South.

In the 1980s, the state, in general, and the welfare state and public sector planning, in particular, found themselves under attack in a strange alliance of accusations from both poles of the ideological spectrum (Sanyal 2008, 2005a). Blaming the state’s
rent-seeking bureaucrats and planners for the slow growth, the neo-classical economists called for the least intervention of the state in economic affairs. Similarly, but from the opposite direction, neo-Marxist blamed the state for being the agent of class repression. Thatcherism in the UK and Reaganism in the U.S. are hallmarks of this neoliberal anti-planning, anti-state morass (Tewdwr-Jones and Allmendinger 2002; Hall 2007).

Consequently, “development from below” became the label for the new, conceptually eclectic approaches of the 1980 (Sanyal 1998) supported by the arguments in favor of small farmers and micro-businesses as being more efficient than big farmers and large businesses. Proponents of this new approach called for small-scale projects for income and employment generation by the poor themselves with the hope that development would eventually bubble up (Sanyal 1994). By the turn of the twenty-first century, it was clear that neo-liberal states had failed to realize their promised goals of development and that the “development from below” had failed to bubble up. The result was the deteriorated situation of the poor. By this reason, many scholars called for the increased role of the state (Evans et al 1985) and a synergic relationship between the state and society through a combination of bottom-up and top-down approaches to development (Sanyal 1998).

2-3 Towards Understanding the Concept of “Helping” the Poor

When one comes to discuss about assisting the poor, poverty alleviation, and developmental aid, one would also need to define what “helping” or “assisting” the poor means. Indeed, there exist a variety of purposes behind “helping,” of why the state would help. In her masterpiece, entitled “Helping,” Marianne Gronemeyer (2010) guides us through a journey of understanding how the word “helping” has been variedly conceptualized and understood in the development context: Help as a threat to its recipients—the threat of subjugation; help as an instrument of perfect exercise of power—to assist the subordinates without letting them feel the power that is guiding them; and help for the purpose of modernization (the modern help) after the second

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3 Interestingly, at the same time in Iran, economic policies of the postwar government, run by Akbar Hashemi Rafsanjani (in office 1989-1997), under the name of ‘structural adjustment’ promoted privatization and neoliberal policies (Amuzegar 2007).
World War. Similarly, other scholarships have also criticized past efforts to assist the poor through neoliberal paternalism by defining help as a means to discipline the poor (Soss, Fording, and Scharm 2011).

Beyond this way of conceptualizing ‘help’ as an (political) instrument of manipulation, assisting the poor has also been defined as an obligation, a responsibility, and a (moral) duty of the rich to share their wealth with the needy. This definition of ‘help’ as an obligation finds its roots in religious notion of almsgiving, before bring reflected in various forms that (secular) modern states, such as European welfare states, defined assistance as their responsibility.

Help can be unplanned and voluntary or planned and organized, even mandatory. While the former type is presumed to be the domain of civil society (individual or social activists), the latter is broadly associated with government activities, even its responsibility. In other words, planned/organized help is also a strategy for change. Herein lies the connection between ‘helping’ and development (the developmental assistance), and between ‘helping’ and social policies and thus the state. But, who are the poor that receive such aids? How did they become poor? Who gets to define them? Based on which criteria?

2-3-1 The Poor and The Poverty: A Framework for Analysis

“There may be as many poor and as many perceptions of poverty as there are human beings,” Majid Rahnema (2010) reminds us when delineating how fluid the concepts of poverty and the poor are. Their meanings change when crossing geographical boundaries. It refers to different socio-economic groups in the countries of the global South and North. One who lives in poverty in, say, the United States might be considered rich in another country (a poor one). Even within one country, different meanings of the words exist. In Persian, for instance, there are more than thirty words for naming those who are perceived as poor. The poor are also defined based on the rural-urban dichotomy: urban poor and rural poor. Notwithstanding such varieties, the common denominator for most perceptions of poverty remains the notion of ‘lack’ or ‘deficiency’ (Rahnema 2010).
Defining poverty, and the poor, is also a means of categorizing people to clarify “who” gets what. It influences people's entitlement to receive ‘something.’ It draws socio-economic lines and circles. It divides segments of each. Similar to the notion of help, defining poverty and the poor can both help people to get out of misery or be used as a tool to manipulate them. In sum, it is a double-edged sword.

Rahnema (2010) provides a framework for understanding four dimensions of poverty. The first is the materialities, those ‘things’ the lack of which is perceived as poverty, hence the target of social policies. In general, lacks, deficiencies, and deprivations, are considered either non-material (like lack of ability to meet one’s needs, lack of self-confidence, not being respected, or being neglected or abandoned) or material (such as hunger, malnutrition, homelessness, and education). It follows that when it comes to the social policies and the role of the state in assisting the poor, the way poverty is conceptualized would elucidate what the poor are entitled to receive. In other words, this dimension of poverty refers to the supply side of poverty alleviation efforts.

Yet, poverty has also a demand side, which alludes to its second dimension: the subject's own perception of his condition. The supply side of poverty—the materialities—gets meaningful only when one or a combination of them are perceived by the subject (the poor) as an expression of poverty. Generally speaking, the poor's perception of deprivation is associated with conditions that are independent of their will or control. These conditions include a variety of causes from metaphysical ones, such as God’s will or kismet, to unjust constitution of society or the state’s failure to protect them. However, lack of particular materials is not always a negative term. For instance, for Iranian Sufis, Indian Sannyasin, and Gandhians to be free from material possessions is a blessing. Herein one might find a connection between religious beliefs and the perception of poverty. The Prophet of Islam, whose deeds and words (the tradition or Sunna) is one of the main sources of belief among Muslim, has been widely quoted as saying Al faqro fakhri (Poverty is my pride and glory).

The Third dimension of poverty is how others view the poor. The poor’s perception of their predicament is inevitably influenced by the way others—including the
rest of the society, social activists, and the state officials—view them. Such views can encompass a wide range of perspectives, from empathy, embarrassment, contempt, and even violence. Generally speaking, the way the poor are viewed can be summarized in two categories, each of which leads to certain type of policy direction: the first represents a variety of forms of direct or indirect (social) intervention to provide the poor with what they need. The second is grounded on the philosophies of non-intervention. This type of reaction (or non-reaction) is supported either by the notion that the poor deserve their conditions (had they tried hard, they would not have been in their current condition) or by the assumption that social intervention has negative ramification for the poor such as the dominance of the government, making the poor dependent, encouraging them to stay poor. Indeed, there exist a variety of perspectives that could be positioned in between. It is also true that one’s view of the poor corresponds to one’s positions in the ideological spectrum (from left to the right).

The perception of poverty also changes though space and time. This is the fourth dimension of poverty which explains “why, in different communities and at different times, the same materialities are perceived differently” both by the poor and others. That being said, there are dominant views of the poor both in the literature and policy perspectives. One example is the way urban poor, who live in informal settlements, were historically viewed. Sanyal (2015) provides a sweeping definition of such views: from seeing urban poor as “peasants in the cities,” or as new immigrants, mostly unemployed, who lacked the modern aspirations of working-class families (Roberts 1973) to John Turner’s research (1976) that proved to be very influential in altering this negative views to see the urban poor as rational actors who created informal settlements as a rational response to both market and state failures to supply housing for their needs.

2-3-2 Religion, Charity, and Almsgiving: An Example of Zakat in Islam

Indeed, most religions encourage their disciples to live an austere life. Being a rich man who abstains from the practice of “giving” is not acceptable in most religious traditions. Considering poverty to be pleasing to God, Christianity defines a rich man’s entering the kingdom of heaven even harder than a camel passing through the eye of a needle
(Gronemeyer, 2010). In this regard, helping is defined as a salvation of the soul. Interestingly enough, SOS is the old signal of emergency at sea: Save Our Soul.

Islam was first introduced to the poor people who embraced it not only as a means of worshiping God, but also as a way of emancipation from the tyranny of the ruling class of the 610 Arab world. After all, removing the marked socio-economic inequality in the pre-Islamic societies was at the heart of the Islamic ideology of ensuring equality and spiritual prosperity. It is thus no surprise that many religious groups have historically attempted at helping the poor as their main target group.

Islam also highly exhorts its followers to engage in charitable works. Further, Islam has formalized a type of charity as a mandatory religious tax (zakat) to be paid by richer Muslims to the needy ones. After all, Islam has curtailed the greed of the wealthy, while preparing the material and ideological grounds for struggle against political and economic exploitation. Religiously mandated systems of taxation in Islam such as Zakat and Khums are institutional occasions for modifying the growth of economic might in certain social groups (Dabashi 1993).

Zakat Literary means ‘that which purifies.’ In theory, zakat is a tax mandatory of 2.5% for all Muslims on the income and wealth that is above a minimum amount, called nisab. It is imposed as an obligation as one of the ‘five pillars of Islam’, the five canonical obligations of every Muslim believer. It is believed that by relinquishing some of his wealth, the donor would purify what remains; he would also limit his greed, thus soothing his conscience. A complementary advantage of defining zakat assistance as an entitlement is that it enables the poor to accept it without loss of dignity. As Marcel Mauss (1967) recognized in relation to gifts in general, and countless students of the welfare state have observed in relation to modern poverty relief (see for example Maurry 1984), unreciprocated transfers wound the recipient’s pride (Bentall 1999). By this logic, zakat transfers to the poor, insofar as they are considered a right that flows from membership in the community of Muslims rather than largesse from the rich, will

\footnote{Zakat (2.5% of income) is collected from Muslim businesses and activists, various donations, and khums (a fifth) is levied on the savings of Shi’a Muslims.}
harmonize relations among the economic classes. So, zakat is as much a political instrument as an economic one (Kuran 2003). Although it is mandatory, there have been some cases that Muslims resisted zakat payment (as is observed by James Scott (1987) in Malaysia).

The Holy book of Islam, the Quran, mandates almsgiving as the duty of all Muslim devotees. This decree has encouraged Muslims to search for and institutionalize the ways through which alms and contributions would be collected and redistributed. In other words, fulfilling God’s commandment entails establishing a form of organizational structure through which religious institutions can mediate between the donors and the needy in Muslim societies. One might regard the functioning of this mechanism as a certain type of bureaucracy (what might be called: a religious bureaucracy). Yet, collecting taxes, mobilizing financial resources, and redistributing them among the needy are also responsibilities of modern nation-states, which fare through state bureaucracy. It follows that in many Muslim societies, the making and functioning of the two bureaucracies of religion and the state would sometimes overlap, especially when it comes to redistributing religious funds.

In addition to redistributing religious taxes, religious groups have been also active in assisting marginalized groups for variety of reasons, one among which might be their religious beliefs while the other might be to garner (socio-political) support of the poor— as a form of social contract. For instance, Hezbollah has been actively engaged in the provision of social goods to the poor in Lebanon and has also played a pivotal role in the realm of public planning, especially during the post-2006-war reconstruction (Fawaz 2009). Muslim Brotherhood effort to provide education, health services, and stipends to the poor and to run micro-credit programs in Egypt (Roy 2010) is another example. It is thus no surprise that many of these religious groups won the elections after the Arab Spring, benefitting from their previously created social and political networks (Alsayyad and Massoumi 2012).

A common aspect of these efforts is that these religious groups do what the state is unable or unwilling to do; they are involved in the provision of services to the
marginalized communities whose needs are unmet by the state. This is not, however, a modern phenomenon. Historically, when the state falls into a state of prolonged crises, religion tends to rise into prominence in Muslim countries (Platteau 2011). Religious groups come to power mainly in the state of political vacuum. In Iran, this has been the case for the Safavids (1501-1736), who took advantage of the political vacuum created by internal tribal wars to establish a centralized, prosperous religious kingship.

The case of contemporary Iran is, nonetheless, slightly different since religious leaders played a pivotal role in the outbreak of the 1979 revolution where there was no political vacuum. The poor largely supported these religious leaders chiefly because of their promises about helping the disadvantaged and poverty eradication.

2-4 Religion, Development, and Secularization

2-4-1 An Uneasy Relationship of Religion and Development

By 1980, mainstream development theory was largely based on the assumption that religion is not much important to development studies (Deneulin and Rakodi 2011). Despite this widely held belief, two events captured the attention of development thinkers regarding the relationship between religion and development. The first was the 1979 revolution in Iran, which turned out to be a surprise to the global observers mainly because the country was experiencing rapid economic growth and had considerable military power. Wilber and Jameson (1980) took the event as a warning by stating that if development processes fail to take religion adequately into account, there is a real risk of a backlash and of developing countries rejecting the development project altogether. The second important event was the publication of a special issue of World Development journal (July-August 1980) entitled “Religion and Development.”

These events came as a surprise since, based on dominant secular perceptions of development, the common sentiment was that as societies develop and modernize, they would also undergo a process of secularization (Berger 2001). After all, for much of the twentieth century, the conventional wisdom was that with increasing economic development, industrialization and modernity, the influence of the church should be
waning (Healey and Breen 2014). In recent decades, however, many have criticized the basic assumptions underlying this thesis. By looking at both developed and developing worlds and various measures of religiosity, for instance, Norris and Inglehart (2004) show that there is no direct, linear link between secularization and development. In fact, there is a growing body of literature on the relationship between religion and development, specifically since the turn of the twenty-first century. These scholarships focus on the role of faith-based organizations (FBOs) in development practices (Tomalin 2013) or poverty alleviation. Some of these works also tend to take a substantive/thematic approach to show a connection between world religions and various aspects of development, such as gender, corruption, education, and post-disaster reliefs (Clarke 2013). Some books also has tried develop and evaluate the implications of Jürgen Habermas’s thesis of the post-secular age in the cities to spatialize the ‘post-secular problem’ by examining the ways in which cities—the secular temples of modernity—are infused with religiously inspired social action (Beaumont and Baker 2011).

Despite the growing literature on the issue, there still seems to be a lack of sufficient research on first, the relationship between religion and planning (not development), second the role of the state and public sector in this connection, and third, an overarching analytical framework that can help in understanding the connection between the role of religion, public sphere, and modernization, and development. Using Jose Casanova’s work (2011), this research endeavors to assess the relationship between religion and planning through the lens of the state involvement in assisting the poor.

2-4-2 The Secular, Secularization, Secularism

The words secular, secularization, and secularism have been so widely used—and misused—that sometimes we tend to employ them interchangeably without fully grasping the analytical distinctions between them. ‘The secular’ is a “central modern epistemic category” that has been used “to construct, codify, grasp, and experience a realm or reality differentiated from ‘the religious’” (Casanova 2013: 54). The secular is often assumed to be simply the other of the religious—that which is nonreligious, a residual category. But paradoxically, “in our modern secular age or modern secular world, the
secular has come to encompass increasingly the whole of reality, in a sense replacing the religious. Consequently, the secular has come to be increasingly perceived as a natural reality devoid of religion, as the natural social and anthropological substratum that remains when the religious is lifted or disappears. This is the conception or epistemic attitude that Charles Taylor (2007) has critically characterized as “subtraction theories” (Casanova 2013: 55).

Secularization is “an analytical conceptualization of modern world-historical processes” and “refers to actual or alleged empirical-historical patterns of transformation and differentiation of ‘the religious’ (the ecclesiastical institutions and churches) and ‘the secular’ (state, economy, science, art, and so on)” (ibid: 54). In addition to this explanatory characteristic, secularization is also a theory to drive or predict social transformation of societies. Secularism is a worldview and ideology that have been used both as a statecraft principle (the neutrality of the state vis-à-vis each and all religions and freedom of consciousness of individuals) and as an ideology (which defines what ‘religion’ is or does).

It is also important to note that to “view modern historical transformation from the perspective of secularization means, to a large extent, to view reality from the perspective of religion, since the secular, as a concept, only makes sense in relation to its counterpart, the religious.” After all, the secular was born out of the religious sphere (Asad 2003). Talal Asad has called our attention to the fact that “the historical process of secularization effects a remarkable ideological inversion. For at one time ‘the secular’ was a part of a theological discourse (saeculum),” while later, “the religious” is constituted by secular political and scientific discourses, so that “religion” itself as a historical category and as a universal globalized concept emerges as a construction of Western secular modernity. In other words, to borrow from Jacques Derrida, the secular is the religious’ ‘constitutive outside’—something that is not a dialectical opposite but rather a condition of emergence, an outside that by being inside creates ‘radical undecidability’.
2-4-3 Towards Understanding the Varieties of the “Theory of Secularization”

Similar to the concepts of poverty and the poor, secularization bears a plethora of meanings and perceptions, both as a theory and as a historical process. Influenced by the works of social theorists such as Karl Marx, Sigmund Freud, Max Weber, and Émile Durkheim, the conventional wisdom of most of post-Enlightenment era was that “modernization” of societies would include a decline in levels of religiosity. According to Max Weber’s classic theory, secularization shatters social and political cohesion of the medieval time to build a whole new arrangement of the so-called “modern” society. For much of the twentieth century, the theoretical kernel of Weber’s narrative prevailed the scholarships on the sociology of religion. It was buttressed by sociological studies of David Martin and Peter Berger (Martin 1978, Berger 1969, cf. Bruce 2002, Katznelson and Stedman Jones 2010). In recent decades, however, the Weberian account has run into resistance. Some have complicated its descriptive claims, arguing that religiosity, even in parts of the West, is changing shape or on the rise (Casanova 1994, Taylor 2007). Others are arguing for the ‘post-secular’ society (Habermas 2008). Still, some American sociologists of religion tend to discard the theory of secularization, or at least its postulate of the progressive decline of religious beliefs and practices, as a European myth, once they are able to show that in the United States none of the usual “indicators” of secularization, such as church attendance, frequency of prayer, belief in God, and so on, evince any long-term declining trend (Smelser and Baltes 2001).

Notwithstanding the variety of definitions and positions, “the core and the central thesis of the theory of secularization is the conceptualization of the processes of societal modernization” (Casanova 1994:19). In his influential book, Public Religions in the Modern World, Jose Casanova (1994) proposed to disaggregate analytically what was usually taken to be one single theory of secularization into three components or sub-thesis.

1. The Differentiation Theory: The first is the theory of institutional differentiation and emancipation of the so-called secular spheres—the state, economy, and science—from religious institutions and norms. This thesis is usually understood as
emancipation of the secular form from the ecclesiastical institutions and the concomitant differentiation and specialization of religion within a newly emerged religious sphere. This is the initial and by now the overarching thesis of secularization.

2. *The Decline (Marginalization) of Religion Thesis:* The second theory refers to the progressive decline of religious beliefs and practices as a concomitant level of modernization. This conceptualization of secularization often is postulated as a human universal development. This is the most recent but by now the most widespread yet still unregistered definition of secularization (Casanova 2013).

3. *The Privatization of Religions Thesis:* The third is the theory of privatization of religion as a precondition of modern secular and democratic politics. It is often understood as both a general modern historical trend and as a normative condition. This is the most contested sub-thesis the empirical as well as normative assumption of which have been put into question in recent decades (Casanova 1994).

The theory of secularization is so intrinsically interwoven with all theories of the modern world and with self-understanding of modern Western development as general universal processes of world development that it is precisely what defines a modern society (Casanova 2011).

2-5 The Social Contract

The idea of the social contract goes back, in a recognizably modern form, to Thomas Hobbes (1994 [1651]); it was developed in different ways by John Locke, Jean-Jacques Rousseau, and Immanuel Kant. After Kant the idea largely fell into disrepute until it was resurrected by John Rawls. The basic idea is that, in some way, the agreement (or consent) of all individuals subject to collectively enforced social arrangements shows that those arrangements have some normative property (they are legitimate, just, obligating, etc.). The social contract theories of Hobbes, Locke and Rousseau all stressed that the justification of the state depends on showing that everyone would, in some way, consent to it (D'Agostino, Gaus, and Thrasher 2014). The social contract refers to the understandings and conventions within a society that help to explain and justify its legal,
political, and economic structures. (Paz-Fuchs 2011). According to Smith and Berkow (2007) “Rousseau's solution to the problem of legitimate authority is the ‘social contract,’ an agreement by which the people band together for their mutual preservation. This act of association creates a collective body called the ‘sovereign.’ The sovereign is the supreme authority in the state, and has its own life and will. The sovereign's interest, or the ‘general will,’ always promotes the common good. This is in contrast to the private will of each citizen, which strives only for personal benefit.”

But, is it possible to look into the relationship between religious authorities (clergies) and citizens (especially the poor) in Iran from the social contract perspective, particularly after the 1979 revolution? Associated with the Enlightenment figures, Rousseau criticized religion—particularly in his *The Social Contract* (1762). Generally speaking, he bears antithetical views against religion, even when he writes on, what he calls, the ‘civil religion’—the religion of the citizens, as opposed not the religion of man, which is formal, organized, and hierarchical and “teaches love of country, obedience to the state, and martial virtues.”

2-6 Summary: The Conceptual Framework
Table 1: The Conceptual Framework of the Thesis

<table>
<thead>
<tr>
<th>Questions to be Addressed</th>
<th>Variations</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Through which ‘institutional articulation’ the poor were assisted?</td>
<td>Top-Down</td>
<td>Public sector planning; strong role of the state; planned/organized help</td>
</tr>
<tr>
<td></td>
<td>Bottom-Up</td>
<td>Non-Government Organizations (NGOs); civil society activism; unplanned/decentralized help</td>
</tr>
<tr>
<td></td>
<td>Synergic</td>
<td>State-society relationship; planned-unplanned help</td>
</tr>
<tr>
<td>How the concept of ‘helping’ was perceived?</td>
<td>Helps as a threat</td>
<td>Subjugation; Dependence; Rebel; Communism</td>
</tr>
<tr>
<td></td>
<td>Help as obligation/responsibility</td>
<td>Religious obligation; Secular humanism; moral duty</td>
</tr>
<tr>
<td></td>
<td>Help as a means of political manipulation</td>
<td>Exercise of power; garnering political support</td>
</tr>
<tr>
<td>How various ‘dimensions of poverty’ were conceptualized?</td>
<td>Materialities</td>
<td>Material/non-material lack and deprivation (cash money, housing, subsidies, opportunity)</td>
</tr>
<tr>
<td></td>
<td>Subject’s own perception of his condition</td>
<td>God’s will; unjust constitution of society; the state’s failure to protect</td>
</tr>
<tr>
<td></td>
<td>How others viewed the poor</td>
<td>Social interventionist approach (the poor need support); Non-interventionists approach (the poor deserve their condition; nothing could be done)</td>
</tr>
<tr>
<td></td>
<td>Reasons for attitude/policy change (space-time)</td>
<td>Revolution; available financial resources; international relations; War</td>
</tr>
<tr>
<td>Which variation of ‘the theory of secularization’ was involved, if any?</td>
<td>Differentiation thesis</td>
<td>Institutional differentiation of the secular spheres—the state, economy, and science—from religious institutions</td>
</tr>
<tr>
<td></td>
<td>Decline of religion thesis (Marginalization thesis)</td>
<td>Progressive decline of religious beliefs and practices as a concomitant level of modernization</td>
</tr>
<tr>
<td></td>
<td>Privatization thesis</td>
<td>Privatization of religion as a precondition of modern secular and democratic development</td>
</tr>
</tbody>
</table>
3- Religion, Politics, and the Poor Before Iran’s 1979 Revolution

3-1 Overview

This chapter provides a detailed account the relationship between the state and religious authorities regarding their attempts to assist the poor since the formation of the modern nation-state in Iran in the 1870s. It covers various reasons why religious authorities opposed the state and how they are linked to social policies of the state.

3-2 State, Society, and Religion in Iran: A Brief Historical Background

Historically speaking, the relationship between the society and ruling powers in Iran has been entangled with religious sentiments that oftentimes were employed to mediate between the impoverished and the rulers. Prior to Islamic conquest of Persia by Muslim Arabs in 637-651, some of the Sassanid kings (224-651 AD), such as Kaveh I, followed the teachings of Zoroastrianism (the Sassanid official state religion) to share the wealth of the rich with the indigent or to reduce taxes for peasants. After the introduction of Islam to Iran (637-651) and due to the Islam’s emphasis and promises to protect the impoverished, religious authorities assumed a more prominent responsibility not only in mediating with the ruling powers on behalf of the needy but also in directly supporting the needy through redistributing religious taxes and charities. This established a solid social foundation for religious authorities among the low. Over a prolonged state of instability afterwards, which was due to internal tribal wars and foreign invasions, many kings and monarchs tried to employ religious teachings in their governing mechanisms (such as the Buyid dynasty (934-1062) who proclaimed Shia Islam as their official religions.

However, it was only after the establishment of the Safavid dynasty (1501-1734) that a powerful, central, and religious state took the control of the whole country. They largely succeeded in making religion subservient to their own ends and in building a strong and centralized state that created political stability and economic prosperity for the country (Platteau, 2008). Iran’s encounter with European powers (mostly Britain and
Russia) begins in this period, which took forms of both military cooperation and confrontation. This relationship strengthened after the establishment of the Qajar dynasty in 1785 and influenced the formation of (modern) nation-state in Iran in 1870 under the reign of Naser Al-Din Shah (1848-1896).

3-3 Formation of (Modern) State and Its Relation with Religion in Iran (1870-1921)

Before the end of 19th century, Iran was largely governed through a form of decentralized structure of tribal powers. Tribal leaders, who were also local military leaders, were largely enjoying their autonomy, thereby acting as a force preventing centralization (Keddie 1978). The two prosperous economic classes included the landlords (zamin daran) and the merchants (bazaaris). The society was in general poor and the monarchs were indifferent to the abject poverty of the country. In the Qajar era, as in previous periods, there continued to be a fundamental gap between a narrow stratum of state officials, tribal leaders, religious notables, landlords and great merchants, at the top, and the vast majority of peasants and laborers in agriculture and traditional industries and services, at the bottom. There was also an increasing awareness of the three main dimensions of inequality, namely the social status, material resources, and power, evidenced by the distinction that could be found in the Qajar sources between the nobles and commoners (ayan and rayat) or between the elites and the masses (khavas and avam) or between the affluent and the poor (aghniya and foqara) (Ashraf and Banuazizi 2015).

Upon several visits to Europe, Naser Al-Din Shah (the fourth of the seven Qajar monarchs and the longest reigning one) created its own vision of a modern (European) Iran by pushing through fundamental reforms from the top. The first step was to alter the administrative and social structures of the country in a way that it would emulate that of ‘modern’ European nations. Top among which were the introduction of Western science, technology, and educational method and to curb the power of religious leaders in these spheres. Herein begins the increasing friction between religious authorities and the new (modern) state. Not only was such a dispute a new phenomenon in the history of the Iran in terms of its social support of religious authorities, but it also established new forms of
the relationship between religion and politics in the country, which influenced the course of events to occur afterwards. For examples, in both the Constitutional Revolution of 1909 and the (Islamic) Revolution of 1979, religious leaders played pivotal roles in mobilizing and directing citizens (Abrahamian 1982) and in influencing the outcomes. While the former culminated in incorporating religious notions in the writing the Constitution (1909-1910), the latter resulted in the country’s current unique blend of theocracy and democracy. Interestingly enough, the core argument of both revolutions was wrapped around the idea of ‘removing the rampant inequality that was produced by the state.’

3-3-1 Citizen-Clergy Relationship in Iran

Among all factors that could explain the relationship between religious authorities (the ulema) and citizens (particularly the poor)—and thereby the state—in Iran, three components are of paramount importance to this research. The first is to acknowledge the fact that such a profound relationship is historically grounded and longstanding because of variety of reasons. In addition to the cultural and divine reasons for respecting religious authorities in communities of believers, there are also social, economic, and political aspects that buttress this relationship in Iran. Economically, helping the poor has been one of the main responsibilities of ulema, who have historically acted as the agents of wealth redistribution in Muslim societies. Acting upon the Islamic precepts of using waqf resources and religious taxes of zakat and khums to protect the needy, clergies (particularly high-rank ones or mujtaheds) were usually regarded as agents of providing justice to the society, especially in the absence of a just political power (the state) that would fulfill this promise.

It is important to note that associating the social-economic connections of clergies only to the poorer segments of the society is both partial and misleading. In fact, it was the richer Muslims, mainly merchants or bazaaris and landlords, who financially supported this specific system for wealth redistribution. While there was no (political) coercion involved, they voluntarily donated their lands and houses as waqf and paid zakat and khums to the ulema for redistribution and more equal society. This issue also shows
the strong (historical) connection between the *ulema* and merchants in Iran, which influentially impacted the course of events in Iran. *Ulema* had also acted as the judges and to provide judicial services to the society. Politically speaking, this relationship conferred, again historically, the *ulema* a tremendous social (and political) power to confront the socio-economic policies of monarchies or central governments (Cleveland 2004). This is particularly the case when central powers were neglecting the plight of the poor or the will of the society.

The second element explaining the *ulema*-citizens relationship in Iran drives from the difference between *Shia* and *Sunni* clergies. While in most Muslim countries with a *Sunni* majority population (like Egypt), *Ulema* were historically incorporated into the state structure, *Shia ulema* (particularly in Iran) historically tended to be independent from the states both financially and administratively (Bayat 2013; Floor 1980). Religious funds (*waqf, khums, and zakat*) have been an important financial source for the *Ulema* to maintain their independence from the state. Therefore, the *Shia* religious hierarchy was historically capable of acting as a counterbalance to the state. The masses often looked to the clerics for support or defense on their behalf against the tyranny and oppression of their rulers (Tehranian 2004). Receiving directly the *khums* and *zakat* religious taxes, the Iranian *Ulema* were in a socioeconomic position to lead oppositional movements to the government (Keddie 1980).

The third is related to doctrine of *Shi'ism*, as an ideology. *Shi'ism* is predicated upon the idea of rebellion against and resistance to the unjust sovereigns. Shiite most respected (divine) figures—mainly Imam Hussein, the third of the twelve Imams—are regarded as martyrs in their effort to rebel against the unjust Umayyad caliphs. Against this backdrop, therefore, *Shi'ism* proved itself capable of operating in more than one mode accommodating power when necessary, and even legitimizing it, or adversely rebelling against it by resorting to a vast reservoir of memories of suffering and resistance (Amanat 2009). Every time Shi’as have come close to recognizing it fully they have been a beacon of hope for the poor, the weak, and the forsaken, and every time they have been furthest away from it they have been the damnation of the earth (Dabbashi 2011).
Employing the idea of social contract, we may describe this relationship between *ulema* and citizens in Iran in two ways. First, one might see a certain type of social contract between the citizens and the religious authorities not only to distribute the wealth in the society but also to be the judicial references in the society. Second, citizens gave the clergies (specifically *Shia ulema*) the power to represent them politically against the unjust rulers. In other words, *ulema* were conferred a role of providing social justice to the society. Formation of the (modern) state, as an entity (institution) that appeared to claim many of these historically grounded responsibilities of the *ulema*, therefore, could be seen as revoking this social contract.

3-3-2 Why Religious Authorities Opposed the (modern) State?

Two specific questions are of primary concern to this section of the research:

- What were the underlying causes for such a direct clergy-state confrontation through which a new form of religio-politics emerged in Iran?
- How did the idea of ‘assisting the poor’ influence to this relationship?

In general, three broad reasons provoked the tension between the state and religious leaders in Iran since the late 19th century. These reasons, in one way or another, impacted various ways through which religion influenced social policies in Iran afterward. Indeed, the causes are linked to each other and are not mutually exclusive. But, each has inspired certain social groups in their oppositions to the state and its social policies. They include: (1) religiously inspired opposition to imperialism, foreign intervention, and westernization; (2) the (modern) state’s attempts to control religious leaders; and (3) religious leader’s efforts to represent the grievance of the poor.

- **Opposition to Imperialism, foreign intervention, and Westernization**

One of the early seeds of the rise of Islamic movements in the Middle East was planted in the era of European colonialism in the region (Dabashi 2011), the fact which some Muslim figures connected to the fate of Muslims. *Seyyed Jama'eddin Asadabadi* (1838-1897), also known in the West as *Al-Afghani*, was the most influential figure. Al-
Afghani was one of the first and most influential religious leaders whose ideas inspired many people in Muslim countries, including Iran. Having lived in India, Al-Afghani had developed a lifelong hatred of British imperialism (Keddie 2003) and had become an advocate of Muslim peoples’ rising up to challenge the West and put their house in order to eliminate their weakness that made them easy targets for Western imperialism (Chehabi 1990). In this sense, he was a source for religiously oriented nationalism in the Middle East and Iran. Referring to the increased foreign interference and territorial encroachment under Naser Al-Din Shah’s rule, Al-Afghani believed the shah was subservient to British and Russian imperial powers, and thus towards the end of his life, ordered of his followers (Mirza Reza Kermani) to assassinate the shah in 1896.

Other religious leaders also actively opposed state policies, especially those that used to give foreign powers unlimited access to Iran’s resources. It is thus no surprise that religious authorities mobilized the public and staged the first great popular demonstration of Iranian citizens in 1891-92. This cleric-led revolt, known as the Tobacco Protest, was a reaction against the unjust concessions granted by the monarch to the Great Britain (Keddie 1966) to exclusively produce, sell, and export the country’s entire tobacco crop, which was a vital commodity in the economy. Such oppositions continued during the reign of Mohammad Reza Shah Pahlavi, aka the Shah, especially after the CIA-led Coup d’etat of 1953, which brought him back and subverted the nationalist government of Mohammad Mosaddegh (in office 1952-1953).

As will be shown later in this research, this issue was also one of the main reasons why religious leaders opposed the land reforms of the White Revolution in 1963, which was put into the action by the Shah and under the pressure of the Kennedy administration.

- **Opposition to State’s Attempts to Control Religious Leaders**

One outcome of the formation of (modern) nation-state in Iran under the reign of Naser Al-Din Shah was the creation of new institution of (modern) government. This idea was borrowed from European countries, in which religion barely had assumed to have a role in public affairs. The idea of modern (secular) state necessitated that certain spheres—
such as education, judicial system, and redistribution of financial resources that were collected from the society—be under the control of the state. However, since these social services were historically provided by religious authorities in Iran, there was an explicit differentiation in the ways the so-called secular sphere was separated from the control of religious institutions in the establishment of the new institution.

One specific dispute between the state and the religious authorities was over who owes the duty, the right, and the financial means to provide public services to the poor. Before the late 19th century, neither the monarchs nor the Ulema preferred opposing each other directly. More specifically, there was a tacit agreement between the monarchs and the religious leaders with regard to the duties and financial sources available to each one: Religious taxes were the exclusive rights of Ulema (to collect and redistribute them among the poor) while the state taxes were largely the rights of the monarch and the bureaucracy under his control. To this end, religious leaders were involved in collecting zakat and financial incomes of awqaf, the religious endowments, to redistribute them among the poor through their networks. However, Naser Al-Din shah claimed the responsibility of the state to control the waqf resources, which were the main means of religious leaders’ financial independence from the state.

- Representing the Grievances of the Poor

The third cause of religiously oriented oppositions to the state is rooted in the historically grounded powerful relationship of clergies with society, especially the poor. As mentioned before, Islam attributes to the political leaders of the society, in general, and religious leaders, in particular, a social responsibility to protect the poor and the disenfranchised. Inspired by this notion, religious leaders believed that assisting the poor and providing them with social services were one of the basic responsibilities of the political leaders. Therefore, when the monarch (or the state or the government) fails to accomplish this task, it is the responsibility of religious leaders to represent the grievances of the poor.
One example is the activities of Shaikh Fazl-Allah Nuri (1843-1909). Like other theologians (mojtaheds), Shaikh Fazl-Allah fulfilled his moral obligation of representing the grievances of the people to the government (Martin 2014). In 1896, when there was a water shortage caused by a draught in the Chaleh Meiyan district of Tehran (one of the poorest neighborhood in the city), Shaikh Fazl-Allah represented the concerns of the local people over problems with access to water to the governor of Tehran (Jalilvand 1977). Another example is the bread riot of December 1942 in Tehran. It was a social protest that was started by the students against the then government (Reza Shah Pahlavi) for its failure to handle the food shortage in the country during the Second World War. The Allied forces had confiscated the country’s wheat to feed their own soldiers during the war (McFarland 1985). In this occasion, too, religious leaders supported the protesters.

3-4 The Poor, Religion, and the State During Reza Shah Period (1925-1941)

3-4-1 ‘Help’ for the Purpose of Modernization

Similar to the other so-called Third-World countries of the Middle East, poor people existed in Iran long before the introduction of modernization and industrialization to the country. Beggars, porters, vendors, and various menials filled the quarters of Iran’s nineteenth-century cities (Bayat 1997). The society at that time was in general socio-economically poor. In fact, any development-related effort could be considered an effort towards eradicating the rampant poverty of the country. However, with the formation of the Pahlavi dynasty in 1925, it was thought that there is a perfect solution to address the country’s abject poverty: modernization through rapid industrialization and urbanization. Development was conceptualized as means to attain this goal. To this end and with the help of foreign advisors, Reza Shah, the founder of the Pahlavi dynasty, initiated the development planning in Iran in 1937 by crafting the first economic development plan of the country. Given the socio-economic and intellectual situation of the society that oftentimes was referred to as “backwardness” by the leaders, the rapid, top-down, centralized, authoritative model of development was considered the most effective way to “progress.” Indeed, Reza shah’s plan benefitted the county tremendously mainly in
creating infrastructures (road, railroads, dams), modern educational system with universities, industrial plants, and public health.

Nonetheless, what is relevant for this research is to demonstrate how “helping the poor” was perceived during his reign (1921-1945): it meant help for the sole purpose of ‘modernization.’ And as modernization and secularization were considered inextricable, helping was supposed to fulfill secularization goals. For instance, in 1936, Reza Shah promulgated the “the Law of Woman’s Emancipation,” declaring that wearing of hijab or Chador was forbidden and women, instead, have to wear “modern” clothes. High officials in the provincial centers were funded (or got them from wealthier people) to buy modern dresses for poor women (Faghfoori 1993). A committee was founded to help the poor, and wealthier women undertook to make dresses and hand them over to the committee. To Reza Shah, removing the “face” of poverty and changing the “appearance” of the poor seemed much more important than the poor’s real predicament to live their lives. It was believed that modernization and industrialization would ultimately benefit the poor in the long-term. In the sort run, however, the new government felt that it has to do something with the “non-modern” face of the society and the poor.

The relationship between ulema and Reza shah was not always hostile, however. Ulema supported Reza Shah to pave his way to the throne in 1925. For, Reza Shah had initially promised that he would not intervene the ulema’s social affairs, among which was his pledge to guard ulema’s financial resources for assisting the poor. However, the Shah later attempted to monopolize public provisions as the sole responsibility of his centralized state, and especially as he authoritatively and simultaneously pushed for secularization and modernization, ulema fiercely opposed him (Faghfoor 1993). Along the way, religious institutions continued to play their role of public provision to the poor. One example is works of the astanah of Imam Reza, the eighth Imam who was financially supported by donations of people to the tomb of Imam Reza in the province of Khorasan. In 1307 Sh./1928, the astanah funded the establishment of two schools for boys and girls in Mashhad. Some 80 students from poor families received free housing
and a monthly allowance. Gradually, schools of this kind increased in Mashhad, and some even hired European instructors (Faghfoori 1993).

3-4-2 Secularization and Social Policies During the Reign of Reza Shah

It is often stated that Reza Shah’s primary goal was to turn Iran into a ‘modern country, an endeavor he saw synonymous with secularization (Kamrava 2005). But, how did Reza Shah pursue this dream through social policies? What was the type of secularization that he pushed for to transform Iran into a modern and developed nation? Which one of the three main components of the ‘theory of secularization’—namely, the differentiation thesis and the two sub-thesis of privatization and marginalization of religion—correspond with Reza Shah’s social policies?

At the first glance, Reza Shah’s attempt to establish a brand-new (modern) state—and the opposition from religious communities—might resemble the enforcement of the first type of secularization. A closer look, however, suggests that this assumption may need to be revisited. First, contrary to the experiences of European countries—where the idea of secularization was first conceived—in Iran, the state was never run by religious authorities. True, most, if not all, of the dynasties and Empires in Iran had religious affiliations—some of which, such as Buyids or Safavids, even had official state religion. However, the state was never run by the mosque or any ecclesiastical institution. On the contrary and as was mentioned before, Shia ulema in Iran were usually a counterbalance to the central political powers. Second, religious authorities rarely ran the economy of the country. It is true that Islam had developed its specific type of ‘the economy of help,’ but it was only applicable to the country’s community of faith, not necessarily to the state affairs. Additionally, barely can we find direct control or opposition from religion to scientific discoveries in Iran. In fact, many of the most advanced scientific discoveries were first produced in the East, and many in Islamic countries and by devoted scientists, before being transferred to the West. Of course, this fact does not mean that religion has caused or influenced such scientific discoveries, but it also does not demonstrate any control or dominance of religion over science. Hence, the history of Iran tells us that the differentiation thesis—which defines secularization as
the emancipation of the so-called secular spheres of the state, economy, and science from the ecclesiastical (religious) institutions—may not fully account for the dynamics and mechanisms of state-religion relations in Iran.

That being said, Reza Shah’s efforts could be explained from the differentiation thesis in other arenas. Specifically, there were two so-called ‘secular’ spheres that were historically run by religious institutions and ulema in Iran: educational and judicial systems. Upon the emergence of the new institution of the state, which attributed these domains as its responsibility, ulema reacted in a variety of ways, ranging from supporting the reforms (such as those ulema serving as representatives in the majlis, the Assembly), collaboration to outright opposition. However, despite their antithetical ideologies, it is misleading to assume that ulema opposed all of the Reza Shah’s social policies. Education and public health are two policy areas where one can find either a tacit agreement between the two or a complete support from ulema. Interestingly, in both policy areas, Reza Shah’s policies proved to be highly successful. For instance, although Reza Shah transformed Iran’s educational system with the hope of replacing the traditional religious education system with a modern and secular one, there seemed to be a tacit agreement between the state and ulema on who is responsible for general education and who is responsible for religious one.

Reza Shah held religious sentiments—at least from what he was publicly representing of himself by naming his son, the next Pahlavi Shah, after the name of both the Prophet Mohammad and the eight Shia Imam. He also regularly visited the shrines. Despite some instances that might suggest otherwise, it is hard to claim that the marginalization thesis—which focuses on the progressive decline of religion in the society—would account for Reza Shah’s perception of the relationship between secularization, modernization, and development. He was well aware of the increasing trend of religious sentiments in the public sphere, especially after the 1905 Constitutional Revolution. After all, he paved his way towards the throne by help of ulema.

Perhaps, it would be more precise to describe Reza Shah’s attempts as endeavors towards removing religion (especially its symbols) from the public sphere so that the
country would resemble modern (European) nations. In this sense his effort might be better understood through the privatization thesis. It is true that Reza Shah’s reform did aim to curb religious authorities increasing power in the public sphere, especially in representing the grievances of the poor and opposing the central government. In other words, while the general thesis of secularization was not applicable, Reza shah pushed for chiefly privatization of religion, which was accepted by most, not all the ulema as long as the new state would rule justly. However, the more authoritative the Reza Shah became towards the end of his reign, the more opposition he received from ulema, who accused him of becoming another unjust ruler neglecting the plight of the poor.

It should also be noted that Reza Shah’s effort to undermine the ulema’s social status—by policies such as the establishment of modern educational institutions and the abolition of the mujtadehs’ (the highest ranked clergies) courts to be replaced by state-controlled judiciary—provoked a competition between the state and the ulema. This issue, of course, could be analyzed from political perspective as well: of competition for (social-political) power. The centralization of the state, therefore, encouraged the religious hierarchy to get more a centralized articulation (Amanat 2009).

3-5 The Poor, Religion, and the State During Mohammad Reza Shah Period (1941-1979)

Upon the breakout of the Second World War, the Allied powers (Great Britain and the Soviet Union) invaded Iran. The Anglo-Soviet invasion was instigated in response to Reza Shah’s declaration of Neutrality in World War II and refusal to allow Iranian territory to be used to train, supply, and act as a transport corridor to ship arms to Russia for its war effort against Germany. Reza Shah further refused the Allies’ requests to expel German nationals residing in Iran, and denied the use of the railway to the Allies. However, according to the British embassy reports from Tehran in 1940, the total number of German citizens in Iran—from technicians to spies—was no more than a thousand. Reza Shah was forced by the invading British to abdicate in favor of his son Mohammad Reza Pahlavi, who replaced his father as the Shah on the throne on 16 September 1941.
Because of its importance in the allied victory, Iran was subsequently called ‘The Bridge of Victory’ by Winston Churchill.

3-5-1 The State-Ulema Relations Under the Reign of the Shah

The growth of the secularized or semi-secularized middle classes and the popularity of a variety of religious and ideological challenges, from Baha’s, Marxists, secularizers, religious modernists and Islamic radicals of various sorts, persuaded the demoralized and shrunken clerical community to reorganize the madrasa and solidify their network at the national level. Most importantly, they gradually moved away from the state–ulema alliance that was founded on the ancient principle of preserving social equilibrium through guarded collaboration. In due course, the new marja’iyat reconstituted its base not only in the bazaar community, where it was traditionally strong, but also among a new class of urban and urbanized poor (Amanat 2009). They offered a pool for clerical recruitment and an enthusiastic mosque congregation, particularly among the poor communities. As will be shown later, these efforts substantially influenced the course of events in Iran, especially through educating some of the most influential political (and religious) leaders, including some of the Islamic Republic’s presidents and chairmen.

3-5-2 The emergence of the “New Poor” And their Alliance with Religious Authorities

Once the young Mohammad Reza Shah Pahlavi, aka the Shah, took the throne in 1941, he followed his father’s dream of a ‘modern’ Iran. Even further, The Shah dreamed of representing Iran and the ‘Great Civilization’ that is ‘modern.’ To Shah, rapid development was the vehicle to materialize this dream. With that in mind, he established the Planning and Budget Organization (PBO) in 1948 with the help of American advisors. PBO was in charge of preparing National Development Plans, the first of which was crafted in 1950. The Shah’s main concern was rapid economic growth through industrialization and urbanization of the country, which was well reflected in the national development plans. Cities were looked as the hubs of capital production as well as manifestations of ‘modernity.’ Big industrial/infrastructure plants were created mainly near major cities, such as Tehran and Isfahan. Although the country went through a
turbulent years of the Nationalization of Oil Movement (1951-1953), the 1953 coup d’état that was planned and managed by the United States brought the Shah back to power which not only enabled him to continue pursuing his dreams but also to become more authoritative and centralized. After all, the first ten years of his reign, 1941-1951, was an era of tolerance for democratic movements and decentralized decision-making, which both Shah and his supporters assumed had resulted to the Oil Nationalization Movement led by Mosaddegh.

In the 1960s, an upward trend of rapid urbanization resulted in the establishment of the Ministry of Housing and Urban Development. The commencement of official spatial planning, the introduction of comprehensive planning (Razavi and Vakili 1984), and stresses on plan implementation (Mofid 1987) brought major changes to Iranian planning culture. As a consequence of rapid modernization and industrialization policies, a new socio-economic group emerged: the so-called “New Poor” (Bayat 1997). The industrialization process resulted in rapid urban growth and urban migration—both from rural to urban areas and from small towns to large cities. It also created new jobs and new sources of wealth for many citizens in large cities, hence the ensuing rise in income and the general enhanced welfare.

However, the top-down, Western-style, and rapid pace of modernization, which was accompanied by mass migration, culminated in the creation of new socio-economic classes. While some of these groups were highly prosperous, an important segment of the urban population became rapidly marginalized. These groups were living in deteriorating slums and squatter settlements around or within large cities. The immense socio-economic and political repercussions of this marginalization led to widespread discontent, which culminated in the outbreak of the 1979 revolution.

Religious leaders and clergies disliked Western-style modernization. Their religiously inspired objections targeted particularly those social policies, like the creation of co-ed schools and pubs, which were in conflict with fundamental Islamic principles. And, all along, religious leaders provided cash assistance, housing, and social services to the poor as required by Islamic laws of Zakat or Khums. The availability of funding in the
form of zakat (2.5% of income) from Muslim businesses and activists, various donations, and khums (a fifth) levied on the savings of Shi’a Muslims, generated revenue for these religious associations (Bayat 2013). Consequently, many marginalized Muslims supported the emerging religious polity.

In the 1960s and 1970s, the continued flow of religious donations to the ulema allowed them to continue as sponsors of clinics, hospitals or housing projects, and as distributors of funds to the needy. Contest and emulation both among leading ulema and between ulema and the state were significant features of these activities. The building of hospitals in Qum, for example, involved interactions between ulema and state bureaucracy and legislation, as well as among those ulema. The growth of more organized distribution of welfare for the poor in Shiraz in the 1960s manifested new elements, replacing older systems of personalized giving with a structure of organized donations and disbursements of funds using ‘modern’ bureaucratic procedures (Groot 2007).

Following his father, the Shah had built his state over three pillars: military, state bureaucracy, and court patronage (Abrahamian 2008). Despite some inherent discrepancies between these pillars and the components of the reform such as minimizing the size of the state, the White Revolution was primarily buttressing the last two pillars. Most specifically, established in 1958 as a tax-exempt charity, the Pahlavi Foundation began holding in trust for the nation the previous shah’s landed estates. The New York Times reported in 1979 that: “Behind the façade of charitable activities the foundation is apparently used in three ways: as a source of funds for the royal family, as a means of exerting control over the economy, and as a conduit for rewards to supporters of the regime” (Crittenden 1979). The opposition at home described the foundation as a giant octopus whose tentacles tapped into almost all spheres of economic activity (Abrahamian 2008).
As Nikki Keddie (1977) write, “the classes among whom opposition movements first began in 1978 were classes who were economically and culturally disfavored by the regime, and were also in concentrated urban locations where opposition could grow most easily. These groups and classes included religious students and ulema, who have seen their livelihoods and status undermined; the bazaar classes (petty bourgeoisie and bazaar merchants), who have been hurt by the competition and official favoring of large foreign and Iranian firms (including governmental or royally-owned ones); and university students, who had many grievances. These groups were often joined in their demonstrations by the urban poor. All of these groups, except for part of the students, had for years expressed their grievances in religious gatherings and processions, which were the only kind of implicitly oppositional gatherings permitted.” The cities, while growing fast both physically and economically, were becoming more and more representative of the rampant inequality and manifestations of marginalization. Michel Foucault’s account of his visit to Tehran, *Tehran: Faith Against the Shah* (1987) describes the situation:

*Tehran—Tehran is divided in two, along a horizontal axis. The wealthy part of the city, in the middle of enormous construction sites, slowly climbs the foothills, toward the cool air. The villas with their gardens are enclosed by high walls and solid metal doors. In the south are the bazaar, the old city center, and the poor suburbs. At the periphery, very low, barrack-type buildings blend dustily into the plains, as far as the eye can see. A little further away, the city collapses, for over the centuries, enormous excavations have been dug for the clay needed to build Tehran. Five or six hundred meters below the level of the royal palace and the Hilton Hotel, the city left its empty molds. Here, above the holes, red and black tarps have been stretched to create dwellings. There, where the city ends and where one can already feel the desert, two opposite waves have met, peasants forced from their homes because of the failure of agrarian reform and city dwellers forced out because of the triumphs of urbanization. This is a phenomenon that characterizes the*
whole of Iran, for in ten years the urban population has increased from nine to seventeen million.

The poor, who were living in villages or small cities before the rapid economic growth and industrialization, moved to big cities to benefit from the wealth and capital that was generated there. However, once they got to the big cities, they could not afford increasingly expensive housing within the cities; they thus resided at the skirts of big cities and the informal settlements shaped. Nor could they be absorbed to the cultural setting of the (modern) cities, which was antithetical to their religious norms. They were also politically marginalized. In other words, the new immigrants were socio-economically, culturally, and politically marginalized. They were mentally and physically displaced within their own country. To them, development had brought more affliction than benefit. Mainly Muslim devotees, these groups used their historically grounded social contract with religious authorities to represent their grievances to the central government.

By 1980 at least one million poor lived in the slums of Tehran and an estimated 400,000 resided in the squatter communities. This figure excluded spontaneous settlements that lay outside the city limits, such as those around Varamin, Qarchak, and Shahriar. If these were included, the total squatter population of Tehran would probably reach some 500,000, or over 15 percent of the city’s population (Bayat 1997).

3-5-5 The Cold War, Religion, and the Turn to Poverty in Iran

Given the geo-political location of Iran, it is important to understand how social policies of the Shah was influenced by the international dynamics of their time. It also shed light on how such dynamics, specifically the Cold War, intertwined with the ways religion influenced social policies for the poor in Iran.

While the Shah was consolidating its power internally particularly against religious authorities, the dynamics of the post-WWII and the Cold War era were influencing international development planning worldwide. It was mainly because the Bolshevik revolution and the spread of Communism has added urgency to old planning
conversations, particularly as it evolved through the post-WWII decolonization process—now known as the “First Decade of Development.” In the late 1950s and early 1960s, it was believed that if the poor countries were not rescued from poverty, there is a real danger that they would become communist. This turn into the discovered poverty was the result of “a realization that in the Cold-War-driven competition for allegiance of regimes, it was essential to promote intra-country redistribution to pacify the ‘masses’ that were becoming restive due to rising anticolonialism and nationalism. Aid began to be seen as a way of achieving that goal” (Rajagopal 2003). This was the reason why there existed huge emphasis on the redistribution as a policy goal to pacify the masses if poor countries desired to receive international loans.

For Shah, however, helping the poor was not connected to get loans from international development institutions because the country had huge revenue from its natural endowments, namely the oil. Instead, what Shah did to help the poor was mainly because of the pressure from the United States to “pacify the poor” who would potentially succumb to appeals of communism. Although the Shah was mainly concerned with urbanization and industrialization, such international dynamics forced him to offer specific plans to help the poor.

The Tudeh party, the most organized communist group within Iran, was very active and had become increasing popular among younger generations who had found communist promises appealing to account for their predicaments. In such a scene, not only were undermining social status and curbing political activities of religious authorities less important to the Shah and his supporters compared to the dangers of communism, but also they could be used as an alternative to the poor because of the conflicting ideologies. By this reason, the ulema enjoyed more freedom to continue their activities, especially among the poor, who traditionally were supporting religious figures. This is important specifically because it opened new avenues of influence for religious authorities to oppose social policies of the Shah, among which the White Revolution loomed large at that time.
The White Revolution and Its Discontents

Launched in 1963, the White Revolution was a far-reaching series of reforms proposed by the Shah who also advertised it as a step towards westernization. Suggested by the Kennedy administration as an alternative to ‘red’ revolutions and as a condition to U.S. aid, the White Revolution aimed at propelling Iran onto the level of the most modernized countries. In other words, the White Revolution was primarily propelled by the Cold-War-driven competition (Summit 2004). The White Revolution considered of nineteen elements that were introduced over fifteen years, including nationalization of forests and waters, privatization of government-owned companies, extending the right to vote to women, and the literacy corps—an educational program to increase the literacy of the poor peasants in Iran’s villages. Most important among these reforms was the ‘land reform’ program, which involved the continuation of land redistribution from wealthy landlords to landless peasants, a policy that the Shah had started since the 1950s and under the pressure of U.S. government. In other words, the White Revolution comprised of a package of social policies from the Shah, most of which targeted the poor.

The conservative clergy saw the White Revolution as evidence of yet another frontal assault on their position and prestige. This reform program contributed to the ulama’s dissatisfaction with the secular modernizing plans of the Shah. Most, however, refrained from open opposition to the crown, probably because of their innate conservatism and divisions and disagreements within their ranks (Kamrava 2005). An influential religious figure who led the opposition was Ayatullah Burujirdi (d. 1961), the sole marja’ (highest cleric rank) of the time. The clergy’s displeasure publicly manifested itself in its opposition, in particular, to the land reform bill and the women’s rights question. The clergy’s reaction to the Shah’s plans was not monolithic; however, such plans provided a justification for the religious opposition’s wrath (Jahanbakhsh 2001).

3-5-6 Oil Money and the Rise of Inequality

Although the history of Iran’s oil began in 1901 when British speculators received a concession to explore and develop southern Iran’s oil resources, it was not until the 1950s
that the country’s economy got fully dependent on the oil money. In fact, oil was the primary fuel of the development engine of Iran, especially during the Shah periods. This financial dependence on the oil (and later, natural gas) revenue when combined with autocratic mode of governance explains why some scholars have named political economy of the country as ‘Petrolic-despotism’ (Katouzian 1983).

The impetus given by oil to the dramatic economic boom since 1963, with per capita GNP rising from approximately $200 to $1000 in real terms, and with one of the world’s highest growth rates, has increased the already wide income gap between the rich and the poor, even though some people have been able to rise into the middle and upper classes. Gains have been concentrated at the upper levels, and this has been in large part the result of government policies.

The common sense of the time was that as the mass of the population would receive some economic benefits from oil income, the poor would also benefit from it (Keddie 1977). However, it turned out that the rich managed to get much richer and the poor slightly so. The poorer classes have suffered from uprooting and from Iran's massive urban and rural problems, however, and they also witness the conspicuous consumption of the wealthier classes. Along with the grandiose and often unfulfilled promises made around the ‘White Revolution’ and the ‘Great Civilization,’ this was bound to lead to increasingly active discontent (Keddie 1977). Often included the urban poor, this discontent was the direct consequence of the rampant and increasing inequality. Both the communists and religious groups took position against it; however, as religious gatherings and processions were permitted by the government while communist group meetings were strictly forbidden, the religious gatherings became a place for people to express their grievances and to criticize the Shah’s social policies. The oil boom of the 1970s led to further class polarization and income inequality across the board (Bina 2008).

Although we have no hard data on actual income distribution, the Central Bank carried out surveys on household urban expenditures in 1959–60 and 1973–74 – a methodology that would inevitably underestimate real inequality. The 1959–60 survey
showed that the richest 10 percent accounted for 35.2 percent of total expenditures; the poorest 10 percent only 1.7 percent of expenditures. The figures were worse in 1973–74. They showed that the richest 10 percent accounted for 37.9 percent; and the poorest 10 percent 1.3 percent of total expenditures. A leaked document from the Plan and Budget Organization showed that the income share of the richest 20 percent of the urban population had grown from 57 to 63 percent in the period between 1973 and 1975. It also showed that the gap between urban and rural consumption had dramatically widened (Abrahamian 2008). The GINI Index in the 1970s was 0.45.

Under Shah Mohammad Reza Pahlavi, particularly during the 1960s and 1970s, Iran exhibited many contradictions and dislocations typically associated with combined and uneven development. The developmentalist strategy of the Shah, organized around the de facto alliance of the state, foreign capital, and domestic comprador bourgeoisie, accelerated capitalist economic development and “Westernization” of the culture. The uneven and contradictory nature of this process is evident in many areas of society and in increasing income inequality (the Gini coefficient of inequality grew from 0.4552 in 1959–60 to 0.4945 in 1973–4). In the rural areas, the Shah’s land reform program effectively undermined the traditional organization of agricultural production without substituting it with a coherent, modern and rational strategy. The increasing migration of landless peasants to cities and their settlement in surrounding slums testify to the technocratic rationale behind the land reform. The increasing concentration of political, commercial, recreational, and educational facilities in Tehran and other big urban centers, and the open door economic policies promoting foreign investment are examples of the Shah’s policies. The open door policy resulted in the bankruptcy of small-scale domestic producers and traders of the bazaar. Its results are most evident in the ratio of exports to imports which declined from 30 per cent in 1950 to only 5 per cent in 1975 (Farsoun and Mashayekhi 1992).

3-5-7 The Poor’s Reaction: The Quite Encroachment of The Ordinary

Asef Bayat (1997) describes the struggle of the poor as ‘the quite encroachment of the ordinary,’ “silent, patient, protracted, and pervasive advancement of ordinary people on
the propertied and powerful in order to survive hardships and better their lives.” Unlike Gramsci’s notion of “passive revolution” which assumes that the disenfranchised would carry out their activities as a conscious political strategy, Bayat’s notion of encroachment, presumes that such activities are driven by the force of necessity. In fact, what the poor people, especially those living in cities, did in Iran was not just to pursue strategies for survival, not a direct resistance to the state social policies. According to Bayat, the poor, while discontent, gradually found their ways into the urban economy through living a life of informality: they built up their own informal housing and partook in informal economy. Simultaneously, they made new social contracts with religious authorities, who expressed their grievances. This was an informal way of protest as well.

It was only towards the end of his reign that the Shah began to provide social services for the poor. These efforts, however, shared the same underlying rational: to help as a fear, not as a fear of communism, but as fear of rebel. As such, it is not hyperbole to claim that political reasons, again, were the sole reasons for help. Realizing that the alliance between the poor and ulama is seriously undermining his authority and witnessing the increased number of the poor among the protestors, the government unveiled a new plan to build inexpensive housing units for the masses of the people. Some of these were tube located in the low-income vicinities of industrial plants near Tehran. This hardly seemed a practical policy, given the bureaucratic bottlenecks and the urgency of the situation. Thus, on September 11, 1978, three days after the ‘black Friday’ massacre, when scores of demonstrators were killed in lower-class neighborhoods in defiance of martial law, the government submitted to the strategy that the poor themselves were already pursuing. For the first time, the state recognized the legalization and consolidating of squatter communities (Bayat 1997). The poor and religious authorities, however, considered such initiatives as a bribe, a hoax. It was already too late.

3-6 Summary

The formation of a new (modern) institution in Iran, i.e. the state, was concomitant with the formation of a new (modern) alliance between the poor and religious authorities. The
history of Iran demonstrates that the poor were not of serious concern to the monarchies before the 1979 revolution. Preoccupied with modernizing the country though development and with building a powerful central, bureaucratic state, Reza Shah was seeing ‘helping the poor’ as a means for modernization (and secularization). It is an undeniable fact that his social policies, especially in areas of education, public health, and judicial systems, improved the socio-economic conditions of the country to a great extent. It is also equally true that his perception of the relationship between modernization, development, and secularization, failed to absorb or transform traditional ways of helping the poor, which was based on a form of social contract between the needy and the ulema. Instead, it pushed such social alliances to become political. His new (modern) state claimed to have attained a monopoly over all of the traditional responsibilities of ulema—particularly education, judicial services, and financial assistance to the poor. However, while politically fighting with religious leaders, he failed to fulfill the third promise of assisting the poor. In other words, through creating a central modern state that is the sole entity responsible for development, Reza Shah offered a new social contract to citizens, including the poor: that the state would take care of them. However, instead of incorporating the other type of already existing social contract between ulema and the poor, Reza shah attempted at rescinding the latter social contract through a secularization thesis of the privatization of religion, which not only failed but also resulted in a backlash from large segment of the society.

Mohammad Reza Shah’s period is marked with rapid industrialization and urbanization of the country, which created new socio-economic groups, namely the low-income immigrants to big cities, the ‘New Poor.’ It is also the period of increasing inequality in the Iran, which was primarily the result of unbalanced development policies that were financially supported by the oil money. Similar to his father, the Shah pushed for rapid modernization of the country and largely succeeded in achieving a rapid economic growth. In the absence of an effective, if any, redistribution system, however, this sharp growth was accompanied with sharp inequality as well. Contrary to his father, the Shah had several schemes to help the poor. If ‘to help’ for the father meant ‘a means for modernization,’ ‘to help’ for the son was primarily driven by the ‘threat and fear’
either of the spread of communism or of revolt. Although they benefitted a certain segment of the society, the Shah’s development policies also marginalized a large segment of the society, either socio-economically or politically. While religious authorities continued to assist the poor through religious taxes and donations, some of them also tried to represent the grievances of the marginalized though questioning social policies of the Shah. Compared to the communists groups, the Cold-War-competition provided the religious groups with a comparatively more space of activity, especially religious gatherings that became the sole space to express oppositions. The poor’s concerns were rampant inequality, violent modernization, forced secularization, and marginalization, which they believed the Shah had caused and the one they saw in the social justice promises of (political) religious authorities. Witnessing the rich are benefiting from the state social policies, the poor asked for their own pieces of the (the economic growth) cake. It is thus no surprise why they did not make a social contract with the Shah and instead relied on their longstanding social contract with the ulema.
4- Religion, Politics, and the Poor After the 1979 Revolution

4-1 Overview

A major turning point, the 1979 revolution ushered in a new era in the relationship between religious authorities, the state, and the poor. This chapter analyzes various ways in which religion influenced post-revolution social policies.

4-2 The Poor, Religion, and the 1979 Revolution

After turbulent years of massive public demonstrations in (big) cities and following the workers’ strikes especially between 1977 and 1978, the Pahlavi dynasty was overthrown in February 1979. The result of the Referendum that was held on March 10 and 11, 1979 officially established the Islamic Republic in Iran, which ushered in a new era on the influence of religion on social policies.

4-2-1 The Role of Religion and the Poor in the Revolution: A Clarification

When it comes to the relationship between the poor, religion, and the 1979 Revolution, there are several important issues that require more clarification. First, varieties of people from different socio-economic classes helped the revolution to succeed. In other words, it would not be an accurate account to claim that Iran’s 1979 revolution was the revolution made by the poor. Instead, it was basically a ‘middle-class revolution’ and the poor ‘joined’ the revolution only in its later phases (Bayat 1997). It is true that the poor had harbored unsettled grievances against the Pahlavi regime specifically being socio-economically marginalized and neglected; however, protesters were largely from the middle class section of the society.

Second, the 1979 revolution was basically a revolution that occurred in the streets of (big) ‘cities’ (an urban revolution). The poor living in rural areas, although they were suffering from the rampant inequality even more than the urban poor and were benefiting from the rapid economic growth less than their urban counterparts, did not largely participate in the demonstration. It is true that the urban poor were the immigrant people
from rural areas and that they carried on genuine attachments (both territorially and emotionally) with their relatives and counterparts in villages. In other words, one might see the urban poor as the representatives of the rural poor, who barely had any means for expressing their complaints. But, to claim that the poor all across the country took part in the revolution is an inaccurate claim.

Third, there was variety of reasons why people supported the revolution, of which the abject poverty (and rampant inequality) is only one. In fact, the long-bemoaned concerns of public participation (mainly political but also economic), decentralization of power, cultural autonomy, fight against corruption, and independence from imperial powers’ influence of the country were also major driving forces for the revolution. After all, people had started to reach these goals before the establishment of the Pahlavi dynasty and since the 1905 Constitutional Revolution.

Fourth, it is also inaccurate to limit the ideological motivations underlying the revolution to religious (Islamic) ones. In other words, it would be specious to claim that the 1979 Revolution from the beginning was an ‘Islamic Revolution.’ It is true that (political) ulema, mainly Ayatollah Khomeini, had tried to articulate their arguments within the Islamic discourse and had the largest supports from the protestors. But, it is also equally true that a large segment of the protesters were communists, from the Tudeh party. There were also so-called secular participants (mainly university students) for whom democracy was the main concern. It was only after the referendum that the term Islamic Republic emerged as the official name of the new regime, which then began to consolidate its power and the ideological cleansing became widespread.

Lastly, it is also spurious to claim that all of the poor were against the Pahlavi regime or were blaming the Shah, himself, for their predicaments. Many of the poor rightly respected the Pahlavi regime for its success in fostering the economic growth (to cook a large economic cake). To this group, the corrupted bureaucrats were the main hindrance towards the equal distribution of that cake. Even when the government decided to demolish informal settlements and shantytowns in Tehran, some of the poor living
there expressed that the Shah was not aware of what these bureaucrats were doing (Bayat 1997).

4-1-2 How the Poor Reacted After the Revolution

The outbreak of the 1979 revolution was a tremendous boon to the disenfranchised seeking welfare and better lives. The religious leaders devoted an urgent attention to the poor as the “major capital of the country who staged the revolution.” After all, the ideal of social justice was a prime goal of the revolution. Ayatollah Khomeini had mercilessly chastised the monarchy for having neglected the plight of the poor and the oppressed, the mostazafan. The new constitution adopted under his supervision was, therefore, replete with references to justice and equity as the two main Quranic principles of governance. Eradication of poverty and deprivation also became one of the Islamic Republic’s principal duties and its leaders’ principal aims (Amuzegar 2007). Providing free housing and urban services were early promises of the clergies who took the power. However, once the revolutionary sentiments began to abate and specifically once the war started after the revolution in September 1980, the government realized that such promises couldn’t be easily fulfilled.

* The Housing Rebels and The Occupation of Homes and Hotels (1979-1981)

The people who considered themselves as the poor, however, could not wait for the government to solve its perplexing puzzles of free service provision; they needed to see real actions following the orally delivered Islamic slogans with regard to protecting the poor. On the one hand, the advent of the Islamic revolution had provided them with the opportunity to make further advances, and on the other hand, the poor were thinking that government was hesitating to fulfill its promises. Consequently, many poor family took advantage of the collapse of police control to take over hundred of vacant lands and homes, half-finished apartment blocks, and hotels, refurbishing them as their own properties (Bayat 1997).

One might ask if those poor people were devoted Muslims and supporters of the new regime, why would they occupy the properties of others? After all, not only was
such an action against the new theocratic constitution, but it also was strongly denounced according to the Islamic principles. One potential answer to this important question is that many occupiers were indeed devoted Muslim, but they did not largely believe that they were actually occupying other people’s properties because the religious leaders had told them that those rich people (opulent royalists) had formerly taken over the poor’s properties and that the country (including homes and lands) actually belonged to the poor; nor did they believe that they were violating the laws of the Islamic regime since based on the new social policies they were entitled to have those housing. They were referring to Khomeini’s promises of providing free housing and urban services. According to them, the only problem was that the government was hesitating to deliver them. Some of they believed that they had sacrificed a lot for the revolution and are now entitled to be reimbursed (Bayat 1997). Another explanation for the situation is that to the poor, squatting was not an ideological or political action but simply a survival strategy (Bayat 1997) based on which they had to defend their gains.

The negative repercussions of the movement resulted in an utter chaos in the society, thereby posing vexing problems to the new government. In response, most of religious authorities condemned the squatters and justified eviction on religious grounds (Bayat 1997). Some highest rank clergies even issued *fatwa* (religious verdict of the utmost urgency to be implemented) ruling that occupation was *haram* (religiously forbidden) and un-Islamic. The situation proved to be novel in the poor-clergy relationship in Iran: this time the *ulema* were not representing or defending them, but actually opposing to the poor’s actions. Afterwards, the government and the local militia (*Pasdaran*), which was formed after the revolution, successfully ended the occupation although some occupiers ended up keeping the properties.

- **Resistance to Forced Evictions**

  Informal settlements, which were formed since the 1960s around or with big cities, such as of Tehran, Isfahan, Arak, Mashhad, and Tabriz, had become the target of forced eviction policy of the state in last years of the Pahlavi regime. After the Revolution, however, the poor, who were still living in those communities or had recently
migrated to them, did not expect to witness such policies enforced by the new regime. After all, Ayatollah Khomeini in one of his first speeches after the revolution had avowed that “this country belongs to these marginalized people living in hovels and slums (kukhneshinan) not to those rich people living in the sumptuous palaces (kakh neshinan).”

However, as the Iran-Iraq war (1980-1988) began to undermine the country’s economy, the migration to big cities, especially Tehran, increased exponentially. The result was the rapid growth of informal settlements even on the properties of other people or the waqf lands—which were religious endowments being donated for public use and were not allowed for private purposes, let alone being occupied. The new regime encountered a dire situation to handle and tried different strategies, from formalizing the informal to forced evictions and demolishing unlawful lands. It first tried to formalize the shantytowns on the skirt of the cities by changing the official city boundary so that they can receive urban services by municipalities. However, it resulted in more migration to the cities as other poor realized that their relatives or friends were receiving lands and thus were encouraged to do the same. Then the government resorted to the forced eviction or to stop providing urban services (mainly water) to the neighborhood.

While many of the poor complied with the law and preferred to live their daily lives without direct opposition, a lot of them chose to resist: some continued to build new housing despite the increased police surveillance. Others protested and even engaged in violence and riots, such as burning public buses, banks and police stations. The result was the clash between the state and these groups of the poor. Ordinary people, however, employed public nagging as an “everyday form of protest” (Bayat 1997) through voicing their complaints in public spaces like taxis, buses, and bakery queues. Interestingly enough, the poor resistance, in various forms, did not accompanied by religious authorities. For the first time, it was the religious authorities themselves, those who had taken the political control after the revolution, that were gradually becoming the target of the poor grievances without a mediator between the state and the needy. This was a new social (and political) experience for the poor.
4-3 The Emergence of the Divine Hand of the State

Following the orders of the religious leader, public policies had to benefit, first and foremost, the poor and the disenfranchised. The religiously inspired rationale underlying these policies was that the protection of the very poor is what the Prophet Muhammad and his dedicated followers had relentlessly pursued and unequivocally decreed. In other words, religious sentiments after the revolution put a certain type of social responsibility for the state. The theocratic regime aimed to play three different roles simultaneously: the state-agent, the religion-state, and the poor-agent by combining the three in one entity: a regime which shoulders all of the responsibilities of directly assisting the poor.

One approach to understand religiously oriented attempts to help the poor, especially after the 1979 revolution, is to analyze them based on the institutions involved in the process. These institutions include: (1) the government (to help through social policies), (2) the religious institutions (to help through religious networks), and (3) the civil society organizations (to help through social activism).

4-3-1 Varieties of the State’s Response to the Poor’s Urgent Needs

Broadly speaking, the government’s responses to the needs of the poor after the revolution can be described as two main complementary forms: first, through crafting specific social policies and second, through creating new (non-profit but government-owned) institutions. Indeed, the latter was pursued to implement the former.

- Social Policies

Indeed, the post-revolution government was different in many aspects from the pre-revolution one; prominent among them was the role of religion in politics. There were, however, some characteristics that both regimes shared, namely the centralization of power. In such an organizational articulation, therefore, social policies are the primary—and usually the sole—means of assisting the poor. Indeed, the Shah regime had bequeathed many of its achievements and establishments to the Islamic Republic, such as the accumulated knowledge gleaned from more than three decades of planning,
organizational and administrative structures, and many government officials and bureaucrats conversant of how to run an institution. Building upon these legacies, the new regime began to continue many of the older systems with the hope of gradual modifications into them. Educational and public health systems were two examples. The economy was a bit different as it was one of the main areas of the Shah’s regime that the clergies had opposed. It thus required crucial change.

There is also another factor that largely influenced the formation of social policies: the ideas coming from the leftists. Although there existed fundamental ideological differences between the communists and religious groups, the latter benefitted from many ideas and concepts of the former one among which the social justice concerns. So, right after the establishments of the Islamic Republic and according to their positions, to main divisions of politicians emerged in Iran regarding their social concerns: the right and the left. Although it took about two decades so that such political affiliations be renamed as ‘the conservatives’ and ‘the reformist,’ such political-economic directions have constantly and sharply affected what type of social policy and development approach would be followed by different administrations. Broadly speaking, public planning and social policies have been of major concern in post-revolutionary Iran whenever the leftists (or reformists) have run the government, through presidential elections. Indeed, this is hardly a surprise to the development/planning literature; but what is unique about Iran’s case is that the reformists have always tried to reconcile religious concerns with ideas that come from the left side of the ideological spectrum.

The case of subsidies after the revolution is one example of such social policies. Run under the government of the then Prime Minister Mir-Hussein Mousavi, the wartime administration (1981-1989) established a generous system of subsidies for food, medicine, and fuel at huge cost – about 10% of the GDP – that benefits the poor as well as the non-poor (Salehi-Esfahani 2009). Although the system proved to be effective during the war, it established a system of social protection that was hardly capable of change because of the huge discontent, especially from the poor, that would follow as a consequence of abolishing the system. In sum, providing subsidies had became the manifestation of social protection of the new regime after the revolution. For years this
system has been the major issue for the economists in (or out of) Iran. During his presidency, Mahmoud Ahmadinejad (2005-2013) changed the subsidies system to providing cash money.

In addition to heavily subsidizing the basic goods and fuels, the Islamic Republic also implemented other social policies, for education and health care, to reduce the poverty and to protect the economically vulnerable social classes of the society. Although they started during the war, most of them were implemented in the post-war era. One major difference in policy approach that occurred after the revolution has been a rapt attention to rural areas of the country, which largely neglected before the revolution. Rural areas were provided with electricity, safe water, healthcare, and education services. In 2004, 95.1% of rural households in the lowest expenditure quintile had electricity and 79.4% had piped water, compared to 37.0% and 31.0% in 1984. (Salehi-Esfahani 2009). Similarly, one can see major improvement in healthcare and educational service to rural area. By 2005, about 90% of the rural population was served by rural Health Houses. Schooling was extended to nearly all rural areas raising educational attainment of the rural families (Salehi-Esfahani 2009). Workers also benefitted from these policies through minimum wage legislation and job security legislation.

Although such policies, in general, improved the lives of the low-income families in both urban and rural areas, it would be misleading to assume that all administration (or governments that come to power by presidential elections in Iran) pursued the same policy approach and cared about the poor in the same way. During the presidency of Akbar Hashemi Rafsanjani (1989-1997), for instance, the major policy approach was directed towards rebuilding the economic bases of country after the war. Rafsanjani’s policies and political affiliations were different from Mousavi. While Mousavi, at that time, was well known for his leftist approach of social protection and safety nets of the centralized (religious) government, Rafsanjani, who was then well known as a conservative (the Islamic Republic’s right), largely believed in principles of the free-market approach, namely privatization and fiscal austerity. Initially, the first Persian Gulf War (990-1991) and the ensuing global rise in the price of oil provided his pragmatist-technocratic administration (Amirahmadi 1990) with much of a chance to affect the
Incomes of Iranian citizens, especially the poor. And it did: interestingly, the oil boom lifted the income of those at the very bottom more rapidly (Salehi-Esfahani 2009). However, due to economic mismanagement, the oil boom soon ended up in major macroeconomic problems of the external debt crisis and the recession of 1993-1995, which forced the government resort to shock therapy policies such as price control, and putting reforms on hold. Although the poor were of major concern in this policy reversal, it clearly failed to protect the poor and poverty increased by about 9% (Salehi-Esfahani 2009). This is another instance of how the oil influences social policies and political discourse to protect the poor in Iran.

This was a source of huge discontent mainly by middle class and low-income families, who blamed the government for the increased poverty and economic hardship despite the rise in the price of the oil. His administration was also accused of being associated with corrupted officials who took the wealth of the country at the expense of the poor. In his presidential campaign, therefore, Mahmood Ahmadinejad mainly targeted mainly Rafsanjani administration's corruption and failure to attract the votes of the poor and low-income families by promising them to “bring the oil money to their dinner table.” As is clear, once more, the oil and the poor are associated to each other, and the state is responsible to distribute its revenue among the poor.

Ahmadinejad was born into poverty. His family was part of the group who migrated from a rural areas to Tehran in the 1960s. His mother was Sayyida—an honorific title that is given to those believed to be descendants of the Prophet Mohammad. He thus made explicit appeals to the poor, who were seeing him as a religious person that was like them criticizing the official corruption and campaigning against Rafsanjani—a major powerful politician whose administration was largely believed by the poor to be corrupt. Suffering from the economic liberalization policies of Rafsanjani and Khatami and mobilized by Basij (the militia) and lower echelons of the Islamic Revolutionary Guards Corps were based, the poor voted for Ahmadinejad in large numbers (Kamrava 2005).
He was also fortunate to run his eight years controversial administration supported by huge rise in the price of oil. His government benefitted the poor by provided them large sums of subsidized loans, reducing interest rates, and forcing private employers to increase the minimum wage. He also succeeded to finally abolish the subsidy system and offered an alternative of giving cash money which proved to be more problematic. He asked the poor to write letters to him for help. Walked into the poor neighborhoods talking to people and asking what he needs. He held official cabinet meetings in various provinces of the country to show that his is a politician of the masses not the elites. His three most controversial social policies of giving cash money to people, the Justice Share (Saham-e Edalat), and cheap housing to low-income families (Maskan Mehr) clearly benefitted the poor for the short term.

His populist socio-economic approaches, while they initially benefitted the poor in terms of rise in family income, proved to be ultimately disastrous to the lives of the poor. Despite warnings of economists, Ahmadinejad adamantly pumped the oil money directly into the economy, which led to the increased inflation as had been predicted. The decline in Tehran’s stock market, capital flight, and massive reduction of foreign investments are blamed on Ahmadinejad’s populist economic policies (Kamrava 2005). Unemployment rate soared from 12% to what economists believe to be close to 20% (Kazemzadeh 2008).

His economic mismanagement, adventurous international relations, ambitious nuclear promises, and direct confrontation with other nations led Iran’s economy to suffer from high inflation (about 20%) and unemployment (about 20%). The income of the poor soared but in much less rate than the inflation; many of the poor got affordable housing that were built as blocks of apartments mostly outside of cities. Despite abundant oil revenues during Ahmadinejad’s presidency, the Iranian economy did not enjoy a faster growth in overall economic output or per capita income by comparison with earlier periods (Habibi 2013). Instead, the growth rate of the economy at the end of his presidency (2013) was -5.8%.
To implement its social policies after the revolution, the government decided to establish new (state-owned) institutions. After all, it also had to urgently deal with the dissatisfaction of the poor and to fulfill its promises of rapt attention to the disenfranchised. Three main institutions therefore were created: the Foundation of the Oppressed (Bonyad-i Mostazafan), the Imam Khomeini Relief Committee (IKRF), and the Jahad Sazandegi (campaign for construction).

According to their constitutions, the Foundation of the Oppressed (Bonyad-i Mostazafan) is an economic, cultural, and social welfare institution that controls manufacturing and industrial companies, whose profit are used to promote the living standards of the disabled and poor individuals. Bonyads are basically charity religious foundations that aim to assist the poor. In an effort to provide a (governmentally) planned and organized help, the post-revolution government annex many these foundations to its administrative structure. There exist also some non-religious foundations established during the Pahlavi dynasty, which the Islamic Republic admixed to its administrative body. The Foundation of the Oppressed was one of them. Established in 1958 as a tax-exempt charity, the Pahlavi Foundation held the fixed assets of the Shah and his sixty-four family members and by the revolution had a wealth of $3 billion (Abrahamian 2008). Following the revolution and its promises to share the wealth of the nation with the poor, the foundation was renamed as the Foundation of the Oppressed and the properties of fifty millionaires was confiscated and added to its wealth which increased to some $12 billion as of 2006 (Katzman 2006). After the war, the Foundation became also responsible to serve the veterans of the war and got engaged in economic activities to secure its assets. It is considered to be the largest economic entity after the revolution. Indeed, the Bonyad succeeded to serve many poor families. Many argue that as Similar to other Bonyads, however, it has been also subject to controversies about the frauds and misusage of its funds.

The second new institution (Imam Khomeini Relief Committee, IKRC) is mainly a charity organization founded to provide direct support to low or no-income families.
While it solicits donations from the public, it also uses both governmental funds and Islamic taxes of Khums and Zakat to help poor families regain their financial stability (Harris 2012). The foundation’s charity boxes (blue octagonal collection boxes) are widely spread out among cities to gather donations. IKRC provides a range of services to target populations, including financial aid and health insurance to low or no-income families, interest-free loans for housing, scholarships for young Iranians, and stipends for the elderly poor in rural areas. It has been also active in other countries such as Lebanon, Pakistan, and Afghanistan, which has provoked a lot of controversies that challenge its international activities. Many Iranian people (mainly poor families) believe while there still exist many poor families to be helped within the country international help is not necessary. Activities of this institution, mainly in Lebanon, have been also under scrutiny for providing financial and material support to Hezbollah (US Department of Treasury 2010).

The third institution, the Jahad-e Sazandegi (the campaign for construction) has been especially active in the rural areas. Established on the order of Ayatollah Khomeini in 1979 and immediately after triumph of the revolution. Jahad-e Sazandegi has been active in building roads and bridges, digging wells and providing tractors at a subsidized rate, building public service (schools, and mosques, public baths, and hospitals), distributing books to rural poor area, and holding literacy classes. This organization mobilized many volunteers, who were mostly religious and “tended to be highly motivated and antibureaucratic, but not necessarily qualified for or competent to perform the tasks they were undertaking” (Ehsani 2009). Interestingly enough, this kind of alliance between civic activists and government in rural areas symbolized the importance of ‘local knowledge’ for development practices, especially when the Center for Iranian Native Knowledge (CINK) was created under the Ministry of Jahad Sazandegi (Fazeli 2006). The driving forces behind the Jahad was both political and ideological: to support the rural poor, who had not fully taken part in the ‘urban’ revolution of 1979, but the new regime also needed to garner the support of the rural population (Fazeli 2006).

In addition to these three major new institutions, the Islamic Republic also created other organizations to help the needy. One example is the Housing Foundation (Bonyad
Maskan), another Bonyad whose main task has been to provide housing for rural poor families.

4-3-2 Role of Religious Institutions in Assisting the Poor

Organized/planned ways of assisting the poor after the revolution, however, did not remain only in the state domain. Many of religious institutions continued to help the poor regardless of the initiatives that the theocratic regime was taking. Most prominent among these activities is the traditional system of redistributing religious funds among the poor, particularly through the zakat system.

Interestingly, the Islamic regime did not largely bureaucratize the collection and redistribution of religious taxes. They were, instead, remained under the control of the religious bureaucracy of ulema. It is true that religious taxes were defined part of the financial resources of the Imam Khomeini Relief Committee; But, the state did not mandate religious authorities to deliver the religious taxes that they receive. Therefore, although the distance between the two bureaucracies of the state and religion decreased after the revolution, the state did not try to monopolize the Zakat system for 30 years. While in many Muslim countries (such as Pakistan, Malaysia, and Saudi Arabia) the state has been directly involved in collecting and redistributing religious taxes (chiefly zakat) through its bureaucracy, Shia scholars in Iran historically tended to resist state intervention in collecting and distributing zakat funds, even after the revolution.

This was because of theological, economic, and political reasons. Theologically speaking, zakat in Islam is a neglected topic in classical fiqh (Islamic jurisprudence) sources and is generally discussed under the category of 'ibadah (worship) rather than muadalat (contracts), which defines zakat as a religious duty, like fasting or prayer, left to the individual without state’s involvement. This could have been partly because fiqh was developed by private scholars who did their best to keep their distance from the state apparatus (Benthall 1999). Economically, with having access to the oil revenue and assets of the Pahlavi dynasty and the complete control over the economy, the theocratic government did not consider religious taxes vital financial resources. Politically speaking,
the new regime was aware of the tensions between the *ulema* and the state when the latter tried to intervene in the socio-economic role of the former during Pahalvi dynasty. It should be stated here that it would be wrong to think that after the formation of the theocratic regime all of the religious authorities supported or participated in political directions of the new regime. In fact, many of them, such as *Ayatollah Mohammed Kazem Shariatmadari* (1905-1986), resisted the involvement of *ulema* in state affairs and harshly criticized the new system of governance.

### 4-3-3 Role of Civil Society Organizations in Helping the Poor

Unplanned/voluntary help (religiously inspired or not) has always been the prominent way, through which individuals were involved in poverty alleviation, both before and after the revolution. Before the revolution, the richer Muslims, mainly *bazaaris* (merchants) or landlords, largely trusted the *ulema* to redistribute the funds among the poor. In other words, they were part of the social contract between the society and religious authorities. While with the emergence of the theocratic regime had initially kindled the hope that the state will take care of the poor properly and responsibly, the more the state failed the to fulfill this aspiration, the more the society became encouraged to play its own role independently and without having a mediator in between, whether it was *ulema* or the state.

Interestingly, there emerged a segment of the society, which, while firmly holding its religious belief, might have has less trust in the efficiency of the state apparatus to take care of the poor. Avoiding to take political positions of any kind or to be dependent on the state support, these individuals began to form relief groups to fulfill their mission of alleviating the poverty. Many of them are mobilized by local *ulema* in mosques to identify families in need and to collect help, whether financial or material, from richer devotees and distribute it among the poor. Independent from the mosques, other richer families established or elevated their charity organizations, whether engaging in charity had been their family tradition or not.
Of particular interest to this research is the formation of non-profit, non-governmental organizations (NGOs) to help the poor after the revolution. Such groups was formed specifically during the presidency of Sayyed Mohammad Khatami 1997-2005, the reformist and still popular president of Iran who enhanced the role of non-governmental and civil society organization in Iran. One specific example of such groups is the Imam Ali’s Popular Student Relief Society (IAPSRS). Established in 1999, IAPSRS connects its name to the first Imam of Shia, Imam Ali, who is well known for his major concerns and activates to assist the poor and whose approach towards ruling the society has been always not only a paragon of virtue but also the practical way of helping the poor. According to its constitution, IAPSRS’s objective is to “extend assistance to the needy people in particular to women and children suffering from unemployment, hunger, and lack of educational facilities” on the principles of “human rights, equal opportunity, justice and honesty” (IAPSRS 2012). Their projects include free food programs, defending children’s right (providing education and health care, fighting child abuse, and campaigning against children labor), women’s rights (protecting homeless and/or runaway women and girls, fighting against sex trafficking, supporting single mothers), and fighting drug additions among the poor. As of 2012, more than 10,000 volunteers had enrolled in their programs to help the poor (IAPSRS 2012). They have established ‘Iranian Houses’ in poor neighborhoods for service provision.

The success and influence of the IAPSRS is out of the scope of this research. Indeed, similar religious organizations have existed on many other countries and for a long time. But, what is of interests to this research is the way such religious NGOs emerged in the Islamic Republic, a theocratic regime that was basically founded on the promise of poverty eradication and assisting the poor. One explanation is that historically, religiously-inspired groups become active when the state is not willing or not capable enough to protect the poor. Another potential explanation is that religious motivations to help the needy are forms of an obligation for individuals, whether or not a third group (whether it is the state or the ulama) is involved or not.

Whatever the reasons, such movements can become a progressive way of incorporating religious sentiments into public planning when they work through a
synergic relationship with the state. If they are not politically opposing or challenging the state, and if they preserve their financial and administrative independence from the state intervention while collaboratively working with the state, they might help in poverty eradication.

4-4 The Condition of Poverty After Eight Decades of Policy Intervention

Compared to their conditions during the Pahlavi dynasty, the poor and their dire conditions have become undoubtedly of much more importance after the 1979 revolution. This is evidenced by the social policies of the Islamic regime, the new institutions that was established to assist the poor over the past 35 years, the emergence of the NGOs and other civic organizations that are actively engaged in poverty alleviation, and the continued role of (non or semi-governmental) religious institutions in assisting the needy.

![Figure 1: Poverty Rates in Iran, 1984-2006](image)

text

Although Income inequality has in general decreased after the revolution, this decrease has not been a steady trend. Immediately after the revolution, overall inequality decreased dramatically from 0.56 to 0.46 and remained almost the same up until the end
of the war (Salehi-Esfahani 2008, 2009). After the war, it decreased to 3.83 in 2005 (World Bank 2015). However, at the end of the Ahmadinejad’s presidency, it increased dramatically to 4.45 in 2013. Salehi-Esfahani (2009) shows that until 2008, “poverty has declined substantially compared to pre-revolution conditions, with most of the decline occurring in the last 15 years when civil society and market reforms have been slowly replacing revolutionary fervor and government control.” (See Figure 2)

Social policies for providing educational and health care services, especially to the poor people in rural areas, have been also very successful after the revolution. In sum, it is not a hyperbole to claim that the “Islamic Revolution has been as a whole a very successful anti-poverty endeavor” (Salehi-Esfahani 2009).

Despite these achievements, the stability of inequality and the increase in the number of poor people in Iran might be surprising. Around 20% of the country’s 77.45 million population still lives in poverty. While some reports refer to the abject poverty of people, especially in the rural areas of provinces near Iran’s borders such as Sistan-and-Baluchestan (Dahmardeh and Hashemi-Tabr 2013), other refer to inferior conditions of the human rights indicators among the poor such as the deteriorated labor rights, the increased gap between unemployment rate of men and women (10.4% for men and 22.1% for women) or discrimination against women, migrant—mainly Afghan—workers, child labor and so on to show how such indicators are neglected from official statistics of assessing poverty in Iran (FIDH 2008).

Still, some social activists have campaigned to document various aspects of poverty that goes beyond the income inequality through writing weblogs, photography, social media and so on. For instance, they show how the number of children begging in the streets and subways has raised exponentially; they shed light on the child labor and addiction, on sexual abuse and diseases, and on labor’s situation in Iran. They represent a progressive social movement towards incorporating and considering humans rights discourse into poverty alleviation. While the statistics represents comparatively successful achievements of the Islamic Republic in alleviating poverty, the new movements illustrate the society’s progressive involvement in the process to push for
rights-based approach. While the former shows what has been done from the top, the latter represents what is being pushed from the bottom.

4-5 What Went Wrong?

The current situation of the poor in Iran provokes one important question: Given the omnipresence of poverty and the poor discussions in political discourses and numerous of projects and policies to eradicate poverty in the past thirty-five years, why inequality and poverty still exists? Why some poverty alleviations factors, such as income equality, have improved whereas others, such as gender equality or the number of poor, are not improved and even are worsened? In what follows, this research demonstrates how a combination of endogenous and exogenous factors altered, thwarted, or the slowed down the process of assisting the poor in Iran after the 1979 revolution. All of these causes are related to one another and no one can solely explain what went wrong and why.

4-5-1 Endogenous Factors

Three internal factors dashed the high hope of the poor after the revolution, namely the triumph of the security concerns over poverty concerns, economic mismanagement, ambiguity and corruption, and populism.

• Triumph of Security Concerns over Poverty Concerns

The two concepts of sovereignty and security are such intertwined that one cannot discuss each without alluding to the other: the sovereign state is the secure one and vice versa. Historically in Iran, foreign invasions have usually led to change in the state or to the detachments of some parts of the country. After the formation of the (modern) state in Iran, the sovereignty of the state therefore has been oftentimes defined in terms of the threats to its security. This is the reason, some scholars (Piran 2006) believe, underlying the historical rootededness of state centralization in the country. It is thus no surprise if ‘security’ has become of utmost priority to the central governments sometimes at the expense of other concerns such as assisting the poor. Therefore, it might be useful to see ‘the security of the state’ vis-à-vis ‘the security of the poor.’
After the 1979 revolution and once the Iran-Iraq war threatened the security (and thus the sovereignty) of the new regime, government leaders prioritized ‘state security’ above all other factors. This issue got more solid foundations once the Shia regime faced resistance—or what the state conceptualized as ‘threat’—from part of its Sunni citizens who mostly lefted in the provinces near the west and east borders of the country. As the regime political relations with other nations in the region and the world, namely the Israel, deteriorated, and thereby ‘threatened,’ the regime made its military defense capabilities of utmost importance.

This issue influenced the social policies for the poor in several ways. For instance, given the limited budget of the country and the deteriorated economic conditions, the more the share of the defense budget, the less the share of protective social policies became. Additionally, conceptualizing the ‘help’ in terms of security, which the Shah also followed, would result in discriminating social policies. For instance, the poor in crucial cities like Tehran might have a better chance for being protected than those living in less important and small cities.

- Economic Mismanagement, Ambiguity, and Corruption

Although many state officials and technocrats of the Shah regime continued to work after the revolution, a lot of them also left the country, got arrested imprisoned and/or executed, or were forced to resign. Lack of expert human resources, particularly economists and development planners, soon posed daunting challenges to the new government. Prioritizing ‘piety’ above ‘expertise’ in recruiting new state officials, furthermore, worsened the situation. This, by no means, implies that ‘all’ of the state workers were inexpert people; it just demonstrates how revolutionary and religiously driven sentiments adversely influenced the bureaucratic body of the state when the country needed most expert people to help in reconstructing the economy and especially to fulfill the social justice and poor protection promises of the revolution.

Many scholar (e.g. Amuzegar 2007) argue that the reason why the growing number of people live under the poverty line and why the gap between the rich and the
poor has actually widened in Iran is due to the gross economic mismanagement after the
revolution. They also refer to corruption in resource allocation. For instance, the
Foundation of the Oppressed has been subject to a number of controversies since its
inception, because it is exempt from official. In recent years, couple of major corruptions
has occurred among state officials. One example is the 2011 Iranian embezzlement
scandal in which a group led by, Mahmoud Reza Khavari, the then chairman of the
National Bank of Iran (bank-e mell), embezzled $2.6 billion; he lives in Canada. Another
case is Babak Zanjani, a businessman who became engaged in selling national oil and
fled with $1.9 billion. He got arrested. Another example is Mohammad Reza Rahimi, who
was charged with heading corruption band during his vice presidency (2009-2013) for
Mahmood Ahmadinejad. Interestingly enough, all these major evidences of corruption
happened in the government of a president (Ahmadinejad) who was elected primarily for
his promises to fight corruption and helping the poor!

Indeed, most of the state officials have always stayed away from corruption for
their moral and religious beliefs. However, there also has always been an ambiguity of
how to translate religious sentiments to social policies after the revolution. Immediately
after the revolution, religiously attributed social responsibility of the government proved
to be problematic and vague in nature when officials tried to enforce it in practice. First,
there was no clear-cut definition of being poor. This ambiguity made room for subjective
interpretation. Consequently, a large segment of the population considered themselves
poor based on individual comparisons with the rich people or in terms of having access to
certain opportunities that were available to residents of Tehran. Second, government
officials used different technical terms interchangeably in their languages, which resulted
in ambiguities in defining different groups. For instance, while the socio-economic
conditions of the residents of slums in Tehran were dramatically different from that of the
poor not living in slums but in small cities, all were named the disenfranchised. The
officials used the technical terms of slum dwellers, the marginalized, the disenfranchised,
and the poor as if they all refer to the same group.

Despite many efforts to prove otherwise, the relationship between religious
sentiments and development policies in Iran remain unclear. Interestingly enough, once
Ahmadinejad dissolved the long-run office of Planning and Management Organization in 2007 after sixty years of experiences in development planning and and accumulated knowledge in budgeting, there was established an office called the ‘Office of Islamic-Iranian Pattern of Progress’ in 2009 and thirty years after the revolution. The main task of this office was to conceptualize the way Islamic laws and sentiments would guide the progress of Iran.

* Populism

The third major endogenous factor that has (adversely) influenced social policies for the poor after the revolution is the dominance of populist approach in poverty alleviation discourse after the revolution. As Dabashi (2011: 61) argues:

“Revolutions have a dose or two of populism and demagoguery mixed with their idealism and high aspirations. What has happened to, and in, the Islamic Revolution is that its innate populism has now been personified in one demagogue who seeks to stay in power by manipulating the poor and disenfranchised segments of his constituency by fraudulent economic policies that gives a person a fish instead of teaching them how to fish, gives governmental subsidies and handouts instead of generating jobs-in an oil-based economy that is already incapable of creating jobs.”

Religion is a perfect means for a demagogue to be instrumentalized for populist purposes (religious populism). This is an example of conceptualizing ‘helping the poor’ as a means for political manipulation of the poor. The economic policies of Ahmadinejad and his attention to the poor exemplify this approach. Although it benefitted some of the poor in terms of receiving low-interests loans, cash money, and housing, it also resulted in the decline in Tehran’s stock market, capital flight, and massive reduction of foreign investments (Kazemzadeh 2008). As a result, the poor’s conditioned got worse in total because the economic situation of the country became disastrous. How could low income
families and workers live a better lives of their own when the economic growth of the country has become -6.8%?

4-5-2 Exogenous Dynamics

In addition to the internal factors, three major external factors also contributed to the current situation of the poor in Iran, namely the Iran-Iraq War (1980-1988), international relations and sanctions, and the rise and fall of the oil price.

• Iran-Iraq War (1980-1988)

The outbreak of a protracting war between Iran and Iraq put the country in severe economic conditions and resulted in the widespread shortage of basic goods, lack of energy supplies and fuels, millions of displaced people, loss of thousands of job opportunities, decrease in the income level, and billions of international debt, thereby rendering the living conditions of the poor even worse than before the revolution. One negative aspect of the war was that it influenced the way the poor were seen by the government. As Farsoun (1992) writes, “the emergence of an austerity program during the war years that witnessed widespread rationing of food, gasoline and other major necessities treated the lower class constituency of the regime, especially the family of ‘martyrs,’ preferentially.” The war prevented the government from fulfilling its social and economic promises to help the poor (Fazeli 2006).

• International Sanctions

Another major external factor that worsened the life of the poor in Iran was (and still is) the social and economic repercussions of the sanctions. Although the economic sanctions were intended to force the Islamic regime to step back from its adventurous nuclear program, they severely restricted the access of many Iranian poor to their basic needs.

International sanctions on Iran’s key energy and financial sectors harmed Iran’s economy considerably. Katzman (2015) summarizes the economic consequences of the sanctions in Iran as follows.
• Iran’s economy became 15%-20% smaller than it would have been had sanctions not been imposed. Many Iranian businesses have failed, the number of nonperforming loans held by Iranian banks increased to about 15%-30%, and many employees in the private sector have gone unpaid or underpaid. The unemployment rate is about 20%.

• Sanctions caused the value of the rial on unofficial markets to decline about 56% from January 2012 until January 2014. The unofficial rate is currently about 37,000 to the dollar, and the government has repeatedly adjusted the official rate (currently about 27,000 to the dollar) to reduce the spread between it and the unofficial rate.

• The drop in value of the currency caused inflation to accelerate during 2011-2013. The Iranian Central Bank acknowledged an inflation rate of 45% in July 2013, but many economists asserted that the actual inflation rate was between 50% and 70%.

A glance at these statistics immediately demonstrates that these sanctions not only made the life for the poor much more harder but also pushed many middle-low economic class families to go under the poverty line.

• Fluctuations in the Oil Price

The oil revenue has been always a double-edged sword in Iran’s economy that particularly influences social policies for the poor. On the one hand, it provides the state with incredible financial assets to implement poverty alleviation programs. On the other hand, as the country is run largely on the basis of a single product oil-base economy, the fluctuations of the oil price immediately translates into developmental policies, including those that are crafted for the poor. Additionally, Iran’s experience shows that it is wrong to assume that the higher the price of the oil, the better the economy and lives of the poor. In the absence of an efficient redistribution system, the revenue of the oil would result in higher inequality. Even when an efficient redistribution mechanism is in place, the oil revenue, when directly pumped into the economy, would lead to economic inflation and ultimately undermine the system. Additionally, there is no direct link between the price
of the oil and inequality. For instance, despite the oil boom of the 2000s, the level of inequality remained fairly stable at 0.43.

**4-6 Summary**

Social justice, equality, and urgent attention to the plight of the poor were prime goals of Iran’s 1979 revolution. Its triumph therefore was a boon to the marginalized and largely neglected low or no income communities. Many of the poor had historical connections to religious authorities, who were representing their grievances to the central government as well as redistributing religious taxes of *khums* and *zakat* in the society. As a form of social contract, such connections also included middle class and rich segments of the society who were financially supporting this system.

When the Islamic Republic emerged as a religious state that claimed to employ the state apparatus and the country’s economic resources to support the poor and provide social justice. This was a new form of social contract that formed in Iran—this time between the society, mainly the poor, and the theocratic regime. This new social contract between the poor and the theocratic state was, to a large extent, the post-revolutionary form of the old social contract between the poor and *ulema*—who, before the revolution, did not have the political power to promote their social contract. In other words, the post-revolution state assumed a social responsibility that was attributed by religion. Burdened and of course, eager, to fulfill these responsibility, the Islamic Republic began to finds ways to help the poor, mostly through social policies. In sum, the most prominent way by which religion influenced social policies after the revolution was the social responsibility with which it burdened the state—a transformed and more political, though not a substitute to, former social contract between the society and religious leaders.

The poverty in Iran after the revolution has two faces: one face is represented in both political discourse as well as the (formal) statistics of poverty. The other face is prevalent in the streets and the low or no income settlements of the countries. The former relies on top-down history and the latter is predicated in bottom-up one (Menand 2015). The first face shows how the concerns for the poor have never left the political discourse
in various administrations after the revolution. It also represents numerous and, mostly successful, programs and schemes to protect the poor. Additionally, it refers to the fact that post-revolution income inequality has been constantly less than what it was before the revolution. They are all valid points. But, they usually have a similar reference point for comparison: the Shah’s period. How much does it matter for the poor that, first and foremost, seek better lives, no matter who is in power?

The other face of the post-revolution also uses statistics but less than the first one and in a different war. It say that some 20 million people (out of about 80 million population of the country) still live under the state-set poverty line, that the unemployment rate is around 20%, that ‘human rights’ aspects of the poverty, such as child labor, worker’s rights, and women’s rights, are lost the formal statistics. Those who try to represent this face are mainly civil society activist and a few NGOs that could survive. They don not use the Shah period, or the past, as a reference point. In fact, they don’t have a past reference point at all because they are not seeking to make a comparison with the past. Their reference point is the present—the status quo of the plight of the poor—and the future that looms large—what will happen to the poor and the imminent poor in the years to come.

To bring these two histories together, there is a combination of both endogenous and exogenous factors that prevented the Islamic Regime to perfectly fulfill its promises. This research shows that religiously attributed responsibilities on the state—in terms of the emergence of a new form of social contract—proved to be very successful in turning the attention of the state to the urgent needs of the poor and to represent a progressive way of the incorporation of religious sentiment to public planning processes. They mobilized many resources right after the revolution whether financial or human resources. A lot of religiously inspired volunteers and social workers got engaged in poverty alleviation processes. Additionally, religious networks facilitated the implementation of such plans. However, poverty alleviation also requires more than mobilization of resources. It needs experts who understand how to plan and implement, it needs stabilized economic conditions so that such programs do not get interrupted. In
needs attention to other aspects of poverty beyond material gains of the poor, namely the human rights-based approach to poverty alleviation.

Many factors limited and interrupted the financial resources that are extremely necessary to successfully and efficiently implement social policies: The Iran-Iraq war (1980-1988) ruined the economic foundations of the country; the international sanctions handicapped the state to assist the poor; and the fluctuations in the price of the oil directly and adversely affected the social policies for the poor. Notwithstanding these hardships to secure the required and crucial financial resources, economic mismanagement and corrupted officials also squandered the available resources. The dominance of populist economic approaches, particularly in social policies to help the poor, when added to the above factors, extinguished the early (divine) sparks of the fledging progressive contribution of religion to social planning.

But, prominent among the factors that diverted the state to take full care of all the poor was the triumph of the ‘security’ concerns over the concerns for the poor. Military or political threats to the (theocratic) state sovereignty—self-induced or otherwise—led to the prioritization of ‘the security of the state’ over ‘the security of the poor.’ Not only did this issue limited the social policies for the poor—because it largely confiscated a big portion of financial assets and changed the policy directions—but also it led to social policies that one might regard discriminatory, such as helping the poor in cities that required to be politically stable in favor of those that are politically challenging the sovereignty and security.

Despite all of the major differences between the post and pre revolution government in helping the poor, one issue did not change that much: the conventional thinking that the poor, first and foremost, need access to ‘material’ assets such as cash money, loans, housing, and appliances. This ‘material favoritism’ blurred the fact that the poor also need the ‘rights’: the labor rights, the women’s rights, the child rights, and so on.
Despite the historical dominance of such approach to assist the poor, there has emerged a group of social activists, many of whom driven by their religious beliefs, to represent the ‘right-based’ grievances of the poor. A complete new form of social contract, which has religious foundations but it is not directly connected to religious authorities.
5- Conclusion

Iran’s social policies first emerged under the reign of Reza Shah in the late 1920s to provide healthcare and education to the poor. Such policies continued to be in place before and after the 1979 revolution. All along, various social, economic, and political forces have impacted the ways in which such policies have been planned and implemented, one among which is religion—a dynamic and power force in shaping the culture in Iran. However, the fact that after eighty years of policy intervention poverty has not been eradicated in Iran shows that neither the state nor religious institutions have succeeded to fulfill their promises of eradicating the poverty by their own. This issue calls for a different policy perspective, which not only would incorporate religious concerns but also is effective in addressing the grave problem of poverty in this country. However, proposing such a policy perspective requires a historical awareness of how poverty alleviation has been affected by other factors, mainly religion, in the past—an awareness that is largely missing in the literature and to which this thesis aimed to contribute.

This concluding chapter is organized in three sections. First, it summarizes various ways in which religion has influenced social policies for the poor in Iran. The second section examines the extent to which the theories of secularization and social contract can account for such influences of religion. The third section summarizes the major lessons learned from past experiences and analyzes their implications for future social policies making. The last section probes the implications of these findings for future research.

5-1 How has religion influenced social policies for the poor in Iran?

This research shows that in Iran there are three principal agents involved in planned/organized efforts to help the poor: the state, the mosque (including religious authorities), and the civil society organizations (including NGOs). In addition to the poor, these agents are connected to each other and make multiple relationships, which are not mutually exclusive.
This research shows that religion has affected social policies both positively and adversely and in various ways. First, as an organized set of beliefs, religion has invariably cultivated a moral-spiritual discourse to help the needy. Second, as an institution, religion has established, mediated, and undermined the relationship between the poor and the principal agents of poverty alleviation. Third, as an instrument, religion has sometimes been used by the state to serve populist or security purposes.

*Role I: Cultivating a Moral-Spiritual Discourse*

**Individuals**

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**The Poor**

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*Role II: Impacting the Relationship Between Poverty Alleviation Agents*

**The State**

---

**The Mosque**

---

**Civil Society Organizations**

---

**The Poor**

---

*Figure 2: Principal Agents of Poverty Alleviation in Iran and the Impact of Religion on their relationship.*
5-1-2 Cultivating a Moral-Spiritual Discourse

This is a ‘secular’ role that ‘religion’ has played in influencing social policies for the poor. True, most religions do evoke concerns for the poor among their devotees and urge almsgiving and charity. In Iran, however, there are two other ways through which this particular role of religion has been stressed. First, Islam mandates all Muslims to pay religious taxes, mainly *zakat* and *khums*, to benefit the poor. This is a religiously imposed responsibility. Second, religion inspires individuals to voluntarily help the poor. Specifically, in Iran religion motivates many state officials who are involved in crafting or implementing social policies for the poor.

5-1-3 Establishing, Mediating, and Unsettling Poverty Alleviation Relationships

In Iran, there are various main ways by which religion has influenced the relationship between the four principal agents of poverty alleviation. First, religion has constantly ‘established’ socio-economic relationships, mainly between the mosque and the poor. Second, religion has sometimes ‘mediated’ socio-political relationships between the agents, for example, between the mosque and the state. Third, religion has variably ‘unsettled’ socio-economic or political relationships, particularly between the poor and the state. Of course, there are also some poverty alleviation activities in which religion has not play an active (or any) role (Table 2).

- **‘Establishing’ Role of Religion:** Having its roots in the theological teachings of Islam, this form of influence has been a long tradition in Iran through which the mosque (including the *ulema*) played two major roles: first, to provide the poor with direct financial assistance that was generated through religious taxes, and second, to articulate their grievances against (unjust) political rulers. In response, the poor offered religious authorities a firm social foundation—a legitimacy that was firmly grounded. There was also another agent involved in this relationship: the rich, mainly the landlord and *bazaaris*, who financially supported the *ulema’s* activities and in return, received socio-political support of religious authorities, especially if the state interfered in their affairs.
In other words, religion in this case ‘established’ a dual social relationship with both the poor as well as upper social classes.

Although the emergence of theocracy in Iran largely limited this relationship—because of the dominant political relationship between the state and the mosque—this form of reciprocal relationship continued to be in place after the revolution. True, the post-revolution state accepted major responsibilities of the *ulema* to assist the poor and created its own (new) institutions to collect and redistribute religious taxes among the poor. However, payment of religious taxes was not compulsory. The *ulema* continued to provide direct financial assistance, make new relationships with some civil society organizations, and represent the poor’s grievances regarding development projects and against forced evictions (as in the cases of urban highway or dam construction projects).

There is also another traditional way through which the mosque was connected to the poor: (volunteer) social activists who were part of the religious networks engaged in assisting the poor. With the emergence of the ‘civil society’ discourse in late twentieth century, the mosque established new, or supported the existing, civil society organizations that were engaged in poverty alleviation. Religious minority groups also created their own civil society organizations, which the theocratic government did not acknowledge.

* ‘Mediating’ Role of Religion: * In addition to directly offering socio-economic connections between the mosque and the society, religion at times mediated some social and political relationships among poverty alleviation agents. Politically, religion has reconciled a few tensions between the state and the society, especially after the formation of (modern) nation-state in Iran in the 1870s. One example is the 1905 Constitutional Revolution, when some high-rank religious authorities, and thus their followers, endorsed the proposed Constitution of the country.

Another example is the role of religion in mediating socio-economic and political relationships between the poor and the state after the 1979 revolution: the Islamic Republic assumed a religiously inspired social responsibility to help the poor and, in
return, the poor offered social and political legitimacy for the new regime. In other words, through the activities of the mosque, religion mediated a new relationship between the poor and the state, which was not in place before the revolution. Both Reza Shah and his son, Mohammad Reza, offered the poor ‘secular’ social programs such as the White Revolution. However, the poor did perceive them as a contractual form, as the state’s efforts were seen as token gesture, a form of ‘bribe’ and ‘threat’ to the poor.

Religion has also mediated a form of social relationship between the civil society and the poor. This is the most recent relationship among the four agents of poverty alleviation in Iran. It flourished in late twentieth and early twenty-first century as a result of the emerging discourse on civil society during Mohammad Khatami’s presidency (1997-2005). This relationship is largely one-directional because only one agent—civil society organization—offers support. The underlying motive of these organizations to assist the poor is varied: sometime it is spiritual, when religion plays a role, other times, it is driven by secular humanism. In other words, religion at times has acted as a mobilizing force by providing moral-spiritual motivations, as in the case of Imam Ali’s Popular Student Relief Society (IAPSRS). There is also another agent concerned with this social relationship: the state. The state usually does not interfere with the ‘poverty alleviation’ efforts of civil society organization, whether religiously motivated or not, unless it feels that such activities might ‘threaten’ state security and sovereignty. In other words, as one alleviates the poverty, the other side offers immunity from prosecution. Such relationships are conditioned largely by ‘the state security’ concerns, which are more important than ‘the poor security’ or even the ‘religious’ concerns. For instance, the activities of Baha’i organizations (which are a minority religious community) to provide social services, such as education, are highly limited and banned in Iran.

• ‘Unsettling’ Role of Religion: In Iran, there has been a longstanding alliance between the state and ulema, which was founded on the ancient principle of how to preserve social equilibrium through strategic collaboration. However, by mobilizing the poor, the Shia clergies also undermined some socio-political relationships among the agents of poverty alleviation—particularly, between the state and the poor. There are various ways to explain this role of religion. One explanation is the doctrine of the Shia, which is
predicated on the principle of rebel against unjust rulers. Another explanation is rooted in *ulema's* social relationship with the society. To protect this relationship, *Shia* clergies opposed the state, whenever necessary, or articulated the poor’s grievances (marginalization, secularization, and violent modernization). One example is Reza Shah’s effort to control *waqf* and to curb *ulema’s* social power. Another example is Reza Shah’s attempt to undermine *ulema’s* social status by offering ‘secular’ help to the poor. Likewise, some of Mohammad Reza Shah’s social policies—for example, the White Revolution and the land reform—encountered similar opposition because they were intended to undermine the firmly grounded relationship between the mosque, the poor, and the rich (the landlords).

Interestingly, this role of religion continued after the 1979 revolution with more political reasons. One example is how religion mobilized part of the poor to oppose Akbar Hashemi Rafsanjani’s pro-market economic approach during his presidency (1989-1997), labeled ‘structural adjustment.’ Conservative religious authorities also mobilized part of the poor to oppose Mohammad Khatami’s reforms (1997-2005). Concerned with, what they considered, ‘cultural invasion’ and ‘anti-Islamic sentiments’ among the youth, these *ulema* blamed Khatami for his failure to ameliorate unemployment, poverty, and corruption. Mahmoud Ahmadinejad’s populist economic policies (2005-2013) were also largely denounced as a way of manipulating the poor through religious discourse.

*‘Not affecting’ Role of Religion:* There are, of course, many social policies on which religion did not have any influence. This is not just because there was no room or concern for religion to play a role. In fact, many social policies that provided crucial services to the poor—such as healthcare and infrastructure provisions—were either a concern of the mosque or out of its capacity to deliver them. Irrespective of who provided them—whether it was Reza Shah or the Islamic Republic—religious authorities supported them and even sometimes mobilized resources (financial or human ones) to implement them. Additionally, sometimes a tacit agreement between the state and the mosque regarding ‘who is in charge of what’ left these relationships out of the interference of religion. One example is that tacit (unwritten/undeclared) agreement between Reza Shah’s government
and the mosque regarding the agent responsible for different types of education (religious versus non-religious education).

5-1-3 Religion as an Instrument of Politics

This research demonstrated that while religion in Iran deeply influenced social policies for the poor (the above two ways), it has also been used for other purposes—particularly, political and security reasons—which has led to the adverse influence of religion on social policies. The use of religion to serve populist policies of Mahmoud Ahmadinejad is one such case, when religion became a means of political manipulation of the poor to fuel a form of religious populism.

One might also find instrumental use of religion in the way the ‘state security’ concerns override ‘the poor security.’ Iran’s case shows that if national security concerns dominate, religion can be used to create discriminatory social policies. Religious minorities, for example the Baha’is, did become the target of such policies. Likewise, Sunni poor communities—for example, in the Sistan-Baluchestan and the Kurdestan provinces—provide other examples. In other words, Iran case shows that when religion is used for security purposes, it can trample over the human rights of the poor.
Table 2: Varied ways in which religion influenced social policies for the poor in Iran (X=No Role ✓=Active Role)

<table>
<thead>
<tr>
<th>Period</th>
<th>A. Cultivating a Moral-Spiritual Discourse</th>
<th>B. Establishing, Mediating, and Unsettling Poverty Alleviation Relationships</th>
<th>C. Being the Instrument of Politics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qajar (1870-1925)</td>
<td>✓ Reason: Islam mandates paying religious taxes (e.g. Khums and zakat)</td>
<td>✓ Reasons: Old grievances of ulama were voiced (e.g. the 1979 Revolution)</td>
<td>✓ Reasons: Policies benefitted the poor or did not interfere with religion (e.g. Public health, higher education, infrastructure projects)</td>
</tr>
<tr>
<td></td>
<td>✓ Reason: Religious obligation (e.g. Redistribution of religious taxes)</td>
<td>✓ Reasons: Old grievances of ulama were voiced (e.g. the 1979 Revolution)</td>
<td>✓ Reasons: Policies benefitted the poor or did not interfere with religion (e.g. Public health, higher education, infrastructure projects)</td>
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<td></td>
<td>✓ Reason: Unjust, Indifferent Monarch (e.g. Water shortage in Tehran)</td>
<td>✓ Reasons: Old grievances of ulama were voiced (e.g. the 1979 Revolution)</td>
<td>✓ Reasons: Policies benefitted the poor or did not interfere with religion (e.g. Public health, higher education, infrastructure projects)</td>
</tr>
<tr>
<td></td>
<td>✓ Reasons: Foreign powers' interventions (e.g. The Tobacco Movement)</td>
<td>✓ Reasons: Old grievances of ulama were voiced (e.g. the 1979 Revolution)</td>
<td>✓ Reasons: Policies benefitted the poor or did not interfere with religion (e.g. Public health, higher education, infrastructure projects)</td>
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<tr>
<td></td>
<td>✓ Reason: Incorporation of religion into the constitution (e.g. Endorsing the constitution of the country in the 1905 Revolution)</td>
<td>✓ Reasons: Old grievances of ulama were voiced (e.g. the 1979 Revolution)</td>
<td>✓ Reasons: Policies benefitted the poor or did not interfere with religion (e.g. Public health, higher education, infrastructure projects)</td>
</tr>
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<td></td>
<td>✓ Reason: The Shia doctrine (e.g. Rebel against the unjust ruler)</td>
<td>✓ Reasons: Old grievances of ulama were voiced (e.g. the 1979 Revolution)</td>
<td>✓ Reasons: Policies benefitted the poor or did not interfere with religion (e.g. Public health, higher education, infrastructure projects)</td>
</tr>
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<td></td>
<td>✓ Reasons: Monarchs’ attempts to curb the power of ulama (e.g. State control of Waqf endowments and the assassination of Naser Al-Din Shah)</td>
<td>✓ Reasons: Old grievances of ulama were voiced (e.g. the 1979 Revolution)</td>
<td>✓ Reasons: Policies benefitted the poor or did not interfere with religion (e.g. Public health, higher education, infrastructure projects)</td>
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<td>✓ Reasons: Autocratic, anti-religious policies (e.g. Shah’s attempts to ban the hijab/veil in public spaces)</td>
<td>✓ Reasons: Old grievances of ulama were voiced (e.g. the 1979 Revolution)</td>
<td>✓ Reasons: Policies benefitted the poor or did not interfere with religion (e.g. Public health, higher education, infrastructure projects)</td>
</tr>
<tr>
<td></td>
<td>✓ Reasons: Religion was the only way to voice grievances (e.g. the Cold War influence)</td>
<td>✓ Reasons: Old grievances of ulama were voiced (e.g. the 1979 Revolution)</td>
<td>✓ Reasons: Policies benefitted the poor or did not interfere with religion (e.g. Public health, higher education, infrastructure projects)</td>
</tr>
<tr>
<td></td>
<td>✓ Reasons: The poor were marginalized</td>
<td>✓ Reasons: Old grievances of ulama were voiced (e.g. the 1979 Revolution)</td>
<td>✓ Reasons: Policies benefitted the poor or did not interfere with religion (e.g. Public health, higher education, infrastructure projects)</td>
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<td></td>
<td>✓ Reason: The same as above.</td>
<td>✓ Reasons: Old grievances of ulama were voiced (e.g. the 1979 Revolution)</td>
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5-2 What Does Account for the Role of Religion in Poverty Alleviation in Iran?

This research demonstrated that religion plays a crucial role, both positive and adverse, in poverty alleviation efforts in Iran. It follows that to suggest fresh perspectives for future policy-making processes, one must begin with a framework that can account for various roles that religion plays in these processes. In pursuit of such a framework, this section analyzes the relevance of the two theories of secularization and social contract for explaining various roles that religion has played in Iran. It also tentatively analyzes social movement perspective towards the dynamics of social policy-making in terms of the influence of religion.

5-2-1 Secularization Thesis

The core and central thesis of the secularization theory is the functional differentiation and emancipation of the so-called ‘secular spheres’—primarily, the state, the economy, and science—from the ‘religious sphere.’ Attached to this central thesis (differentiation thesis) are the two subthesis of the ‘privatization thesis’ and the ‘marginalization or decline thesis.’ But, to what extent is the ‘sphere of help’ secular in Iran?

Iran’s experiences show that the two subthesis of privatization and marginalization are not capable of accounting for the influence of religion in poverty alleviation efforts. This is evidenced by constant and active presence of religion in the ‘public sphere’ of assisting the poor—well reflected in the mosque’s activities—as well as the emergence of religiously inspired NGOs—such as IAPSAR. True, the privatization thesis accounts for the ‘unplanned/voluntary’ forms of help. However, the sphere of ‘planned/organized help’ in Iran is largely ‘public’ in which religion plays a crucial role.

The differentiation thesis, however, can explain why some non-religious organizations—particularly, those that are inspired by secular humanism—are engaged in poverty alleviation efforts in Iran. It also explains the similarity between the religiously inspired NGOs in Iran with the Faith-Based Organizations (FBOs) in Western (secular) countries. After all, the concept of FBO is driven from secular notions that the sphere of
‘religious help’ should be *differentiated* from the sphere of ‘the secular help’. While the former belongs to religious organizations, the latter is the sole domain of the state.

Nevertheless, the *differentiation thesis* bears limitations to account for how religion affected various relationships between principal agents of poverty alleviation. This is chiefly because in poverty alleviation efforts, ‘the secular’ and ‘the religious’ spheres are inherently interwoven to each other in Iran. This research showed that such a blurred line between the two spheres has enabled religion to impact social policies in various ways. The results have been mixed. But, the basic premise of the differentiation thesis does not hold true in Iran.

In sum, this research shows the ‘sphere of help’ in Iran is not ‘secular’ and thus the secularization theory cannot solely provide a framework for understanding the dynamics of poverty alleviation in Iran. It therefore has serious limitations to guide future policy perspectives on social policy making in this country.

5-2-2 Social Contract Thesis

Compared to the secularization thesis, the social contract theory—the core notion of which is the ‘exchange’—can better explain the role of religion in poverty alleviation efforts.

Unplanned/voluntary help—such as almsgiving or charity—is basically out of concern for the social contract theory. But, some of the planned/organized ways of helping the poor in Iran could be perceived as a form of social contract. For instance, the relationship between the society and the mosque could be explained as a dual social contract: the mosque financially assisted the poor and articulated their grievances against unjust sovereigns and, in return, the poor offered the mosque a firmly grounded social and political foundation (legitimacy). Similarly, the upper class (the landlord and bazaaris) financially and politically supported *ulema* and, in return, received socio-political support of religious authorities who protected them against the state interference. Additionally, the relationship between the state and the poor after the 1979 revolution can be explained as a form of social contract: the state took the responsibility to protect the
poor in exchange of social and political supports (legitimacy). Likewise, the tacit agreement between Reza Shah and ulema on who is in charge of what type of education could be explained by this theory.

However, the social contract theory has limitations to explain many of other types of relationships in Iran. First, there are many relationships among the agents of the poverty alleviation that do not have a contractual form: such as the relationship between the mosque and the civil society organizations. Second, this research showed that the poor do not always perceive ‘help’ as a contract between them and the state. For example, the poor and the mosque opposed the helps offered by the Shah exactly because such helps were perceived as a contractual form. The case of land reforms in the White revolution is one example. The Shah’s proposition to formalize and consolidate informal settlements towards the end of his reign is another one. Third, even the relationship between the state and the mosque after the 1979 revolution cannot be described as a social contract. This is mainly because the Islamic Republic’s Constitution confers the upper hand and the ultimate say to the state. As was shown in this research, this issue is one reason why the state security concerns has sometimes become more important religious concerns.

In sum, this research demonstrated that the sphere of help in Iran is not fully ‘contractual.’ It is not even completely reciprocal. It follows that the social contract thesis is to partly account for the dynamics of ‘help’ in this country.

5-2-3 Social Movement Perspective: A Tentative Analysis

Compared to the two theories of secularization and social contract, the social movement thesis may offer more precise and nuanced explanations to understand the dynamics of poverty alleviation vis-à-vis the role of religion in Iran.

This study shows that the poor in Iran have been constantly struggling for better lives by taking various strategies: Some of them rebelled—as in the case of the Bread Riot in Tehran in 1942—and some got involved in the practice of ‘public nagging’ as a form of protest. A lot of the poor built their own (informal) settlements despite policing
Many of these struggles share the basic characteristics of a social movement: They were organized—for example, by labor unions in early twenty-first century or by religious authorities in protesting against the White Revolution. They were sustained movements—as on the case of fifteen years of continuous street protests against the Shah’s regime. They were also self-conscious, like building informal housing. Many of these movements succeeded to change (social) policies—for example, to make the provision of clean water and gas to informal settlements as a responsibility of municipalities. However, many of them also proved to be futile, such as the case of land reforms in the White Revolution which continued to be in place until the end of the Pahlavi dynasty.

However, many of the poor’s struggles in Iran do not share these characteristics. In fact, many of them were not movements at all. One example is the non-movement of the urban dispossessed, what Asef Bayat (2013) has termed the “quiet encroachment of the ordinary, which encapsulates the discreet and prolonged ways in which the poor struggle to survive and to better their lives by quietly impinging on the propertied and powerful, and on society at large. It embodies a the protracted mobilization of detached and dispersed individuals and families who strive to enhance their lives in a lifelong collective effort that bears few elements of pivotal leadership, ideology, or structured organization.”

Despite such differences, this thesis tentatively suggests that the notion of social movement might better explain how religion has influenced social policies for the poor in Iran for various reasons. The case of Iran shows that when there was a social pressure...
from the institution at the bottom (including the poor, the NGOs, and the mosque), social policies have become of more concern to the institutions at the top (the state and the mosque). From the social movement perspective, the mosque has a dual institutional position in social policy making.

This dual institutional position is not necessarily regressive, however. In fact, the institution of the mosque has sometimes brought about progressive reforms both before and after the 1979 revolution. During the Pahlavi regime, the mosque mobilized the poor and the marginalized to put pressure on the state for more inclusive and protective policies. After the revolution, also, the mosque became an institution both the top and at the bottom to channel the needs of the poor. Herein lies the unique institutional role of religion in Iran:

- The historically grounded ‘mediating’ role of religion is an example of how religion is capable of connecting the poor (the bottom) and the state (at the top).
- Through its ‘offering’ role, not only did religion mobilize the poor, but also it put pressure on the state (at the top) by representing the grievances of the poor (at the bottom).
- Through its ‘undermining’ role, religion mobilized the society (at the bottom) to challenge the policies of the state (at the top).
- Religion also succeeded to define a certain type of social responsibility for the state vis-à-vis the poor after the 1979 revolution. This religiously-driven responsibility is a constant pressure form the bottom on the state.

Despite its crucial role in mobilizing the poor, religion was not the sole or even the leading force in the poor’s movements in Iran. This is evidenced by the poor’s many non-religious (or even anti-religious) sources of mobilization. In fact, Iran’s case shows that the poor have not been organized necessarily by a specific ideology (whether it is religion, secularism, Marxism, and so on). One example is the occupation of homes and hotels by the poor for whom the squatting was not an ideological or political action but simply a survival strategy.
5-3 Lessons to be Learned and Their Implications for Future Social Policies

Iran’s case shows the double edge in which religion can play a social role; it can create progressive social policies benefitting the poor and contribute to social justice. But, it can also be instrumentalized by the state turning social justice into injustice for some.

Drawing on positive as well as adverse influences which religion has exerted on social policies in Iran, this research concludes:

1- In Iran, ‘helping the poor’ is as much a theological concept as it is a political, economic and social idea. The study shows that while both religion and the state are engaged in assisting the poor, none of them is capable of being effective if they try to remove the sphere of ‘helping’ from other one. When such contest has been in place, the ultimate loser was the poor. In other words, neither framing the concept of ‘helping the poor’ solely on the premises of ‘secularization’—that is draining the secular spheres from religious influence or privatizing the religious sphere—nor appropriating it by religious institutions would largely benefit the poor.

2- ‘Helping the poor’ is as much about improving the material conditions as it is about responding to the ‘rights’ of the poor. This study showed that giving ‘things’ to the poor—whether it was modern cloth (Reza Shah) and plots of land (the Shah) or cash money and housing (Islamic Republic)—has been of more importance to various government than giving ‘rights’ to them—such as worker’s rights, religious minorities’ equal rights.

3- The ‘security of the poor’ should be seen as equally important as the ‘security of the state,’ and not be submissive to it. This research showed that prioritizing ‘the state security’ over ‘the poor security’ could lead to unjust and discriminatory social policies; a system whereby religion is in danger of being instrumentalized.

4- There are multiple forms of relationship between the poor and other social agents. Iran’s case shows that various social contracts between the agents of poverty alleviation are closely connected to each other. It also demonstrates that
monopoly of one type of contract at the expense of others, while it has benefitted
one agent, has led to the ultimate loss of the poor.

5- The ‘top-down versus bottom-up’ dichotomy cannot fully account for how religion influences social policies in Iran. Iran’s case shows that while both the institutions at the top and at the bottom are involved in poverty alleviations, neither can be effective without the active support of another.

5-4 Moving Forward: Implications for Future Research

Acknowledging the limitations of the past scholarships, this study offers three possible future research topics:

1- Under what conditions can religion contribute to the progressive ‘rights-based approach’ to poverty alleviation in Iran? This could be a contribution to the growing scholarships on the relationship between religion ideas and the principles of human rights. This could reduce the current ambiguity regarding the role that religion plays in social policies in Iran.

2- Under what conditions a synergetic relationship between the agents of the poverty alleviation as well as the market is attainable? This research showed that the poor are the ‘big losers’ in the fight or competitions among different institutions both at the top and at the bottom. But, a crucial question is: how such a relationship is to be achieved? What are the potential areas of collaboration? Can religion be a progressive force? Under what conditions?

3- How to build a good histography of the poor in Iran? This study was started as a kind of ‘sideways history,’ of how religion influenced the ways the poor were helped in Iran. But ‘sideways histories’ are of limited use when direct causal histories are lacking! More detailed histography is required to shed light on how the poor live their lives, how they struggle for welfare, or participate in various social relationships and movements, with or without relying on religion.
6- Bibliography


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