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A Disputed Utopia: Islamic Economics in Revolutionary Iran

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And We desired to show favour unto those who were oppressed in the earth, and to make them examples and to make them the inheritors, And to establish them in the earth, and to show Pharaoh and Haman and their hosts that which they feared from them.

The Quran, XXVIII:5-6¹

He it is who hath placed you as viceroy of the earth and hath exalted some of you in rank above others, that he may try you by (the test of) that which He hath given you. Lo! Thy Lord is swift in prosecution, and lo! He is Forgiving, Merciful.

The Quran, VI:166

Many Islamic reformist movements are struggling to establish an Islamic economic order. This would be an ideal society based on the teachings of Islam and resembling Islam's golden age, when Muhammad ruled over Medina for ten years (A.D. 622–32). Similar to other utopias, the Islamic ideal world would be a just and humane society, without the exploitation, domination, alienation, and other social ills that have afflicted the contemporary capitalist and socialist societies. Islamic economic order is presented by these reformist movements and their theoreticians as a third path (neither capitalism nor socialism), a path toward social harmony and economic justice. Islamic economists have attempted to delineate the general outline of the organization of economic relations according to the teachings of Islam. The study of the outline of an Islamic economic order is called Islamic economics.²

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¹ The Quran is cited from *The Meaning of the Glorious Koran: An Explanatory Translation* by Mohammed Marmaduke Pickthall (New York: The New American Library).

² For a review of literature, see Muhammad Nejatullah Siddiqi, *Muslim Economic Thinking: A Survey of Contemporary Literature* (Leicester, U. K.: The Islamic Foundation, 1981); and for an introduction to some debates, see Timur Kuran, "The Economic System in Contemporary Islamic Thought: Interpretation and Assessment," *International Journal of Middle East Studies* 18:2 (May 1986), 135–64; *idem*, "Behavioral Norms in the Islamic Doctrine of Economics: A Cri-

Islamic economics in Iran is of special interest to the students of social movements and Islam. The Iranian brand of Islamic economics has been distinctly more radical than those presented in other Muslim countries, as the contemporary Islamic movement in Iran grew with the 1979 revolutionary uprising. Moreover, the Iranian case is of special interest because the 1979 revolution there provided the momentum for establishing an Islamic social order, a rare opportunity afforded few reformist movements in history. Therefore, the study of Islamic economics in Iran is an exploration in the limits and viability of Islamic radicalism.

Islamic economics is a relatively recent entrant into the Iranian intellectual arena. Although some treatises had presented outlines of an Islamic economy in Iran as early as the 1950s, the discussion of the nature of economic relations according to Islam entered social discourse in Iran in the midst of the 1979 revolutionary movement.³ The Persian translation of Seyyed Muhammad Baqir Sadr's *Iqtisaduna* (Our Economics), first published in Arabic in Beirut in 1961, received only little attention, even among Muslim intellectuals, when it appeared in Iran in 1971. The discourse on the organization of an Islamic economy began only when the fall of the Shah appeared inevitable. Abolhasan Banisadr's *Eqtasad-e Towhidi* (Monotheistic Economics) was first published abroad in 1978, only a few months before the fall of the regime.

The struggle to establish an Islamic economic system began when the Islamic Republic of Iran was constituted. However, defining the Islamic economic system proved a formidable task in post-revolutionary Iran because so many interpretations existed as to what may be regarded as the fundamental characteristics of such a system. I have discussed elsewhere the general theoretical and epistemological debates defining an Islamic economic system and the spectrum of social relations of production that Islamic economists have proposed.⁴ Here I will examine the issue in revolutionary Iran. In contrast to other critiques of Islamic economics in Iran, this essay presents the full spectrum of approaches to the organization of social relations of production that various strands of Islamic economics proposed in revolutionary

tique," *Journal of Economic Behavior and Organization*, 4:4 (December 1983), 353–79; and Farhad Nomani and Ali Rahnama, *Islamic Economic Systems* (London: Zed Press, 1994).

³ Mojtaba Navvab-Safavi, *Barnameh-ye Enqelabi-ye Fada'iyan Eslam* (1950), provides a brief sketch of the mode of organizing commerce in his ideal Islamic society. Also, Seyyed Mahmood Taleqani's *Eslam va Malekiyat*, a preliminary analysis of Islam's view on economic matters, was first published in 1951, and is available in English as *Islam and Ownership*, translated from Persian by Ahmad Jabbari and Farhang Rajaee (Lexington KY: Mazda Publishers, 1983).

⁴ Sohrab Behdad, "Property Rights in Contemporary Islamic Economic Thought: A Critical Perspective," *Review of Social Economy*, 47:2 (1989), 185–211; *idem*, "Islamic Economics: A Utopian-Scholastic-Neoclassical-Keynesian Synthesis," *Research in the History of Economic Thought and Methodology*, vol. 9 (1992), 221–32.

Iran.⁵ In a comparative study of these approaches, I examine the structure of each proposed system separately. My method of analysis and my taxonomy remain consistent with my previous study of the general tenets of Islamic economics.⁶

SHARIATI'S RADICAL SHI'ISM

The discussion on Islamic economics in Iran was preceded by a fundamental debate on the social epistemology of Islam. Ali Shariati began this debate in the late 1960s and early 1970s in his lectures at Mashhad University and the Hoseiniyeh Ershad (Tehran). Shariati expounded a radical interpretation of Islam by rejecting religious fanaticism and by condemning the clergy's political conservatism. He presented Islam as a rational and progressive world view, as "a philosophy of liberation."⁷ Shariati's interpretation of Islam was attractive to the young political activists, who were hesitant but, nevertheless, tempted to subscribe to Marxism, the dominant ideology of resistance and opposition to the rule of the Shah in the late 1960s and early 1970s.⁸ Shariati attacked the West for its economic and cultural imperialism; yet his analysis, his language and terminology, and even most of his sources and many of his examples were taken from the Western radical and liberal tradition of Marx, Weber, Durkheim, Sartre, and Fanon. In this way, Shariati reflects the existence of a dual relation between Iranian intellectuals of this century and the West. These intellectuals have opposed the West as a force of oppression and domination while they have relied on the West as source of intellectual inspiration. From this perspective, Shariati is particularly similar to Jamal ad-Din Afghani, the Muslim reformer of a century ago, but different from the traditional orientation of the Iranian clergy, who oppose cultural and intellectual reliance on the West.⁹

⁵ For other critiques of Islamic economics in Iran, see Hamid Hosseini, "Notions of Private Property in Islamic Economics in Contemporary Iran: A Review of Literature," *International Journal of Social Economics*, 15:9 (1988) 51-61; Manoucher Parvin, "The Political Economy of Divine Unity: A Critique of Islamic Theory and Practice," in Haleh Esfandiari and A. L. Udovitch, eds., *The Economic Dimensions of Middle Eastern History: Essays in Honor of Charles Issawi* (Princeton, NJ: Darwin Press, 1990), 215-38; and Ali Rahnema and Farhad Nomani, *The Secular Miracle: Religion, Politics and Economic Policy in Iran* (London: Zed Press, 1990).

⁶ Behdad, "Property Rights."

⁷ Ali Shariati, *Marxism and Other Western Fallacies: An Islamic Critique*, translated from Persian (*Ensan, Marksism va Eslam* [Qum: n.p., 1976]) by R. Campbell (Berkeley: Mizan Press, 1980), 73. The choice of title for the English translation reflects the translator's taste and not necessarily Shariati's. The Persian title may be translated as "Man, Marxism and Islam." Shariati refused to present himself as an anti-Marxist in his essays and lectures, although it would have been politically convenient to do so in the circumstances of his activist career.

⁸ Shariati openly and repeatedly addressed in his lectures the existence of a sense of inferiority among Muslim intellectuals about Marxism in these years in Iran. See, for example, "Chegooneh Mandan," in *Majmo'eh-e Asar*, vol. 2 (Daftar-e Tadvin va Enteshar-e Asar-e Bradar-e Shahid Doktor Ali Shariati dar Oropa, n. d. [circa 1978]), pp. 50-53.

⁹ Nikki R. Keddie makes the point about Afghani. See her *An Islamic Response to Imperial-*

Theoretically, the most fundamental and controversial aspect of Shariati's thought is his conception of history. According to Shariati, the Islamic philosophy of history is "based on certain kind of historical determinism."¹⁰ Historical determinism in itself is well within the tradition of Islamic orthodoxy. The controversial dimension of Shariati's philosophy of history is his dialectical frame of analysis and his implied (and frequently explicit) reliance on materialism. These elements of his analysis bring him close to a crude version of Marxian historical materialism, a charge made by his orthodox Muslim opponents in spite of his repeated statements rejecting materialism.¹¹ Here is the essence of his philosophy of history.

Shariati first states his philosophy of human nature:

On account of his dualistic and contradictory nature, man, this dialectical phenomenon, is compelled to be always in motion. His own self is the stage for a battle between two forces that results in a continuous evolution toward perfection. This movement is from clay toward God. But where is God? God is infinity. . . . Thus the movement of man is from infinite lowliness toward infinite exaltation.¹²

He then proceeds with his philosophy of history:

The war of Adam [the struggle between spirit and clay, God and Satan] was a subjective, inner one . . . but the war between his two sons was an objective one that took place in outer life. The story of Cain and Abel is therefore the source of our philosophy of history. . . . The war between Cain and Abel is the war between two opposing fronts that have existed throughout the history, in the form of a historical dialectic. History, therefore, like man himself, consists of a dialectical process. The contradiction begins with the killing of Abel by Cain. Now Abel, in my opinion, represents the age of a pasture-based economy, of the primitive socialism that preceded ownership, and Cain represents the system of agriculture, and individual monopoly ownership.¹³

These representations are based on what the two brothers offer as sacrifice to God. Cain offers corn; and Abel, a camel. Abel, the pastoral man, was killed by Cain, the landowner. Shariati claims that, therefore, the killing of Abel by Cain represents the end of the stage of communal ownership, primitive communism, and the advent of private ownership, a class society. According to Shariati, this began a permanent war between the owners and the dispos-

ism; Political and Religious Writings of Sayyed Jamal ad-Din "al-Afghani" (Berkeley, CA: University of California Press, 1983), xvi–xviii.

¹⁰ Ali Shariati, *On the Sociology of Islam*, translated from Persian by Hamid Algar (Berkeley: Mizan Press, 1979), 97. This book includes excerpts from Ali Shariati, *Eslamshenasi (1) Majmo'eh-e Asar*, vol. 16. There are also two other volumes to this work, *Eslamshenasi (2) Majmo'eh-e Asar*, vol. 17 and *Eslamshenasi (3) Majmo'eh-e Asar*, vol. 18. They are transcribed from audio tapes by Daftar-e Tadvin va Tanzim-e Majmo'eh-e Asar-e Mo'alleme Shahid Ali Shariati (henceforth Daftar) and published in Tehran by Entesharat-e Qalam (1981).

¹¹ Ali Shariati, *Ensan, Marksism va Eslam*. In this pamphlet, Shariati refutes the allegation of being a materialist. Here (page 63, Campbell's translation) he points out that "one may find shared elements in any opposing schools of thought" and "similarities of ideals are typically confused with ideological similarities."

¹² Shariati, *On the Sociology of Islam*, 92–93.

¹³ *Ibid.*, 98.

sessed, the oppressors and the oppressed, the party of Cain and that of Abel. In his philosophy of history, and repeatedly in his other presentations, Shariati introduces a distinctly Marxian account of class formation based on the existence of property ownership.¹⁴ Shariati, however, contends that he differs with Marx in his explanation of “this critical point in history,” that is, the formation of private property. Shariati maintains that, contrary to Marx, “it is not ownership that is a factor in acquisition of power,” but that “power and coercion were the factors that first bestowed ownership on the individual.”¹⁵ It appears that he was not aware of Marx’s notion of primitive accumulation.¹⁶

Shariati also accepts Marx’s formulation that social formations develop in successive stages, from primitive communes to advanced capitalism and finally to “the triumph of the proletariat.”¹⁷ However, Shariati contends that Marx is “confused” in his formulation of these stages in the course of history. According to Shariati, societies can have only one of two possible social structures: a classless society, as in primitive and advanced communism, which he calls “the structure of Abel;” or a class society, as in slavery, feudalism, and capitalism, which he calls “the structure of Cain.”¹⁸ Shariati’s descriptions of the characteristics and even the process of development of these historical stages are, however, closely similar to the analysis of Marx¹⁹ presented in popular Marxian pamphlets already familiar to many Iranian intellectuals.²⁰

Shariati then concludes that the weapon of both Cain and Abel has been religion. The religion of Cain is polytheism (*sherk*), the banner of the oppressors, the religion of a class society. The religion of Abel is monotheism (divine unity, or *towhid*), the banner of the oppressed, the religion of a classless society.²¹ In Shi’ism this opposition, according to Shariati, is manifested in the struggle between two tendencies. They are Alavi Shi’ism, the religion of struggle and liberation, and Safavi Shi’ism, the religion of alienation and oppression.²² Shariati, then, maintains that the existing Shi’i clergy represents Safavi Shi’ism. It expounds a conservative interpretation of Islam.

¹⁴ Shariati, *On the Sociology of Islam*, 98–110. On Shariati and Marxism, see also Ervand Abrahamian, *The Iranian Mojahedin* (New Haven: Yale University Press, 1989), 113–18.

¹⁵ *Ibid.*, 100.

¹⁶ Karl Marx, “The So-Called Primitive Accumulation,” *Capital*, vol. I (New York: International Publishers, 1967), part VIII.

¹⁷ Shariati, *On the Sociology of Islam*, 112–4.

¹⁸ *Ibid.*, 111–2. See also Ali Shariati, *From Where Shall We Begin? and The Machine in Captivity of Machinism*, translated from Persian by Fatollah Marjani (Houston: Free Islamic Literature, 1980), 37.

¹⁹ À la “Preface” in Karl Marx, *A Contribution to the Critique of Political Economy* (Moscow: Progress Publisher, 1970).

²⁰ In spite of censorship, some descriptions of Marxian analysis were available in Iran in the pre-revolutionary years.

²¹ Shariati, *On the Sociology of Islam*, 108–9.

²² He explains these two tendencies fully in his “Mazhab ‘Aleyh-e Mazhab” in *Mazhab ‘Aleyh-e Mazhab, Majmo’eh-e Asar*, vol. 22, Daftar (Tehran: Enesharat-e Sabz, 1982), and alludes to them repeatedly in his other works.

It promotes religious fanaticism and trivializes the teaching of the Quran and Muhammad. This, he claims, is done to preserve the existing structure of social oppression. Shariati, thus, calls upon the Iranian intellectuals to understand Shi'ism as a religion of liberation, not as a stale and degenerated dogma.²³

Shariati calls for an Islamic Protestantism,²⁴ a reformation accepting Alavi Shi'ism with its revolutionary ideals and rejecting the clerical establishment.²⁵ Other proponents of Shi'i Protestantism in Iran's contemporary history have been denounced strongly by the clergy. Ahmad Kasravi, a prominent lay historian, and Reza Quli Shariat-Sangalaji, a theologian, are the most notable examples. Ayatollah Khomeini was an ardent opponent of Shi'i Protestantism. One of his earlier books is an intemperate condemnation of Kasravi, Shariati-Sangalaji, and other Islamic reformist tendencies.²⁶ Shariat-Sangalaji, who died in 1944, was effectively isolated by the condemnation of the clerical establishment²⁷; and Ahmad Kasravi was assassinated in March of 1946 by Fada'ian-e Islam, with whom Khomeini had a close affinity.²⁸

MUTAHHARI'S DEFENSE OF THE ORTHODOXY

Unlike Kasravi and Shariat-Sangalaji, Ali Shariati was too popular as an anti-Shah activist to be easily dismissed by the clerical establishment, which in the mid-1970s had begun positioning itself in the opposition movement. Shariati gained the status of a martyred hero in the minds of Iranian young activists when he died in June 1977. The wide appeal of Shariati's thought in the course of the revolutionary movement made his dismissal even more difficult.²⁹ Nevertheless, opposition was voiced to Shariati's teachings.

²³ Ali Shariati, *Tarikh va Shenakht-e Adyan*, (1) *Majmo'eh-e Asar*, vol. 14, Daftar (Tehran: Sherkat-e Shami-ye Enteshar, 1981), 7.

²⁴ Shariati, *Eslamshenasi*, (1), 56. He uses the notion of Islamic Protestantism in "Az Koja Aghaz Konim?," in *Chehbayad Kard? Majmo'eh-e Asar*, vol. 20, Daftar (Tehran: Entesharat-e Sabz, 1981), 292, and Islamic Renaissance in "Pedar! Madar! Ma Mottahamim," in *Majmo'eh-e Asar*, vol. 22, 169.

²⁵ In some of his arguments, Shariati's justification for Shi'i Protestantism is based on rejecting Safavi Shi'ism as the religion of the party of Cain, which must have existed in one form or another from the beginning of history. However, on other occasions he bases his analysis on the needs of changing times and social circumstances. This is his line of argument in his *Eslamshenasi* (1), and *Tarikh va Shenakht-e Adyan* (1), and *Tarikh va Shenakht-e Adyan* (2), *Majmo'eh-e Asar*, vol. 15, Daftar (Tehran: Enteshar, 1983).

²⁶ Rohollah Khomeini, *Kashf al-Asrar* (Qum: n.p., n. d. [circa 1943]). See Yann Richards, "Shari'ati Sangalaji: A Reformist Theologian of the Rida Shah Period," Said Amir Arjomand, ed., *Authority and Political Culture in Shi'ism* (Albany: State University of New York, 1988), 160-1.

²⁷ *Ibid.*, 166. Richard points out that although there are some close similarities between Ali Shariati's thought and those of Shariat-Sangalaji, it is not certain that Shariati was familiar with Shariat-Sangalaji's writings. *Ibid.*, 174.

²⁸ For Fada'ian-Eslam's own account of Kasravi's assassination, see Seyyed Hosein Khoshniyyat, *Seyyed Mojtaba Navvab Safavi; Andisheh-ha, Mobarezat va Shahadat-e ou*, (n.p.: Manshour-e Baradari, 1982), 17-25. For a brief review of Islamic Protestantism from the orthodox viewpoint, see Ali Abolhasani (Monzer), *Shahid Mutahhari* (Qum: Entesharat-e Eslami, 1983), 158-77.

²⁹ See *ibid.*, 2-4.

Shariati's principal opponent was Murtaza Mutahhari, a theologian at Tehran University and a former student and close associate of Khomeini.³⁰ In this debate, however, Mutahhari never mentions Shariati's name. Instead, he points to a dangerous ploy that threatens Islam. This ploy, according to Mutahhari, is the formation of a tendency to create a materialist exegesis of The Quran.³¹ There, instead of referring to Shariati, he criticizes an Iraqi Shi'i scholar, Ali al-Wardi, whose views, as Mutahhari summarizes them, are similar to Shariati's.³²

Mutahhari's principal attack is aimed at Shariati's materialist conception of history. Mutahhari points out that "the destiny of history," according to the Quran, is "the triumph of faith over faithlessness,"³³ and redemption is not for any particular class.³⁴ He argues that, since "the spirit has substantive reality, and matter is in no way prior to spirit," anyone, even oppressors, can become believers.³⁵ He, therefore, regards as "an out-and-out lie" the assertion that the Quran divides society into two pairs of poles, polytheism associated with wealth and arrogance, and monotheism with being oppressed and deprived.³⁶ Mutahhari, therefore, regards the conception that two religions exist, one for the oppressed and another for the oppressors, as non-Islamic and Marxist.³⁷ For Mutahhari, many more oppressed people than oppressors join the rank of the believers because the oppressors have more to liberate themselves from than the oppressed, who have nothing to lose and many benefits to hope for by converting to Islam.³⁸

To the extent that Mutahhari states that one's class position is not necessarily determined by one's class origin and that some from the rank of oppressors may become believers and thus turn against their own class, he is not

³⁰ For a review of the ideological differences between Mutahhari and Shariati, see Ali Rahnama and Farhad Nomani, *The Secular Miracle, Religion, Politics and Economic Policy in Iran* (London: Zed Press, 1990), 37–79; Hamid Dabashi, *Theology of Discontent* (New York: New York University Press, 1993), 102–215; and Michael M. J. Fischer and Mehdi Abedi, *Debating Muslims* (Madison: The University Press of Wisconsin, 1990), 173–221. Fischer and Abedi also present a concise biography of these two men.

³¹ Murtaza Mutahhari, *Elal-e Gerayesh be Maddigari* (Qum: Entesharat-e Sadra, 1978), 34. This book was first printed in 1971. In its eighth printing in 1978, Mutahhari adds a new introduction in which he points to the "dangerous ploy." He also outlined his explicit criticism of Shariati's *Eslamshenasi* in a note that he apparently made to himself and was left incomplete by his assassination in May 1979. (Mutahhari was assassinated by Forqan, a group that had a fervent belief in Shariati's doctrine of Islam without clergy.) This note is published as "Eslamshenasi ya Eslamsara'i," in Abolhasani, *Shahid Mutahhari*, 417–35.

³² Murtaza Mutahhari, *Social and Historical Change; An Islamic Perspective*, translated from Persian by R. Campbell (Berkeley: Mizan, 1986), 96–124.

³³ *Ibid.*, 111.

³⁴ *Ibid.*, 106. In a clever exegesis of the Quran's oppression verse (XXVIII:5, cited above) Mutahhari rejects any claim by those who point to a class struggle as the course of historical development in Islam. See his *Social and Historical Change*, 111–16.

³⁵ *Ibid.*, 106.

³⁶ *Ibid.*, 105.

³⁷ *Ibid.*, 120–2.

³⁸ *Ibid.*, 107.

different either from Shariati or from Marx.³⁹ They, too, must have believed in such possibilities of liberation to preach to the intellectuals, most of whom were from the privileged classes. Here, Mutahhari vulgarizes both Marx and Shariati. He obfuscates a more fundamental issue that Shariati raises—that property and wealth are bases of social contradiction and antagonism. Shariati regards property as a source and a manifestation of oppression. Mutahhari does not. Shariati views total destruction of property relations as the necessary condition for human liberation. Mutahhari does not.

To Shariati, people have been attracted to Islam in order to be liberated from indignities and from the class relations that have subjected them to slavery and poverty.⁴⁰ According to Shariati, *qest* (Islamic social justice) can be established only by “a social revolution in the institution of ownership.”⁴¹ There is no doubt that when Shariati talks about a classless society, he proposes abolishing “private property,” which “has bisected the unitary society.”⁴² He praises Abu Dharr, a companion of Muhammad, for “fighting exploitation and capitalism” and for daring to say in condemning private property what, Shariati believes, Pierre Joseph Proudhon did not.⁴³ It is in placing class struggle and the contradictions resulting from property ownership at the core of his conception of history that Shariati becomes a materialist to his opponents.⁴⁴

Mutahhari is explicit in his support of property rights when he defends inequality in society. The centerpiece of his argument in defense of inequality is the following verse of The Quran:

Is it they who apportion their Lord's mercy? We have apportioned among them their livelihood in the life of the world, and raised some of them above others in rank that some of them may take labour from others; and the mercy of thy Lord is better than (the wealth) that they amass (XLIII:32).⁴⁵

Mutahhari engages in a long exegesis of this verse to conclude that the word, *sukhriyan*, translated as “may take labour from others,” does not imply that those of the lower ranks are coerced to submit their labor to those of the higher ranks, although the word *sukhriyan* is derived from the verb noun, *taskhir*, meaning to tame or conquer.⁴⁶ The notion of the inequality of man on earth is,

³⁹ *Ibid.*, and Murtaza Mutahhari, *Fundamentals of Islamic Thought: God, Man and the Universe*, translated from Persian by R. Campbell (Berkeley: Mizan Press), 53.

⁴⁰ Shariati, *Tarikh va Shenakht-e Adyan*, vol. 2, 25.

⁴¹ *Ibid.*, 39.

⁴² Shariati, *On the Sociology of Islam*, 100.

⁴³ Shariati, *From Where Shall We Begin?*, 29. Shariati also quotes Abu Dharr saying “I wonder why someone who finds no food in his home does not draw his sword in rebellion against the people.” See Shariati, *Mazhab 'Aleyh-e Mazhab*, 53. On the story of Abu Dharr, see Behdad, “Property Rights.”

⁴⁴ Mutahhari ridicules those who hold these views for seeing the path of a revolution going “through the stomach.” He says that these intellectuals have made of Abu Dharr, “Abu Dharr of stomach.” See his *Social and Historical Change*, 117.

⁴⁵ Mutahhari, *Fundamentals*, 96. Here I have quoted The Quran from Pickthall's translation.

⁴⁶ *Ibid.*

nevertheless, explicit in this verse. Other verses in the Quran also sanction inequality. For example:

And covet not the things in which Allah hath made some of you excel others. Unto men a fortune from that which they have earned, and unto women a fortune from that which they have earned. (Envy not one another) but ask Allah of his bounty. Lo! Allah is ever Knower of all things (IV:32).

Of course, Mutahhari condemns discrimination and oppression, as he rejects equality. Equality, however, is generally regarded as a positive value in a system of ethics praising compassion and brotherhood. Thus, Mutahhari presents a lengthy discussion to justify inequality in an ideal Islamic society.⁴⁷ He maintains that the existence of difference among individuals is as natural as difference in the characteristics of geometrical shapes. Mutahhari points out that we cannot say that triangles have been oppressed because the sum of their angles is one-half of that of rectangles.⁴⁸ People's capacities are simply different. The equality valued in Islam, according to Mutahhari, is that of opportunity and of the absence of exploitation. He calls this "positive equality," in which

all strive freely and according to their abilities and opportunities, and all are tamed [put to work] by one another. That is, bilateral employment is the rule. Insofar as natural difference and discrepancies among individuals are the rule, whoever has the greater power and ability will attract the greater number of forces to himself.⁴⁹

Thus, once the differences in initial conditions of individuals are accepted as natural and just and the norms of "bilateral employment" are accepted as non-oppressive, the outcome of social process is moral and just. Then the question is, what are the norms of "bilateral employment" in the social relations of production? The issue is essentially defined in terms of the extent of private property rights and the role of the state in limiting such rights by intervening in the economy.

STATE AND THE LIMITS OF PRIVATE PROPERTY RIGHTS IN AN ISLAMIC SOCIETY

There is the unequivocal belief among Muslim theologians and scholars that the ownership of property in this world belongs only to God.⁵⁰ The Quran is explicit on this issue. "Unto Allah belongeth whatsoever is in the heavens and whatsoever is in the earth" (III:129). This or similar verses are repeated elsewhere in The Quran.⁵¹ Yet, the right of the individual to hold property is accepted and respected. The dichotomy of ownership between God and man

⁴⁷ Mutahhari, *Fundamentals*, 94–96 and his *ʿAdl-e Elahi* (Qum: Entesharat-e Eslami, 1982), 150–54.

⁴⁸ *Ibid.*, 150.

⁴⁹ Mutahhari, *Fundamentals*, 95.

⁵⁰ The arguments in this and the following paragraph are from Behdad, "Property Rights."

⁵¹ See, for example, The Quran, II:29, 115, 284; XXII:64, 65; LV:10; LVII:5, 10.

is reconciled by the notion of the trusteeship of man and man's accountability to God. The Quran declares that "He it is who hath made you regents in the earth" (XXXV:39) and "Believe in Allah and His messenger, and spend of that whereof He hath made you trustees" (LVII:7).

The ultimate ownership of God and the regency of man on earth is the source of ambiguity in property rights in Islam. God's ultimate ownership implies that His ownership supersedes the right of the individual to property. Thus, God's ownership is absolute and inalienable, and an individual's ownership is conventional, conditional, relative, and limited.⁵² If an individual's property rights interfere with the realization of God's will on earth, limits must be imposed on private property rights. An Islamic state, by definition, represents the will of God. Therefore, the state will be the judge of interference and the abrogator of individual property rights, in accordance with the divine law (*Shari'a*), in order to protect the collective welfare of the society of Muslims (*ommat*). The restrictiveness of the limits imposed on individual property rights will depend upon the extent to which individual rights interfere with the realization of God's will, as defined by the Islamic state, in the society of Muslims. The ambiguities in Islam's teachings give rise, however, to jurisprudential disputes in interpreting the *Shari'a* on the limits of private property rights or, said differently, on the limits of state intervention in abrogating private property rights. The intensity and the range of these disputes are, naturally, determined by socio-political circumstances. With the wide range of social groups within the Islamic movement in the sharply polarized social structure of Iran, the debate on the limits of property rights, and thus on the organization of the economic system, was remarkably intense. The debate in Iran began with the domination of a radical tendency much to the left of the Islamic movement outside of Iran.⁵³ In the revolutionary and post-revolutionary period in Iran, three principal approaches to the interpretation of the limit of property rights in Islam may be identified. I refer to them as radical, populist-statist, and conservative or laissez-faire approaches.

THE RADICAL APPROACH

Following Shariati, the radical approach negates private property rights as the basis and the manifestation of polytheism. To Shariati, "private ownership . . . is the source of various ills, among which are the disruption of social relations and the negation of values."⁵⁴ He contends that Islam is in opposition to "capitalism, private ownership and class exploitation."⁵⁵ Thus, according to Shariati, Islamic liberation is accompanied by the rejection of private

⁵² Seyyed Mahmood Taleqani's *Eslam va Malekiyat* (Tehran: Enteshar, 1965), 121-50; and Seyyed Muhammad Hosein Tabataba'i, *Falsafeh-ye Eqtasad-e Eslam*, H. Tavanian-Fard, ed. (Tehran: 'Ata'i, 1982), 150-78.

⁵³ See Behdad, "Property Rights."

⁵⁴ Ali Shariati, *From Where Shall We Begin?*, 39.

⁵⁵ Ali Shariati, "Khodsazi-ye Enqelabi," in *Majmo'eh-e Asar*, vol. 2, 147.

property and the struggle toward establishing a monotheistic classless society.⁵⁶

The Organization of Mojahedin Khalq Iran (hereafter, the Mojahedin, a plural noun), formed in the mid-1960s, had a close affinity with Shariati's thought. Many recruits to this radical, Islamic organization had their introductory lessons from Shariati's lectures and lecture notes. The Mojahedin, like Shariati, had a deterministic view of the course of historical development. They, however, were remarkably more blunt than Shariati in their regard for Marxist epistemology and methodology.⁵⁷ Their 1972 internal organizational document on epistemology was a clear restatement of the basic tenets of historical materialism.⁵⁸ These views were reiterated later, in February 1980, in a series of lectures by Mas'od Rajavi on "The Laws and Concept of Evolution."⁵⁹ Similarly, the Mojahedin's book for teaching economics to their members, written by one of their leaders, was directly based on Marx's theory of value and exploitation.⁶⁰ The Mojahedin have objected emphatically to the charge leveled at them by their Muslim opponents of being eclectic Islamic-Marxists.⁶¹ The Mojahedin, however, have admitted to accepting Marxist social thought while rejecting atheism.⁶²

In any case, the Mojahedin believed that class struggle, shaped by the nature of exploitive property relations in any given stage in the historical development of societies, is the dynamic force of history.⁶³ Thus, "to separate the class struggle from Islam is to betray Islam."⁶⁴ To the Mojahedin, therefore, the monotheistic society is "one in which class contradictions have been necessarily resolved" and a "classless society" has been established.⁶⁵ This monotheistic classless society, according to the Mojahedin, is a society of abundance, in which the fruits of high technology can be enjoyed. Furthermore, in this society, "commodity relations" would have been eradicated and the economy would have been demonetized. The Mojahedin argued in their 1980 pamphlet that "as long as there is money, there is exploitation."⁶⁶

Shariati and the Mojahedin both expressed unequivocal opposition to cap-

⁵⁶ Shariati, *Eslamshenasi*, (2), 296.

⁵⁷ I use the past tense because some of their views have changed in the more recent years.

⁵⁸ Mojahedin-e Kalq-e Iran, *Shenakht (Metodolozi)*, *Ideolozi, Part 1* (Mojahedin-e Kalq-e Iran: n. p. September/October 1972).

⁵⁹ These lectures were published in a series of pamphlets titled, *Tabyin-e Jahan (Qava'd-e va Mafhoom-e Takamol)*; *Amoozeshaye Ideolozhik*, (Entesharat-e Sazman-e Mojahedin-e Khalq-e Iran: n. p., 1980).

⁶⁰ Mahmood Asgarizadeh, *Eqtesad beh Zaben-e Sadeh* (n. p.: n. pub., n. d. [circa 1971]). See also Abrahamian, *The Iranian Mojahedin*, 92.

⁶¹ Mojahedin-e Khalq-e Iran, *Elteqat va Ideolozhaha-ye Elteqati; Majmo'eh-e Seh Sokhanrani* (n. p.: Anjoman-e Daneshjuyan-e Mosalman-e Kompiyoter, n. d. [circa 1980]).

⁶² Noted in a 1978 Mojahedin document. See Abrahamian, *The Iranian Mojahedin*, 92.

⁶³ See, for example, Mojahedin, *Shenakht*, 10, and *Tabyin-e Jahan*, 9, 11-12.

⁶⁴ A statement by Hanifnezhad quoted by Abrahamian, *The Iranian Mojahedin*, 93.

⁶⁵ Mojahedin, *Tabyin-e Jahan*, 14.

⁶⁶ *Ibid.*, 18.

italism. They both also recognized, in the context of their historical determinism, that capitalism had progressed as a stage in the process of historical development of European societies. However, they rejected the notion that Iranian society must go through a similar historical path. According to Shariati, Iran is now where Europe was at the end of the Middle Ages. He stated that Iranian society, with its peculiar economic structure and culture as an agrarian society with a weak “national bourgeoisie” and a strong Islamic cultural orientation, as well as its economic and cultural dependence on Europe and North America, cannot experience what Europe went through in the fifteenth and sixteenth centuries.⁶⁷ Not only it is not possible to repeat the historical experience of Europe, he continued, but we should not want to subject ourselves to the unhappy fate of Europe and North America, that is, “machinism” and capitalism. He echoed Frantz Fanon by saying “we must not make a second Europe out of Africa and Asia.”⁶⁸ The Mojahedin also explicitly pointed out that the path toward capitalist development has come to a dead end with the domination of imperialism on the world economic order. Economic development in the periphery, stated the Mojahedin, requires eradicating dependency and pursuing a strategy that would negate class relations.⁶⁹ Shariati, in the context of his own historical circumstances, saw a “return to the true self,” that is, cultural independence, as a prerequisite for the struggle for economic independence.⁷⁰

The monotheistic classless society of Shariati and the Mojahedin is the historical destiny in a long, continual evolutionary process which would take us away from separateness and alienation to unity and monotheism.⁷¹ Thus, it is reached, as Shariati puts it, at the *akher-e zaman*, when Imam-e Zaman, the Twelfth Imam, returns from occultation.⁷² This classless society is clearly a socialist one. Shariati calls it a “genuine socialist” society. Unlike dictatorial-bureaucratic socialism, it is not one-dimensional in its materialism and recognizes human liberation and the essentiality of humanism.⁷³ Meanwhile, the Mojahedin argued that recognizing historical and socio-economic realities requires the revolutionaries to be flexible, adding, in their statement on the first anniversary of the 1979 revolution, that “we do not say that private property, capitalism, or a national market should not exist.”⁷⁴ That is, property and market relations will be abolished gradually in successive phases of the revolutionary process. In this way, the Mojahedin formulated a political

⁶⁷ Ali Shariati, *From Where Shall We Begin?*, 22–23.

⁶⁸ *Ibid.*, 51.

⁶⁹ Mojahedin, *Tabyin-e Jahan*, no. 6, 16–17.

⁷⁰ Ali Shariati, “Cheh Bayad Kard?,” *Majmo’eh-e Asar*, vol. 20, Daftar (n. p.: n. pub.), 506–8.

⁷¹ Mojahedin, *Tabyin-e Jahan*, 10.

⁷² Shariati, *Eslamshenasi* (2), 296.

⁷³ Shariati, *Mazhab ‘Aleyh-e Mazhab*, 222, and “Chegoneh Mandan,” *Majmo’eh-e Asar*, vol. 2, 83–85.

⁷⁴ Mojahedin, *Tabyin-e Jahan*, 49.

platform closely similar to that of the Marxist organizations which recognized the 1979 Iranian revolution as a popular democratic revolution. To the Mojahedin the "principal contradiction" in the 1979 revolution was the "contradiction between the popular forces (*khalq*) and imperialism" and not the "contradiction between labor and capital."⁷⁵ This is reflected in their fourteen-point "Minimum Expectation Program," which demanded land redistribution, reform in labor law, formation of worker compensation, and nationalization of large enterprises, particularly those belonging to the dependent bourgeoisie.⁷⁶

THE POPULIST-STATIST APPROACH

The populist-statist approach accepts private property rights within some socially determined limitations. These limits are to be imposed in order to maintain social equity by guaranteeing everyone the ability to exercise the right to ownership. This may be done by limiting "excessive" or "monopolistic" ownership. This approach places the Islamic state in a position to define property rights and to set limits for exercising them.

The bases of the populist-statist position are the notions that God is the ultimate owner and that Islam's emphasizes social harmony. This position was articulated by Muhammad Baqir Sadr,⁷⁷ a Shi'i *mujtahed* (jurist) from Iraq executed by the Iraqi government for supporting the Iranian revolution. Sadr, like Taleqani and Tabataba'i, among others, argues that God has made the wealth of nature available to mankind to use for society's welfare.⁷⁸ He then argues that the individuals, in exercising their private property rights, must look after society's welfare, as determined by Divine Revelation.⁷⁹ Therefore, private property rights are subject to fiduciary principles and as such are neither natural nor irrevocable.⁸⁰

According to Sadr, an Islamic economic system is based on three principles: mixed ownership, limited economic freedom, and social justice.⁸¹ He argues that acceptance of mixed ownership separates Islam from both socialism and capitalism, which, he maintains, accept or reject private ownership completely, at least as a matter of principle.⁸² He then proposes three categories of ownership in Islam: state, public, and private.⁸³ These are, in fact,

⁷⁵ *Ibid.*, 49–50.

⁷⁶ Abrahamian, *The Iranian Mojahedin*, 184–85, quoted from *Ayandegan* (March 1, 1979).

⁷⁷ Seyyed Muhammad Baqir Sadr, *Eqtesad-e Ma*, vol. 1, translated by Muhammad Kazem Mosavi-Bojnordi (n. p.: Entesharat-e Eslami, 1971); vol. 2, translated by 'A. Esphodi (Tehran: Entesharat-e Eslami, 1978). The original text in Arabic is *Iqtisaduna* (Beirut: Dar al-Fikr, 1968 [first published 1961]).

⁷⁸ Taleqani, *Eslam va Malekiyat*, 122.; Tabataba'i, *Falsafeh-ye Eqtesad-e Eslam*, 158–60.

⁷⁹ Sadr, *Eqtesad-e Ma*, vol. 2, 32.

⁸⁰ *Ibid.*, 33.

⁸¹ Sadr, *Eqtesad-e Ma*, vol. 1, 354.

⁸² *Ibid.*, 355.

⁸³ Sadr, *Eqtesad-e Ma*, vol. 2, 62–63.

similar to the categories of ownership in capitalism, although there are some differences in the realm and definition of state and public ownership between Islam and capitalism.⁸⁴ State and public ownership are exercised in Islam over *anfāl*, which in Islamic jurisprudence includes natural resources (most importantly, land, water, and mineral deposits) and spoils of war (including any property confiscated by the state). Although state and public ownership are similar in the sense that they are both under the control of the state, they are different in the forms that they may be used. According to Islamic jurisprudence, the state may use public property only in such a way that all the public, without specific exclusions, may benefit. Sadr gives the example of schools and hospitals as legitimate uses of public property. State property may be used, however, to benefit special groups, for example, “providing investment assistance to those who may need them.”⁸⁵ Islamic law determines what forms of property fall under public or state ownership. For example, conquered lands prepared for cultivation will be public property, and unprepared land will be state property.⁸⁶

Furthermore, Sadr asserts that a characteristic feature of Islam, in contrast to capitalism and socialism, is that it allows for “limited individual freedom.” Sadr, like most other Islamic scholars, contends that freedom in capitalism is unlimited and in socialism nonexistent.⁸⁷ According to Sadr, in Islam individual freedom is limited by “natural” and “positive” checks. Islamic upbringing and education imbues individuals with a natural sense for limiting their own freedom. But since individuals may not always act within the limits determined by Islamic precepts, the state functions as a positive check in enforcing the confines of individual action. In this capacity, an Islamic state may impose limits on individuals’ actions, if they harm the welfare of society. These limitations, under some social circumstances, may be beyond what is prescribed by the Shari’a.⁸⁸ Thus, Sadr places the action of the state in determining the limits of individual freedom in a social-historical context. Although this is an accepted principle in Islamic jurisprudence, it has become a controversial issue when it is extended to the arena of private property rights and the state’s role in the economy. I will examine this controversy below.

Social justice in an Islamic society, according to Sadr, is based on the principles of individual cooperation and state intervention. That the responsibility of individuals is to assist their neighbors is stated abundantly in the Quran and the other teachings of Islam. For example, “Spend your wealth for the cause of Allah, and be not cast by your own hands to ruin; and do good” (II:195). Worshipers are asked to acknowledge a right for “the beggar and

⁸⁴ C. B. MacPherson, “The Meaning of Property,” in his *Property: Mainstream and Critical Positions* (Toronto: University of Toronto Press, 1978), 4–6.

⁸⁵ Sadr, *Eqtesad-e Ma*, vol. 2, 62–63 and 88–89.

⁸⁶ *Ibid.*, 88.

⁸⁷ *Ibid.*, 358.

⁸⁸ *Ibid.*, 358–63.

destitute" in their wealth, and the hoarders of wealth are promised "the fire of hell" (LXX:15–25). But since the benevolence of the wealthy may not be sufficient, the state must take part in the economy to insure social justice. In "exceptional circumstances," when the state cannot itself establish social welfare enterprises, it can help individuals to do so.⁸⁹

Sadr steps beyond the traditional conservative view of the Islamic jurists and puts forth the notion of social balance. According to Sadr, the basis of ownership in Islam is work.⁹⁰ This view is based on the verse in the Quran: "And that man hath only that for which he maketh effort" (LII:39). Although many Islamic jurists interpret "effort" here to mean only the general sense of the word, Sadr views it as labor in this verse. This does not, however, imply that Sadr accepts the Marxist view on exploitation or suggests abolishing inequalities. Sadr believes in the neoclassical value theory and the determination of market price on the basis of utility (demand) and scarcity (supply).⁹¹ Moreover, according to Sadr, return on capital is legitimate under Islamic contracts such as sharecropping (*mozara'ah*), profit sharing (*mozarabah*), partnership (*mosharakat*), trade, and rent.⁹²

Sadr, however, perceives limitations on such returns on capital. Most important, he argues that wage labor may not be used to acquire natural resources. He claims that the basis of ownership of these resources is direct labor. Thus, for example, one cannot hire workers to collect fire wood from forests, to exploit open mines, or to bring unusable (*mawat* meaning dead) land under cultivation.⁹³ The owners of tools used in the process may receive only rent commensurate with their depreciation.⁹⁴ Of course wage labor may be used in the production process, as long as the employer, who claims ownership over output, provides the material of production, a view based on a Physiocratic supposition that value is created only by nature and therefore the output belongs to whoever owns the material of production.⁹⁵ Thus, although land ownership may be established only by direct labor, agricultural production, and for that matter any other market activity, may be conducted by wage labor, as long as the material of production is provided by the employer. Similarly, sharecropping is legitimate only when seeds are provided by the land owner, otherwise it is prohibited.⁹⁶ Because the material and tools of

⁸⁹ *Ibid.*, 319–20.

⁹⁰ *Ibid.*, 156–66 and 438–40.

⁹¹ Sadr, *Eqtesad-e Ma*, vol. 1, 210–47. See also Sohrab Behdad, "Islamization of Economics in Iranian Universities," *International Journal of Middle East Studies* (forthcoming).

⁹² See Sadr, *Eqtesad-e Ma*, vol. 2., 225–56, and Nabil A. Saleh, *Unlawful Gain and Legitimate Profit in Islamic Law* (Cambridge, U.K.: Cambridge University Press, 1986), 91–115. For a critical analysis of these Islamic contracts, see Behdad, "Property Rights."

⁹³ Sadr, *Eqtesad-e Ma*, vol. 2, 209 and 217.

⁹⁴ *Ibid.*, 207.

⁹⁵ *Ibid.*, 217 and 221. In this argument, Sadr, obviously, deviates from the Neoclassical notion of value.

⁹⁶ *Ibid.*, 226.

production are forms of capital, this is not in any way different from recognizing gains from capital, except that they are recognized more explicitly and less restrictively in accepting profits from partnership, profit sharing, rent, and of course, in accepting wage labor in the production process. Like most Islamic jurists, Sadr recognizes the return on capital, as long as that capital is not engaged in monopolistic or speculative activities.⁹⁷

Sadr also accepts the legitimacy of inequality based on differences in individual capacities. He asks, for example, "how else can we explain that one becomes a slave and another becomes an owner or a lord?"⁹⁸ Sadr, however, maintains that since the basis of ownership is work, the degree of inequality in society can be no more than what may be the manifestation of differences in individual capacities, provided no one is exploited. From this he concludes his conception of social balance. That is, everyone must be able to live within a socially acceptable standard of living, albeit with some variations reflecting differences in individuals' drive and capacities.⁹⁹ The state has the responsibility to help and to provide capital for those who are in need, so that the differences in the living standards and the gap between the classes are reduced.¹⁰⁰

Sadr points out that in an Islamic society, concentration of capital by individuals cannot become so large that it would endanger the social balance. Thus, the activities of the private sector would remain within a "reasonable" level. He, however, realizes that in contemporary economies certain activities must be carried out by large enterprises. He, therefore, believes that the state must establish and run these large enterprises.¹⁰¹

Sadr envisions a world of small farmers, merchants, and crafts workers, with a large and powerful state that intervenes extensively in the economy to assure that the market transactions adhere to the precepts of Islam, maintaining a relatively narrow inequality gap and an acceptable standard of living for all. Moreover, the state would take on the task of creating products that require large investments beyond the reach of small entrepreneurs. The state will be also responsible for limiting the accumulation of private capital, even when such accumulations could be allowed because the market relations are acceptable to Islamic jurisprudence. Thus, the state, according to Sadr, must be continually engaged in appropriating "excessive" accumulations. Therefore, to fulfill its mission, an Islamic state must be engaged in a constant confrontation with the most dynamic segment of the market which manages to maintain a high rate of accumulation.

Sadr's economic analysis and his model for an Islamic economic system

⁹⁷ For a more thorough analysis of market relations sanctioned by Islamic jurisprudence, see Behdad, "Property Rights."

⁹⁸ Sadr, *Eqtesad-e Ma*, vol. 2, 330.

⁹⁹ *Ibid.*, 331.

¹⁰⁰ *Ibid.*, 331.

¹⁰¹ *Ibid.*, 341.

had a powerful impact on the reformist Muslim intellectuals in Iran when they began their search for the tenets of an Islamic economy in the revolutionary and post-revolutionary period. Sadr had formulated a model that would provide freedom of market activities for small merchants and industrialists, while promising economic justice and equity, and a decent standard of living for all. Of course, the traditional Islamic view has always promoted the cause of the poor. It has asked the rich and powerful to use their compassion and charity (*enfaq*) to help the needy and destitute and asked the wealthy to restrain their desire for accumulation—but, little more. Even Ayatollah Taleqani, who acquired the title of the Abu Dharr of the Age for his defense of the underprivileged, fell short of suggesting an explicit concept of social balance in his treatise, *Eslam va Malekiyat*.¹⁰² Although Taleqani maintains that the state may impose taxes and set constraints on market activities to insure adherence to the Shari'a, he argues that the state has no business taking over production or distribution in the market.¹⁰³ To Taleqani, the government's monopoly is "unjust," "un-natural," and "illegitimate."¹⁰⁴ Taleqani's famous treatise was last revised in 1965, and many of his thoughts had changed in the subsequent years. But these changes are not systematically elaborated, although his ideological defense of the poor and the oppressed is eloquently and explicitly stated in his essays in interpretation of the Quran and in his sermons and speeches in the revolutionary period, before his death in September 1979.¹⁰⁵

However, at a time when the views of Shariati and the political activism of the Mojahedin overshadowed the Islamic movement in Iran, Sadr's analysis appeared deficient to the radicalized Muslims in two important respects. First, Sadr did not explore the question of imperialism and dependency. This, as we saw, was a significant element in the teachings of Shariati; in the political platform of the Mojahedin; and, of course, in the analysis of the non-Islamic left. This omission may have been unintentional but was nevertheless a serious deficiency. What was clearly unpalatable to the radicalized Muslims was Sadr's unequivocal acceptance of capitalist relations of production (albeit in the context of the rule of the Shari'a) and his neoclassical method of analysis. Few among the radical Muslim intellectuals were sufficiently familiar with modern economics to challenge Sadr on his methodological approach. Moreover, Muslims intellectuals found Sadr's analysis progressive when compared to the traditional Islamic views of property rights and economic relations.

¹⁰² Rahnama and Nomani (*The Secular Miracle*, 140) place Taleqani's views in line with those of Sadr. Taleqani, however, remains quite vague on the issue of general social welfare and limits of ownership. For example, according to Taleqani, one's ownership should be limited to the extent that it is put to "useful and productive" purposes (*Eslam va Malekiyat*, 141).

¹⁰³ *Ibid.*, 207.

¹⁰⁴ *Ibid.*, 208.

¹⁰⁵ Mahmood Taleqani, *Partovi az Quran*, vols. 1–6 (Tehran: Enteshar, 1967–73), see also his "Tabyin-e Resalat Baray-e Qiyam ba Qest" (1979) and other essays and sermons in *Majmo'eh-e Gofarha-ye Pedar Taleqani* (Mojahedin-e Kalq-e Iran, 1979).

Sadr's stature as a jurist and the respect that he enjoyed among the Iranian clergy for his support of the Iranian revolution made his reformist model appealing to the Muslim intellectuals, even though they found areas of basic disagreements with him. Some criticisms were, however, directed toward Sadr's acceptance of market relations. Most conspicuous among these criticisms are those by Muhammad Kazem Mosavi-Bojnordi, the translator of volume 1 of Sadr's *Iqtisaduna*. He takes issue with Sadr on a number of occasions when Sadr points to the similarity between Islam and capitalism. For example, when Sadr rejects Marx's theory of value and concludes that the alleged antagonism between labor and "owner" is not unavoidable, Mosavi-Bojnordi adds in a footnote that "we do not endorse what the author states in an implicit defense of capitalism."¹⁰⁶ Or elsewhere, the translator adds that "the author is incorrect when he states that there is a common dimension between the evil system of capitalism and the just economic system of Islam."¹⁰⁷

Radical Statism of Peyman and the Ommatiha

Sadr, nonetheless, provides the framework of a system capable of further radical reformulation. Peyman is most prominent among those who present such a reformulation. Habibollah Peyman, who uses the pen-name of Paydar, was the leader of the Society of Combatant Muslims (*Jame'e-ye Mosalmanan-e Mobarez*), formed in the course of the revolutionary movement. The Society is often referred to in Iran as the Peyman's Group (*Goroh-e Peyman*) or the Ommat Group (*Ommatiha*, a reference to their newspaper, *Ommat*).

Peyman rejects the notion of property rights by a logical extension of the concept that God is the ultimate owner. He maintains that since all natural resources belong to God, everyone has a right to take advantage of them, a notion that others have referred to as "people's (*nas*) ownership."¹⁰⁸ Therefore, resources must be accessible to all who want to apply their creative labor to benefit from them. Furthermore, individuals have no right to possess any more of the fruits of nature than they need.¹⁰⁹ Peyman continues his argument by maintaining that since tools are products of advances in human civilization and are the inseparable part of the labor process and since everyone has the natural and social right to engage in productive work, everyone has the right to own tools of production.¹¹⁰ In this way Peyman rejects accumulation of

¹⁰⁶ Sadr, *Eqtesad-e Ma*, vol. 1, 244.

¹⁰⁷ *Ibid.*, 235. Similar comments may be found on pages 404 and 428.

¹⁰⁸ Abuzar Vardasebi, *Jazmiyat-e Falsafeh-ye Hezbi* (Tehran: Qalam, 1979), 145–47. In this book Vardasebi refutes the claim that Islam is a class-based religion, as stated by I. P. Petrushevsky in *Islam in Iran*, translated from Russian by Hubert Evans (London: Athlone Press, 1985).

¹⁰⁹ Dr. Habibollah Paydar (Peyman), *Bardashtha'i dar Bareh-ye Malekiyat, Sarmayeh va Kar, az Didgah-e Eslam* (n. p.: Daftar-e Nashr-e Eslami, n. d. [circa 1979]), 32.

¹¹⁰ *Ibid.*, 66.

capital. In his view, capital accumulation is possible only through exploitation.¹¹¹ He points out that one may use his excess income to purchase tools of production and resources and to hire workers, who are deprived of their own means of production, in order to organize production. The employer, then, will take in the surplus value (Peyman's term) created by the workers.¹¹² This surplus value will be used for increasing the scale of production, which enables the employer to hire yet more workers and to take in more surplus value. Peyman argues that "if everyone had the right to own tools of production and had access to natural resources, then no one would have been willing to sell his labor power."¹¹³

Thus, Peyman maintains that, according to Islam, only what is received as the result of one's own labor is legitimate. Anything beyond that, from the use of one's ownership of resources or employment of labor of others, is exploitation and, therefore, illegitimate. He extends this argument to conclude that in the modern age, when technology enables many people to engage in large-scale production in large enterprises, the state must take an active role in the production process. That is, in order to eliminate exploitation in society, all large enterprises must be owned and operated by cooperatives, where only the direct producers will receive the benefits, or by the state.¹¹⁴ The Islamic state must also, according to Peyman, provide social insurance for all individuals.¹¹⁵

Peyman reformulates Sadr's model of an Islamic society by limiting property ownership to the extent that may be used only by one's own labor. To him, any ownership of the means of production beyond this, when it involves employment of wage labor, is exploitation. In other words, Peyman unequivocally rejects commoditization of labor and relations between capital and labor, when Sadr's objection was only to employing wage labor to make use of natural resources. Peyman points out that "any [social] development that abolishes such [exploitive] ownership . . . is a progressive revolution."¹¹⁶ That is how, according to Peyman, Islam would bring to this world "brotherhood," "equality and collectivism."¹¹⁷

Banisadr's Anti-Bureaucratic Utopia

Banisadr reformulates Sadr's model of an Islamic society by introducing domination and coercion, which to him are the "sources of concentration and

¹¹¹ *Ibid.*, 76–77.

¹¹² *Ibid.*, 76.

¹¹³ *Ibid.*, 79.

¹¹⁴ *Ibid.*, 137–8, 273.

¹¹⁵ *Ibid.*, 134–5, 152.

¹¹⁶ *Ibid.*, 90.

¹¹⁷ *Ibid.*, 315.

accumulation.”¹¹⁸ He depicts the system of world domination in a model quite similar to dependency theory, although he admits his lineage only to François Perroux and extends his analysis from the study of economic relations on a world scale to that of interpersonal relations.¹¹⁹ Banisadr states that “the world is made of two groups of elements, those who dominate and those who are dominated.”¹²⁰ Domination is inflicted by coercion, and the dominating powers exploit those who are dominated. This, he contends, gives rise to the process of accumulation and the dynamics of inequality, which form the basis for the false perception of scarcity in society. But, he argues, scarcity is only the manifestation of social circumstances.¹²¹ Banisadr’s contention about abundance in nature is based on the Quranic verses, such as: “Lo! We have created everthing by measure” (LIV:49). Banisadr argues that “the existing economic science is the science that teaches how to manipulate, and even aggravate scarcity in order to acquire maximum coercive power.”¹²²

Banisadr, thus, claims that monotheistic economics attempts to resolve “the contradiction between Man and the powers which seek concentration and accumulation.”¹²³ He contends that this contradiction will be resolved in a society in which ownership would be based only on labor, everyone could become an owner, the sources of concentration and accumulation would be removed, the power of ownership of individuals over their labor would continue to increase, and the benefits of one’s own labor would be enjoyed by oneself. He adds “this would be a world with no borders and no destructive powers.”¹²⁴

By placing labor as the foundation of ownership, Banisadr rejects any claim that capital owns output. To him, the proposition in rejecting capital’s claim to output follows from his principal axiom on labor-based ownership rights. He seeks affirmation for his claim in a verse in the Quran on rejection of usury (*riba*, excessive gains).¹²⁵ Banisadr, however, ignores the restrictions that Sadr puts on labor’s claim to output, but, like Sadr and unlike Peyman, does not challenge the commercial practices that result in accumulating profit. In fact, Banisadr objects to any attempt by the state to appropriate what individu-

¹¹⁸ Abolhasan Banisadr, *Eqtesad-e Towhidi* (n. p: February 1979). In the political economy literature in Iran, accumulation (*anbasht*) is recognized as a Marxist term. Banisadr, an avid anti-Marxist, relies heavily on Quranic terms with similar meanings in political economy. Instead of *anbasht*, he uses *takathor*, an Arabic word with the same meaning, and the title of sura CII in the Quran.

¹¹⁹ François Perroux, *L’Economie de XXe siècle* (Paris: Press Universitaires de France, 1969).

¹²⁰ Banisadr, *Eqtesad-e Towhidi*, 25.

¹²¹ *Ibid.*, iv–ix and 28–33.

¹²² *Ibid.*, ix.

¹²³ *Ibid.*, 341.

¹²⁴ *Ibid.*, xi.

¹²⁵ “O ye who believe! Observe your duty to Allah, and give up what remaineth (due to you) from usury, if you are (in truth) believers” (II:278). See Banisadr, *Eqtesad-e Towhidi*, 137–8.

als may accumulate.¹²⁶ His objection to such appropriations is his fear that bureaucratic centers of accumulation and coercion could form.¹²⁷ He believes the Islamic law of inheritance, dividing one's wealth primarily among the offspring, will prevent "accumulation and concentration" of private wealth.¹²⁸

Banisadr's rejection of the power of the state is the overriding element in his monotheistic utopia and a major departure from Sadr's notion of such a society. In this context he even suggests limiting the power of the Imam, the ruler of an Islamic state because in a monotheistic society "everyone would participate in the leadership of society while the organization of productive activities is left to the individuals."¹²⁹ His rejection of the state's power, even in an Islamic society, is based on his avid objection to socialism. He quotes Proudhon who says "giving the state the right of ownership on behalf of the society is to say 'long live the police!'"¹³⁰ Thus, like the ownership of the Imam, that of individuals, must be limited.

Banisadr's utopia is what the Hidden (Twelfth) Imam has promised. Banisadr quotes Imam Baqir (the Fifth Imam) on this utopia:

At the time of resurrection of the Hidden Imam, there would be nothing but friendship and unity, to the extent that one would be free to take whatever one needs from anyone else . . . The Imam will divide everything equally among everyone.¹³¹

This, according to Banisadr, would be a global society of abundance, with no national borders, discrimination, coercion, or domination. Knowledge will be the rule, and no one would remain ignorant. In this society, the rule will be "from each according to his potentials, and to each according to his devotion."¹³² Once the rule of Islam is established, it will take some time ("twelve generations") to reach this ideal state.¹³³ Before reaching the ideal state, the inheritance laws will be the equalizing force in the society of Muslims.

THE CONSERVATIVE, LAISSEZ FAIRE APPROACH¹³⁴

The conservative view of Islamic economics is based on the traditional *fiqh* (Islamic jurisprudence). For centuries, these views have constituted a signifi-

¹²⁶ *Ibid.*, 229–30. Here he uses the term *andokhteh*, meaning saved, rather than *takathor*, meaning accumulation.

¹²⁷ *Ibid.*, 243–4.

¹²⁸ *Ibid.*, 230.

¹²⁹ *Ibid.*, 232.

¹³⁰ *Ibid.*, 244.

¹³¹ *Ibid.*, 320.

¹³² *Ibid.*, 320–1.

¹³³ *Ibid.*, 267.

¹³⁴ I use the word conservative here to refer to laissez-faire economic approach, in contrast to the terms liberal, suggesting a policy of state intervention, and radical, meaning some form of socialism. In this analysis the term conservative is also appropriate from the jurisprudential perspective. The approach discussed here is based on the traditional and prevailing interpretations of Islamic jurisprudence.

cant portion of Islamic jurisprudential studies. The treatises written on this topic are nearly all in Arabic and are presented in the complex format of jurisprudential studies. Therefore, they neither directly address the contemporary economic issues, nor are they within the reach of Iranian Muslim intellectuals and policy makers who generally have little background in Islamic jurisprudence.

On April 21, 1980, Ayatollah Khomeini declared that the Iranian universities are centers for propagating "Eastern and Western ideas."¹³⁵ In the weeks that followed, the universities were shut down; and the Cultural Revolution began. With Khomeini's directive, the Center for the Cooperation of Seminaries and Universities (*Daftar-e hamkari-ye hozeh va daneshgah*) was formed.¹³⁶ The main effort of the Center was to prepare for the reopening of the universities by "reconstructing" textbooks in humanities and social sciences. Headed by a seminary teacher, Muhammad Taqi Mesbah-Yazdi, the Center began its work in the summer of 1981 at the *Mo'asseseh-ye Rah-e Haq*, an institute for religious propagation in Qum. The work of the Center was mainly concentrated on economics, and its contribution was *Introduction to Islamic Economics*.¹³⁷ This volume, written by the doctors of seminaries (*modarressin hozeh-ye 'elmi-ye*—henceforth, the Modarressin, a plural noun) with the assistance of a number of professional economists, addresses some contemporary issues in economic relations in the context of Islamic jurisprudence.

The Modarressin's presentation of the Islamic economic system turns the radical and the populist-statist interpretations on their heads, without directly discussing any of them. The Modarressin find Islamic jurisprudence quite compatible with the working of the market system and the maxims of neo-classical analysis. The Modarressin maintain that the objective of an Islamic economic system is to "ultimately, attain the maximum welfare."¹³⁸ But this welfare is attained, they argue, in the context of social conflicts resulting from the "unlimited wants—limited recourses" dichotomy.¹³⁹ Thus, to prevent social disorder, certain individual rights must be established.¹⁴⁰ The most significant among these rights, according to the Modarressin, is property

¹³⁵ See Ayatollah Khomeini's statement to the representatives of Islamic Council of the Universities, on April 21, 1980, *Kayhan* April 22, 1980 and reprinted in [Rohollah Khomeini], *Payamha va Sokhanraniha-ye Emam Khomeini*, vol. 1 (Tehran: Moasseseh-ye Entesharati va Tahqiqati-ye Noor, 1980). 36–38.

¹³⁶ Ayatollah Khomeini's statement to a group of Students of Universities and Seminaries, *Kayhan*, May 24, 1980, reprinted in Payamha va Sokhanraniha, 82–91. For a detailed analysis of the Cultural Revolution, see Behdad, "Islamization of Economics in Iranian Universities."

¹³⁷ *Daftar-e Hamkari-ye Hozeh va Daneshgah* (DHHD), *Daramadi bar Eqtesad-e Eslami* (n. p.: Salman-e Farsi, 1984).

¹³⁸ *Ibid.*, 53.

¹³⁹ *Ibid.*, 81.

¹⁴⁰ *Ibid.*, 82.

rights.¹⁴¹ Unlike Banisadr, the Modarressin do not view natural resources as abundant. To them, it is only at the time of the return of the Hidden Imam that “the earth will bring out all of its resources and God’s bounties will be abundant to the pious.”¹⁴² But before then, scarcity is a fact of life.

Once these suppositions are accepted, the availability of property rights to everyone in society becomes questionable, if not totally rejected. Therefore, the Modarressin are not hesitant to point out that the right to own property is exclusionary in principle,¹⁴³ a striking contrast to Banisadr and Peyman, who draw only a hazy exclusionary fence around ownership of the means of production, and to Shariati and the Mojahedin, who consider private ownership as the foundation and manifestation of polytheism. The Modarressin argue that although the right to own private property is a legal convention, that right is based on the natural instinct of individuals for wanting to have control over the fruits of their labor.¹⁴⁴ Therefore, the Modarressin maintain that the claim that the source of property may have been coercive power (as Banisadr argues) not only does not negate the natural basis of private property rights but, in fact, supports this proposition. That is, according to the Modarressin, the need to resort to coercion to gather property indicates that individuals did not want to give up what they considered to be theirs.¹⁴⁵

The Modarressin accept the least restrictive jurisprudential interpretations on the limits of private property rights and market activities. They emphasize economic growth against social equity, set aside limitations on the use of wage labor, explicitly recognize the profit motive, and accept market price mechanism as fair and rational. The Modarressin, unlike Peyman, do not believe that a limit should be imposed on ownership of “fruits of nature.” The jurisprudential debate centers around ownership of land and the exploitation of minerals.¹⁴⁶ To the Modarressin, economic growth takes precedence over equity considerations. They maintain that “the activity of those with more means should not be limited, because these limitations will hinder the growth of production in an Islamic society.”¹⁴⁷ More important, they argue, in opposition to Sadr, Peyman, and Banisadr, one’s own direct labor does not set limits on the extent that one can benefit from the “fruits of nature.” In other words, one may hire wage workers to bring land under cultivation and to extract minerals. They maintain that as long as workers receive “fair” wages,

¹⁴¹ *Ibid.*, 90.

¹⁴² *Ibid.*, 52.

¹⁴³ *Ibid.*, 91.

¹⁴⁴ *Ibid.*, 94.

¹⁴⁵ *Ibid.*, 95.

¹⁴⁶ *Ibid.*, 126 and 154. The Modarressin also see no objection in selling for a price what one acquires from nature in excess of his or her needs. For example, one may sell the water that one gets from a well if it is in excess of his/her needs. *Ibid.*, 171–3.

¹⁴⁷ *Ibid.*, 126.

they may be hired for preparing mawat land or for exploiting nature in any other forms.¹⁴⁸ Availability of wage labor, the Modarressin argue, helps out “those who have money” but cannot work or are engaged in activities other than land development.¹⁴⁹ Ayatollah Khomeini is among the several prominent jurists who have made legal rulings in this direction.¹⁵⁰ The Modarressin do not see an inconsistency between this view and the Islamic dictum that the only source of ownership is work.¹⁵¹ The inconsistency is resolved once we consider their analysis of wages and prices in a market economy. The Modarressin argue that if fair wages are paid, the value added to the land is exactly equal to the wages that the workers have received. Therefore, it makes no difference to the workers whether they receive the value added to the land or, after allowing for other costs, own the land, which may be sold for exactly the price equal to the wages paid to the workers.¹⁵²

These arguments pull the pivotal pin out from the equity-based structure of private property in the populist-statist approach to Islamic economics. By limiting ownership of what is obtained from nature to the result of one’s own direct labor, Sadr, Banisadr, and Peyman provided the basis for setting similar limits on property ownership drawn from other economic activities, where such limits are not explicitly addressed by Islamic jurisprudence. The Modarressin, however, see no limitation on the employment of wage labor and the accumulation of private property. To them, whatever individuals own is either based on their direct labor or by the use of their property which has its origin in their labor or the labor of those who have transferred such ownership to them.¹⁵³ Therefore, as long as these activities and the transactions involved in these activities are legitimate, the ownership that results from them is also legitimate. The major unacceptable practices are usury, deceit, theft, production of intoxicants and pork, monopoly, collusion, and price fixing to corner the market.

The Modarressin make it explicit that Islam’s praise for labor is not limited only to laborers and that it includes the more general notion of work. They even contend that Islam looks down on wage labor. Imam Sadeq (the Sixth Imam) said “whoever works for wages has limited his livelihood.”¹⁵⁴ The Modarressin are of the opinion that in an Islamic society, “the individuals who possess the necessary aptitude and background would own their needed means of production to work independently, or in partnership with others in the cases that large capital is needed.”¹⁵⁵ The degradation of wage labor is comple-

¹⁴⁸ *Ibid.*, 143–44.

¹⁴⁹ *Ibid.*, 274.

¹⁵⁰ *Ibid.*, 202–10.

¹⁵¹ *Ibid.*, 271–5.

¹⁵² *Ibid.*, 143–4.

¹⁵³ *Ibid.*, 186–7 and 274.

¹⁵⁴ *Ibid.*, 301.

¹⁵⁵ *Ibid.*, 303.

mented with statements in praise of commerce. The Modarressin quote Imam Sadeq, who said that “trade adds to your wisdom,” and Imam Mosa (the Seventh Imam), who said that “in the morning go to the bazaar, where you acquire dignity.”¹⁵⁶

The Modarressin, nevertheless, maintain that employment of wage labor does not result in exploitation, as long as the workers receive “no more or less than the wage that they deserve.”¹⁵⁷ However, according to Islamic precepts, wages must be negotiated between the worker and the employer. The major Islamic limitation in setting wages between the two parties are that first, wages must be determined before the worker is employed; second, the worker is paid immediately after the work is completed; and, third, the workers are assumed to have full knowledge of their rights and the “actual price of labor.”¹⁵⁸ Market wages and prices are perceived as the “fair” measure of value in exchange relations, and the free fluctuation of markets is regarded as necessary for “increasing the efficiency of the economic system.”¹⁵⁹ Therefore, whatever wages the employees receive are fair and equitable, as long as they correspond to the market rate. The Modarressin do not even recognize the market imperfection that may result in the less than perfectly competitive market analysis of neoclassical economics. Nor do they accept the common practices of setting minimum wages, maximum hours of work, or prohibiting child labor. For example, child labor is allowed as long as the father or paternal grandfather of the child consents.¹⁶⁰

The above analysis of the Modarressin is complemented by their emphasis on private incentive as a means for increasing the economy’s output.¹⁶¹ Higher output, they argue, will increase the scope for capital formation and further economic growth.¹⁶² Thus, the Modarressin, in spite of their occasional condemnation of capitalism, trace the basic elements of a market economy as the blueprint for their ideal Islamic society. Although they recognize the existence of a state sector, the economy would be organized in the context of market relations based on individual self-interest and private initiatives.¹⁶³ Furthermore, to cast away the stoic attitude of the radical and populist Muslim activists in the post-revolutionary period, the Modarressin engage in a lengthy discussion, pointing out that nothing is wrong with what may be viewed as luxurious consumption. They cite ample evidence that Muhammad and the Imams defended the use of luxury, as they themselves wore fine clothes and

¹⁵⁶ *Ibid.*, 288. For statements in praise of merchants in The Quran, see Maxime Rodinson, *Islam and Capitalism* (Austin: University of Texas Press, 1978), 16–17.

¹⁵⁷ DHH, *Daramadi*, 143.

¹⁵⁸ *Ibid.*, 302–3.

¹⁵⁹ *Ibid.*, 343 and 353–5.

¹⁶⁰ *Ibid.*, 305.

¹⁶¹ *Ibid.*, 286 and 353.

¹⁶² *Ibid.*, 308.

¹⁶³ *Ibid.*, 117–8.

ornaments for special occasions, including prayers in the mosque.¹⁶⁴ They also argue that condemnation of *esraf* (excessive consumption) by Islam is not opposition to the enjoyment of wealth, the accumulation of which is quite legitimate to the Modarressin. They view *esraf* as a relative concept determined by one's social position and income.¹⁶⁵ The Modarressin quote Imam Ali (the First Imam), who said "a prodigal person . . . eats what is not his, wears what is not his, and buys what is not his," and interpret "his" to mean "appropriate for him."¹⁶⁶ Similarly, they argue that a high level of personal consumption (possession) may not be regarded as *esraf*. Imam Mosa lends credence to the Modarressin's view that high personal consumption (possession) may be a sign of good economic judgment in using any item of consumption only for its most appropriate purpose.¹⁶⁷ The Modarressin's view of *esraf* is in striking contrast to the radical and populist view that condemns wealth and its manifestations in a revolutionary movement that aimed to achieve egalitarian social justice.

TRADITIONAL VERSUS DYNAMIC JURISPRUDENCE: THE RADICAL DIMENSION OF MUTAHHARI

The legitimacy of any approach to the organization of an Islamic society must be sought in the Shari'a (the Islamic divine law). The bases of the Shari'a are, above all, the Quran and the tradition of Muhammad (*sunna*, Tradition). Ambiguities in the application of the Quran and Tradition to the contemporary problems of the time are resolved in the context of Islamic jurisprudence, a strong legal tradition developed in the centuries following Muhammad's death in A.D. 632.¹⁶⁸ Islamic jurisprudence is the exclusive domain of the clergy, who gain the position of a *mojtahed* or a *faqih* (jurist) through a long and demanding academic training in the *madares-e 'elmiyeh* (scientific schools, or Islamic seminaries). By definition, a *mojtahed* is an authority on Islamic jurisprudence. Thus, from a legal perspective, the clergy view the opinions of non-jurists on Islamic jurisprudential issues as inconsequential and irrelevant. Islamic jurists address the matter bluntly. For example, Mutahhari states that as the diagnoses of diseases and prescription of medicine may be done only by trained physicians, interpretation of religious teachings is the exclusive realm of the experts.¹⁶⁹ The monopoly of the *mojtaheds* extends even to the arena of politics and policy making, which obviously have legal

¹⁶⁴ *Ibid.*, 382-90.

¹⁶⁵ *Ibid.*, 292-4.

¹⁶⁶ *Ibid.*, 393.

¹⁶⁷ *Ibid.*, 396.

¹⁶⁸ See Nicolas P. Aghnides, *Mohammedan Theories of Finance with an Introduction to Mohammedan Law and a Bibliography* (New York: AMS Press, 1969); and Joseph Schacht, *An Introduction to Islamic Law* (Oxford: Clarendon Press, 1982). For a brief summary of fundamentals of Islamic jurisprudence, see Behdad, "Property Rights," Appendix.

¹⁶⁹ Mutahhari, *'Ellal-e Garayesh be Maddigari*, 209-10.

foundations and implications. In 1979, on the occasion of the opening of the Assembly of Experts (*Majles-e Khobregan*), which was charged with drafting the constitution of the Islamic Republic, Khomeini stated that "expression of agreement and disagreement with the precepts of Islam is the exclusive right of our reverend jurists."¹⁷⁰

Among the main proponents of Islamic economics in Iran, Sadr and the Modarressin had official authority to make religious interpretations. Shariati and the Mojahedin objected to the clergy's claim to have the exclusive authority for making such interpretations.¹⁷¹ The clergy, however, dismissed both Shariati and the Mojahedin as lay interpreters of Islam, whose views are necessarily superficial and unreliable.¹⁷² The Mojahedin have been condemned as *monafeq* (hypocrite), and Shariati's thoughts are viewed as deviating from orthodoxy.

But a jurisprudential controversy has developed among the established clergy on the matter of the state's right to limit private property rights. The debate is centered around Sadr's view that in order to maintain "social balance," the state must have "free legislative realms." As I noted above, Sadr maintains that the sources of Islamic jurisprudence, particularly the Tradition of Muhammad, should be interpreted in their social-historical contexts.¹⁷³ The basis of Sadr's argument is *taqdir* in Islamic jurisprudence. *Taqdir* means Muhammad's silence about certain activities which took place with his knowledge in his time.¹⁷⁴ Muhammad's silence about these activities may be regarded as an indication of his consent. Sadr, however, argues that what Muhammad regarded as acceptable then may not be acceptable now. For example, then, individuals were free to make use of natural resources to the extent that they wanted and to engage in gainful market activities. Sadr argues that this does not suggest that economic activities in Islam are as free as in capitalism. He maintains that there is a fundamental difference between the Islamic economic system and capitalism. This difference, according to Sadr, was not revealed at the time of Muhammad, when the organization of production was based on a relatively simple technology. The difference became apparent, Sadr points out, when technological progress made exploitation of vast resources possible by those who could accumulate advanced machinery and equipment and the means for employing workers. This new mode of employment of resources, made possible with historical changes in the conditions of production, is not acceptable to Islam, according to Sadr.¹⁷⁵ Therefore, he argues that under the new

¹⁷⁰ *Kayhan*, June 19, 1979.

¹⁷¹ See for example, Shariati, *Tashayyu'-e 'Alavi va Tashayyu'-e Safavi* (Tehran: Hoseiniyeh Ershad, 1973), 229–30; and the Mojahedin-e Khalq-e Iran, *Chegoneh Quran Biyamoozim* (n. p.: Sazman-e Mojahedin-e Khalq-e Iran, 1979), 16–21.

¹⁷² See, for example, Abolhasani, *Shahid Mutahhari*, 23–39.

¹⁷³ Sadr, *Eqtesad-e Ma*, vol. 2, 34.

¹⁷⁴ *Ibid.*, 44.

¹⁷⁵ *Ibid.*, 57–58 and 209–10.

historical circumstances, the state may limit certain forms of activities which were not limited at the time of Muhammad.

Mutahhari extends Sadr's contention about technological change into his own analysis of value theory and reaches a radical conclusion. Mutahhari contends that in modern capitalism machinery plays a role qualitatively different from that of tools in the earlier form of capitalism. Modern machinery has its own force of motion, so labor, as such, is needed only as a secondary factor of production to attend to the needs of machines. With simple tools, labor was the primary factor of production.¹⁷⁶ But in modern capitalism, Mutahhari argues, it is not labor, as Marx believed, but machinery that creates "surplus value."¹⁷⁷ He immediately raises the question, who, then, can appropriate the surplus value created by machinery? His answer is that machinery is the product of history, and no individual can claim ownership over the technological advances that have resulted in creating the machine.¹⁷⁸ From this analysis he concludes that modern machinery has given rise to a qualitative change in capitalism, which necessitates a reformulation of Islamic jurisprudence on economic and commercial relations. In Mutahhari's words:

The mojtaheds of the age have paid some attention to issues relating to banking, insurance, checks and discounting bills (*safteh*) as "newly formed problems" (*masa'el-e mosdahdas*). They have not recognized, however, that the central issue among the newly formed problems is capitalism itself. . . . *New capitalism is a separate, independent, and unprecedented phenomenon and requires separate and independent jurisprudential consideration.*¹⁷⁹ (Emphasis is mine.)

This is a radical departure from Islamic jurisprudential orthodoxy. Accepting Mutahhari's contention about machinery and "new capitalism" undermines the basis of traditional jurisprudential prescriptions for economic activities and necessitates imposing more restrictive limitations on private ownership of the means of production. Mutahhari himself states explicitly that when production of a commodity is not the outcome of only an individual's work, that commodity must be owned collectively.¹⁸⁰ Modern machinery is the clearest case of a collectively produced commodity which must be owned collectively, according to Mutahhari. Collective ownership of machinery would have serious implications for the organization of production in a market economy. Similarly, Mutahhari's contention about machinery may be extended to the use of public services, such as infrastructure and public utilities,

¹⁷⁶ Murtaza Mutahhari, "Sarmayehdari, Dorane Towlid-e Mashini!," in *Kayhan Hava'i* (December 3, 1986).

¹⁷⁷ Murtaza Mutahhari, "Mashin; Sakhteh-ye Tarikh," in *Kayhan Hava'i* (December 10, 1986). Mutahhari, however does not accept formation of surplus value by labor even in the earlier form of capitalism.

¹⁷⁸ Mutahhari, "Mashin; Sakhteh-ye Tarikh," in *Kayhan Hava'i* (December 10, 1986).

¹⁷⁹ Murtaza Mutahhari, *Barresi-ye Ejmali-ye Mabani-ye Eqtasad-e Eslami* (n. p.: Enesharat-e Hekmat), 56–57. See also *ibid.*, 94, and 96–97.

¹⁸⁰ *Ibid.*, 191–2.

in the production process. In this manner, little in the economy is produced without benefiting from the collective effort. Thus, Mutahhari opens the door to accepting collective ownership and extensive government control of the production process.

Apparently, toward the end of his life, Mutahhari was engaged in writing a book on the economics of Islam. His notes on such topics as "Economics," "Fundamentals of Property Rights in Islam," and "Islamic Economic Order" were not completed when he was assassinated in May 1979. In the heat of the debate on Islamic economic order in 1983, a collection of Mutahhari's notes were published under the title of *An Overview of Fundamentals of Islamic Economics*.¹⁸¹ The publication of Mutahhari's manuscripts on economics created an uproar in the Bazaar and among the conservative modarressin of Qum seminaries. The book was immediately banned and withdrawn from the market, a serious offensive against a man whom Khomeini had eulogized as his own flesh and blood and whose books he had told students and intellectuals not to forget.¹⁸² In spite of the clergy's praises that continue to call Mutahhari the intellectual pillar of the "Islamic revolution," his book is still banned in Iran. Only occasionally, Tehran newspapers publish excerpts from his notes on Islamic economics. It is an irony of history that Mutahhari received condemnations similar to those he himself extended to Shariati. It is also paradoxical that a man who was the foremost defender of Islamic orthodoxy has been viewed as a revisionist, if not a heretic, by the same clerical establishment that he defended against Shariati's attacks.

The need for reformulating Islamic jurisprudence in the light of capitalism's historical development, as Sadr and Mutahhari argue, became one of the major issues of debate among Muslim intellectuals and policy makers in post-revolutionary Iran. This was the "traditional versus dynamic jurisprudence" (*fiqh sunnati va fiqh poya*) debate which brought the hard liners of the populist-statist tendency in confrontation with the proponents of the conservative approach. Both groups, however, appealed to Khomeini, who as a mojtahed and a major Source of Imitation had the constitutional designation of the Leader of the Revolution, to arbitrate between the opposing tendencies. In this context, it is essential to recognize Khomeini's views on economic questions.

KHOMEINI'S UTOPIAN SOCIAL BALANCE

Unlike others discussed above, Ayatollah Khomeini did not write a treatise on Islamic economics. However, as a mojtahed in the pre-revolutionary period,

¹⁸¹ *Ibid.*, The publisher's note indicates that this book was published in 100,000 copies. The usual run for books in Iran is about 5,000 to 10,000 copies.

¹⁸² [Rohollah Khomeini], *Payam-e Enqelab*, vol. 1 (Tehran: Mo'asseseh-ye Farhangi, 1982), 102-3; and *idem*, *Payam va Sokhanraniha-ye Emam Khomeini*, vol. 1, 34.

he dealt with some economic matters in his treatise, *Tahrir al-Wasilah*.¹⁸³ Khomeini's decrees and interpretations, however, differ little from the rulings which constitute the basis of the views of the Modarressin. These jurisprudential rulings are quite consistent with those of the traditional views of Shi'i jurists and, therefore, represent a conservative position. There is little in these statements that can explain Khomeini's populist posture on many economic issues in the post-revolutionary years, as reflected in his numerous speeches and declarations.¹⁸⁴ This has led some authors to reduce the inconsistencies between Khomeini's pre-revolutionary jurisprudential rulings and post-revolutionary statements to charges of opportunism and Machiavalian deceit, both standard cultural stereotypes of the Iranian clergy. The repeated swing of Khomeini between populist and conservative positions on economic matters lends even more support to the thesis of opportunism. The matter may be understood more clearly once we consider Khomeini's views in their social-historical context.

Khomeini's decrees in *Tahrir al-Wasilah* are the legal views of a mojtahed in a society under a non-Islamic state, in which the legal questions addressed to him and his responses to them are necessarily defined by the narrow and marginal domain of Islamic rule under such circumstances. A legal treatise like *Tahrir al-Wasilah* deals mainly with the matters of legal concern to the faithful in their private affairs in a non-Muslim state. Thus, it is not surprising that Khomeini's jurisprudential rulings deal extensively with such petty matters as the alms tax levied on women's necklaces.¹⁸⁵ Khomeini has, however, dealt directly with the more fundamental issues of the politico-economic organization and institutions of society in his pre-revolutionary political manifestos, mainly *Kashf al-Asrar* (1941) and *Hokomat-e Eslami* (1971).¹⁸⁶ In these two volumes the fundamentals of Khomeini's views about an Islamic state are specified. Khomeini believes that in the absence of the Hidden

¹⁸³ Rohollah Khomeini, *Tahrir al-Wasilah* (in Arabic) (Najaf: Matbaat al-Adab, 1985). A selection of Ayatollah Khomeini's rulings on economic matters, mainly from *Tahrir al-Wasilah* is collected and translated into Persian. See Abdolkarim Biazar-Shirazi, ed., *Resaleh Novin, Masa'l-e Eqtesadi*, with introduction and explanations by the editor, vol. 2 (Tehran: Daftar-Nashr-e Farhang-e Eslami, 1985).

¹⁸⁴ See [Rohollah Khomeini], *Dar Jostejo-ye Rah az Kalam-e Emam*, in 22 volumes (Tehran: Amir Kabir, 1982). These volumes include Khomeini's statements from 1962 to 1982. Another collection including statements from 1979 to 1989 is published in 21 volumes as *Sahifeh-e Noor, Majmo'eh-e Rahnemoodha-ye Emam Khomeini* (Tehran: Vezarat-e Ershad-e Eslami, 1983-90). Excerpts from Khomeini's declarations and speeches on economic matters in this collection is published by Mohsen Mazhini as "Emam va Eqtesad-e Eslami," in *Kayhan* (May 25-August 15, 1992).

¹⁸⁵ Rahnema and Nomani, *The Secular Miracle*, 133.

¹⁸⁶ *Hokomat Eslami* has also been published under the title of *Velayat-e Faqih*. An English translation is available as "Islamic Government," in [Rohollah Khomeini], *Islam and Revolution, Writings and Declarations of Imam Khomeini*, translated and annotated by Hamid Algar (Berkeley: Mizan Press, 1981), 25-166.

Imam, an Islamic state must be established in an Islamic society. The Islamic state, according to Khomeini, must be ruled by a knowledgeable and just jurist (*vali-ye faqih*).¹⁸⁷ An Islamic state must be established, Khomeini states, to secure the unity of the Islamic people and “in order to liberate the Islamic homeland from occupation and penetration by the imperialists and their puppet governments.”¹⁸⁸ Imperialist oppression and the contradiction between the oppressed and the oppressor classes in society are the central concerns of Khomeini in his *Hokomat-e Eslami*. Khomeini declares, in his 1971 manifesto, that the imperialists, through their puppet regimes,

have imposed upon us an unjust economic order, and thereby divided our people into two groups: oppressors and oppressed. Hundreds of millions of Muslims are hungry and deprived of health care and education, while minorities comprised of the wealthy and powerful live a life of indulgence, licentiousness, and corruption. . . . The [*ul-ama*, or clergy] of Islam have a duty to struggle against all attempts by the oppressors to establish a monopoly over the sources of wealth, or to make illicit use of them. They must not allow masses to remain hungry and deprived while plundering oppressors usurp the sources of wealth and live in opulence.¹⁸⁹

Although it is true that Khomeini did not specifically define the nature of an Islamic economy prior to the revolution, his view was that Islamic government may be established by appealing to the masses and mobilizing them to rid themselves of oppression and deprivation. He asks the clergy in 1970 to engage in political agitation:

Tell the truth about our situation to the masses in simple language; arouse them to enthusiastic activity, and turn the people in the street and bazaar, our clear-hearted workers and peasants, and our alert students into dedicated [Islamic warriors].¹⁹⁰

It was only after the Islamic Republic was established that the specific aspect of an Islamic economy had to be explained to the “clear-hearted” masses of Iran. And then, Khomeini was the leader, the chief policy maker, who defined the structure of an economic system that a revolutionary movement was in the process of establishing in the midst of the ongoing social conflicts.

Khomeini repeatedly makes it explicit that “Islam has come to help the *mostaz’afin* (oppressed).”¹⁹¹ Or that “in all of history, the *mostaz’afin* have come to the help of the prophets to put down the *mostakbarin* (oppressors).”¹⁹² However, his perception of oppression and the oppressed class is vague and frequently shifting. In 1977, in a famous speech to the seminary

¹⁸⁷ Khomeini, “Islamic Government,” 62.

¹⁸⁸ *Ibid.*, 49.

¹⁸⁹ *Ibid.*

¹⁹⁰ *Ibid.*, 132.

¹⁹¹ Khomeini, *Sahifeh-e Noor*, vol. 2, p. 212 (10/25/1979-date of declaration). All references to *Sahifeh-e Noor* are from Mazhini, “Emam va Eqtesad-e Eslami.”

¹⁹² [Khomeini], *Sahifeh-e Noor*, vol. 6, 189 (6/16/1979).

students in Najaf (Iraq), in opposition to the view of Shariati and the Mojahedin, Khomeini criticized those who claim that all of Islam's teachings are mandates for establishing social justice, and that the social classes have to be abolished. He said that they want to make a world in which everyone lives the same way. To him, making people classless makes animals out of human beings.¹⁹³ Although Khomeini objects to this "materialist" interpretation of Islam, he asks that the seminary students not denounce those who have such claims because "Islam is for justice, . . . [and] for class balance."¹⁹⁴ The ambiguous concepts of justice and balance seem to play a key role in Khomeini's social philosophy, a balance that brings inherently contradictory elements into a harmonious whole, stating that "Islam . . . will neither banish capital, nor would it let someone have hundreds of millions of dollars."¹⁹⁵ He recognizes elements of social classes, such as workers, peasants, clergy, shopkeepers, merchants, students, bazaari's, squatters, civil servants, tribal members, and includes them all in the oppressed class. For example, he says that "all strata of our nation were of the oppressed (class) . . . from the clergy, bazaari and the peasantry to all the people who live in this country."¹⁹⁶ In fact, anyone, including the wealthy bazaaaris, may be oppressed, as oppression (*esteẓāf*), according to Khomeini, carries the universal meaning of being weakened by some external force.

The unity of whole (*vahdat-e kalemeh*), or all together (*hamah ba ham*), is the central theme of Khomeini's populist political philosophy.¹⁹⁷ Social contradictions are expected to be resolved by the "Islamic balance." If this balance is not spontaneously achieved in social interactions, then the Islamic government would impose it. Khomeini is quite clear on this issue in the context of economic activities and the limits of ownership. He leaves no doubt that Islam sanctions property ownership, but that sanction is based on the legitimacy of the source. In 1979, when the Revolutionary Islamic Courts were engaged in extensive expropriation of property, Khomeini added, "we will deal with these big capitalists, whose capital and wealth could have not become so large from legitimate sources."¹⁹⁸ Moreover, Khomeini states "even if we assume someone has legitimate properties but the Islamic judge or *vali-ye faqih* realizes that an individual's having so much will adversely affect the welfare of Muslims, he can expropriate those properties."¹⁹⁹ This view imposes further limits on legitimacy of property by adding the notion of social

¹⁹³ [Rohollah Khomeini], *Payam-e Enqelab, Majmo'eh-e Payamha va Bayanat-e Emam Khomeini*, vol. 1, 160–81 (Tehran: Payam-e Azadi, 1982).

¹⁹⁴ *Ibid.*, 177.

¹⁹⁵ [Khomeini], *Sahifeh-e Noor*, vol. 8, 36(6/6/1979).

¹⁹⁶ *Ibid.*, vol. 17, 246 (5/8/83).

¹⁹⁷ [Rohollah Khomeini], *Payam-e Enqelab, Majmo'eh-e Payamha va Bayanat-e Hazrat-e Emam Khomeini*, vol. I (Spring 1979) (Tehran: Resa, 1984), 84. (This is a continuation of the series cited above. The volumes in the previous series are numbered 1–4.)

¹⁹⁸ [Khomeini], *Payam-e Enqelab*, vol. III (Fall/Winter 1979/80), 126.

¹⁹⁹ *Ibid.*

balance to the legalistic definition of legitimate ownership. The conservative mojtaheds are, however, opposed to any "political expropriation of property."²⁰⁰ In 1985 Khomeini reiterated his position in a private talk with the members of the Council of Guardians. He stated that:

the poor have a share in the property of the wealthy, . . . whoever has not paid his dues will have his debt increasing exponentially to the extent that even if all of his wealth is expropriated he will still owe some. . . . How have all these riches been accumulated? I do not see it probable that even one of them has paid their religious dues.²⁰¹

Khomeini's dilemma, however, is that he accepts capital but rejects great wealth, that he accepts market relations but rejects capitalism.²⁰² The dilemma is best reflected in his last will, signed in February 1983 and published in June 1989. On the one hand, he asks the Islamic Government to be concerned about the welfare of the "deprived and the oppressed," rather than that of "capitalists, land grabbers and higher classes who are comfortable and are swimming in pleasure and lust."²⁰³ In an even stronger tone he calls for the oppressed of the world to rise against the exploiters, oppressors, and ruling classes.²⁰⁴ On the other hand, he asks the Islamic Government to "respect the legitimate and limited private property rights," and to "give assurance to the people so that capital and constructive initiatives can have the chance to work . . . in small and large industries."²⁰⁵ He asks the wealthy classes to put their "justly earned wealth to work and initiate productive activities" and wishes that these classes would "provide housing and welfare for the ghetto dwellers," for "it is not fair that someone has no place to live while another owns many apartment buildings."²⁰⁶

Khomeini, in his last will, restates his formulation of an Islamic balance while attempting to identify the lines of deviation on either "extreme":

Islam does not approve of an oppressive and unbridled capitalism that deprives the oppressed masses who suffer under tyranny. On the contrary it firmly rejects it both in the Quran and in the Sunna. Some who . . . are ignorant . . . have pretended . . . that Islam is in favor of unconstrained capitalism and private property . . . They have misinterpreted Islam and have covered the enlightened face of Islam. [Neither] is Islam a regime that opposes private property, like communism, Marxism and Leninism. . . .

²⁰⁰ DHHD, *Daramedi*, 189.

²⁰¹ The content of the talk was publicized in a Friday prayer sermon by Ayatollah Mosavi-Ardebili, then the Chief of the Supreme Court (*Divan-e 'Ali-ye Keshvar*). See *Kayhan* (November 9, 1985).

²⁰² Mazhini, a Khomeini follower, pointed out that Khomeini accepts capital and rejects capitalism. See Mohsen Mazhini, "Sarmayeh, Sarmayehdari va Sarmayehdaran," in *Kayhan* (June 9, 1992).

²⁰³ [Rohollah Khomeini], *Imam Khomeini's Last Will and Testament* (English translation) (Washington, D.C.: Interests Section of the Islamic Republic of Iran, Embassy of Algeria, n. d. [1990]), 36.

²⁰⁴ *Ibid.*, 58.

²⁰⁵ *Ibid.*, 55.

²⁰⁶ *Ibid.*, 55–56.

Islam provides for a balanced regime. My advice . . . is . . . do not be influenced either by the empty propaganda of the pillaging and oppressor pole of capitalism or by the atheistic and communistic pole.²⁰⁷

On matters of economics principles Khomeini is quite close to the interpretation of Ommatiha discussed above. In fact many of the so-called Students of the Imam's Path (*daneshjoyan-e khat-e Emam*), who occupied some key political posts in the 1980s, were indistinguishable on their economic policy positions from the Ommat sympathizer, whose organization was dissolved in the post-1982 repression of the opposition and were considered almost as unacceptable as the Mojahedin. Similarly, Mojahedin-e Enqelab-e Eslami, another segment of the populist faction of the Islamic Republic, subscribed to a set of policy positions similar to those of Ommatiha while relying on statements and declarations of Khomeini. Khomeini was, however, challenged by the conservative establishment of the clergy, mainly the mojtaheds and Grand Ayatollahs (Sources of Imitation), who relied on the received Islamic jurisprudential tradition to block the legal reforms implied by the political positions of Khomeini. Khomeini, who was a product of this religious establishment and drew his authority from it, never dared to break away from it.

Formally, Khomeini's jurisprudential authority as the vali-ye faqih was no more than the other *foqaha* (plural of *faqih*). This tenet of Shi'i institution is explicitly recognized in Khomeini's *Hokomat-e Eslami*. He states "there is no hierarchy that ranks one faqih above another, or endowing one with more authority than another."²⁰⁸ So the conflict turned into a long process of political maneuvering, with Khomeini attempting to steer his way through the contradiction between popular expectations of the revolutionary masses against the limits of Islamic jurisprudential tradition.²⁰⁹ This contradiction was itself the manifestation of a deep social conflict within a society struggling for a social transformation. The Islamic revolutionary slogans had recognized nearly all social classes, with the exception of the highest strata of the bourgeoisie, as the members of the oppressed class, which is to inherit the earth and have at least adequate food, housing, education, health, and a decent paying job. The arithmetic of social transformation is straight forward theoretically but painful and complex practically.

The jurisprudential dispute commenced when a land reform bill was passed by the Revolutionary Council on September 16, 1979, and amended by that same council on December 2, 1979. The bill, as amended, not only provided for redistributing mawat land and government-owned land but also "the large

²⁰⁷ *Ibid.*

²⁰⁸ Khomeini, "Islamic Government," 64.

²⁰⁹ See Sohrab Behdad, "The Political Economy of Islamic Planning in Iran," in Hooshang Amirahmadi and Manoucher Parvin, *Post-Revolutionary Iran* (Boulder: West View Press, 1988).

pieces of land under control of large landlords.”²¹⁰ Redistributing large, private land holdings, known as Section C, proved controversial and was opposed by the Grand Ayatollahs. Upon the request of Khomeini, who himself did not express any opinion about the bill, three of his supporters, ayatollahs Beheshti, Montazeri, and Meshkini, reviewed and sanctioned the bill. None of these ayatollahs were a Source of Imitation; therefore, their approval of the bill was not considered an official religious decree (*fatwa*). Had Khomeini approved the bill, it would have been viewed as a decree and would have opened the arena for a direct jurisprudential confrontation between Khomeini and the opposing Grand Ayatollahs. Instead of facing such a confrontation, Khomeini decided to turn the matter into a power play within the formal structure of the state. When the Parliament convened in June 1980, the large majority of deputies had the populist-statist orientation. They intended to pass a number of bills on such matters as redistribution of urban and agricultural land, nationalization of foreign trade, and on labor relations (labor law). Foreseeing the conflict, Khomeini selected the majority of jurists in the Council of Guardians from among those who represented the conservative position of the Grand Ayatollahs. According to Article 96 of the Constitution, bills passed by the Parliament must be approved by the Council of Guardians for consistency with the constitution and the Shari’a before becoming a law. The two bodies, the Parliament and the Council, were in direct opposition to each other on matters of social policy having to do with the limitation of property rights. The Parliament kept passing laws, and the Council of Guardians kept rejecting them as un-Islamic. Even Khomeini’s delegation of authority to the Parliament, in October 1981, for recognition of “urgency” (*zororat*) did not resolve the jurisprudential deadlock between the Parliament and the Council of Guardians. According to the Shari’a, Muslims may rely on secondary rulings (*ahkam-e sanaviyeh*) in conditions of urgency, even though such rulings may contradict Islam’s primary rulings (*ahkam-e avvaliyeh*). For example, eating the meat of dead animals is forbidden (a primary rule), but when someone’s life is in danger (urgency) she may eat that meat (a secondary rule). The crisis in the economy deepened as the debate on the form of organization of social order continued. Frustrated with Khomeini’s equivocations on defining what is the Islamic economic order, a follower who was a deputy in the Parliament cried, only a few months before Khomeini’s death:

Your Eminence the Imam! Ten Years after the Islamic Revolution, the society is ready and has the right to ask you to form a council of the ulama, the learned, the Islamic economists and experts knowledgeable with the economies of the East and the West, to present to the world the unadulterated Muhammadan Islamic view on economics. With this, you will certainly prevent the confrontations among the children of the Revolution.²¹¹

²¹⁰ *Ruznameh Rasmi-ye Keshvar*, no. 10092, October 26, 1979 and no. 10238, April 22, 1980.

²¹¹ *Kayhan* (October 24, 1988).

In June 1989 Ayatollah Khomeini died, unable to define his version of Islamic economic order.

CONCLUSION: UTOPIA LOST

The economic warfare of classes is inevitable. The economic crisis in post-revolutionary Iran is a testimony to the force of the turbulence resulting from the ongoing social confrontations. I have examined post-revolutionary economic crisis elsewhere.²¹² Here, it suffices to say that between 1977 and 1990, gross national income per capita declined from 326,000 to 195,000 rials (in 1982 prices). Investment in machinery, by both the private sector and government in all the post-revolutionary years has been, on average and in real terms, 46 percent of what it was in 1977. The official estimate of urban unemployment is above 20 percent. In these circumstances, higher output and more jobs are more appealing objectives than any claim about establishing an undefined system of social justice. It has become apparent that an Islamic economic system is not capable of presenting a viable social alternative. Even worse, Islamic values do not seem to have provided immunity from the material temptations, even for those whose piety was supposed to compensate for any other attribute that they lacked. Corruption is widespread at the very Islamic centers of power.²¹³ A privileged class of clergy and their cronies, their sons, daughters, and other relatives, have replaced the privileged class that the revolutions uprooted.

The hope for a social balance that was never achieved and for a “true Islam” (*Eslam-e rastin*) that was never discovered led a revolution to the mirages of a distant past, sacrificing in the process society’s most sacred treasures—the sons and daughters who killed or tortured and dehumanized one another as heretics, hypocrites, reactionaries, and anti-revolutionaries. Meanwhile, the returning tide is bringing back much of what the flood of revolution had taken to the sea. Faced with the declining economy, the Islamic Republic has been retracting its original claims. The rhetoric of “the rule of the oppressed” has been put aside. Populists have quickly transformed themselves into pragmatists, presenting a political platform promising economic prosperity and more jobs. This platform is appealing not only to the bourgeoisie and the urban middle class but also to the mass of urban and rural poor who have seen little from the Islamic Republic other than serving as its reserve army of potential

²¹² See Sohrab Behdad, “Foreign Exchange Gap, Structural Constraints, and the Political Economy of Exchange Rate Determination in Iran,” *International Journal of Middle East Studies*, 20:1 (February 1988); “Winners and Losers of the Iranian Revolution: A Study in Income Distribution,” *International Journal of Middle East Studies*, 21:3 (August 1989); and “The Structure of Production and Employment in Post-Revolutionary Iran: An Examination of Involvement and De-industrialization Theses,” in *The Economy of Islamic Iran: Between State and Market* (Paris: Centre National de la Recherche Scientifique [forthcoming]).

²¹³ See an interview with Ahmad Tavakkoli, a candidate for presidency of Iran, *Kayhan* (May 25, 1993).

martyrs. Thus, faced with political realities and under pressure from the defenders of the market, a process of readjustment has been put in place. The International Monetary Fund and the World Bank have become the source of guidance for the readjustment process. Foreign investment is now being viewed by the Islamic Republic as the means for saving the economy. The large enterprises that were nationalized are being offered wholesale to whoever wants to buy them. There is no longer any claim for establishing an Islamic economy.

It may be claimed that Ayatollah Khomeini did not promise a rose garden of economic prosperity. After all, it was Khomeini who said, in response to a food riot in Tabriz in 1980, that the aim of the revolution was not "to make watermelon more plentiful."²¹⁴ It cannot be denied that spirituality is the sacred mantle of any theocratic state. Nevertheless, any state, theocratic or not, has to attend to the mundane affairs of social existence. Moreover, the Islamic faith emphasizes the unity of the spiritual and the mundane, particularly in economic matters, in an Islamic state. It is the unity of spirituality and economic life in an Islamic state that has made Islamic economics an integral element of Islamic reformist movements everywhere. Khomeini's declaration of the rule of *mostaz'afin* and his condemnation of those who ruined Iranian industry and agriculture and pauperized the peasantry and the urban dwellers, all point to his economic platform.²¹⁵ He proclaims that "we must set this economy right . . . this monarchy plundered the people and led our economy to backwardness."²¹⁶ He declares, "our economy must be transformed; this dependent economy must become an independent economy."²¹⁷ Khomeini's emphasis on spirituality was especially pronounced when he responded to the attack from the left (the arch-rival of the Islamic tendency in the Iranian revolution), such as in the Tabriz riot organized by Marxist groups under the slogan of "Bread, Shelter, Freedom" (*Naan, Maskan, Azadi*). A review of Khomeini's declarations and speeches leaves little doubt about the significance of economic matters in the Islamic Republic and about Khomeini's preoccupation with the construction of an ideal Islamic economic order. Khomeini, however, had the unique historical misfortune of erecting his utopia and of seeing it never have a chance to stand up. The relevant issue is not whether Khomeini's political maneuvering was genuine or deceitful. The viability of the idealized Islamic economic order, in my opinion, is the more essential issue.

²¹⁴ Timur Kuran, "Economic Impact of Islamic Fundamentalism," in Martin E. Marty and R. Scott Appleby, eds., *Fundamentalism and the State* (Chicago: University of Chicago Press, 1993), 306.

²¹⁵ See his speech at Behesht-e Zahra, upon his return to Iran, in [Khomeini], *Payam-e Enqelab*, vol. 4, (February/March 1979), 22–34, and its English translation in [Khomeini], *Islam and Revolution*, 254–60.

²¹⁶ [Khomeini], *Payam-e Enqelab*, vol. 4, 31.

²¹⁷ *Ibid.*, vol. 1, 29.

The experience of the Iranian revolution reveals the wide spectrum of possible interpretations on the form of an Islamic economic order. The opposite poles of this spectrum are the monotheistic classless society of Shariati and the Mojahedin and the holy, laissez faire, market economy of the Modarressin. The variation in this range is determined by the extent of the state's involvement in the economy. Sadr's blueprint is a generalized model for a capitalist welfare state, with a relatively extensive role for the state in the economy. This model itself, as I have shown above, is capable of wide variations and reformulations. The Quranic verses and the tradition of Muhammad represent sufficient ambiguity to serve as sources of aspiration for designing a wide range of economic orders. The religious rhetoric and the general expressions of commitment to social justice notwithstanding, this spectrum of interpretations closely corresponds to the range of contestation about the organization of the economic order in the secular political arena in Iran and elsewhere. The close correspondence between the range of idealized Islamic economic orders and the secular models of economic organization reflects and confirms the universality of the nature of class conflict in contemporary societies. Ironically, Muslim theoreticians recognize the similarities between the views of their Muslim opponents and corresponding secular, "Western," ideals. Thus, Khomeini labels Shariati's views as Marxist, Leninist, and communist, while Shariati attacks his conservative rivals as accomplices in a system of capitalist exploitation.

Undoubtedly, the "true Islam" that may be established in any Muslim society would be, above all, a reflection of the existing balance between contending social forces. However, it must be recognized that Islamic ideology imposes some definite limits upon the legitimacy of a radical definition of social order. These limits stem from Islamic jurisprudence, which is an integral element of Islamic ideology. Islamic reformist movements are handicapped by fourteen centuries of Islamic jurisprudence. Any blueprint of an Islamic social order and any state that seeks Islamic legitimacy must be sanctioned by Islamic jurisprudence. Islamic jurisprudential tradition, however, is a strong fortress in defense of private property rights. Any deviation from the tradition of Islamic jurisprudence is viewed as revisionist heresy (*bed'a*). The guardians of this jurisprudential tradition are the mojtaheds, who rely on explicit declarations of the Quran and Muhammad and the well-established jurisprudential interpretations of the past. Even Ayatollah Khomeini and the populist Muslims of Iran, riding strongly on the forceful waves of a popular revolution, could not make a dent in this fortress by gaining legitimacy for what amounted to no more than a mild form of an interventionist state.²¹⁸ In the final analysis, the conservative approach promoting a capitalist system, not unlike that in other non-Islamic, third-world countries,

²¹⁸ Behdad, "Property Rights."

prevailed. The Islamization of Pakistan under Zia ul-Haq and Sudan under Ja'far al-Nomayri and Hasan al-Bashir have already provided examples of this form of economic Islamization. The deceptive performance of these Islamization efforts has been well documented.²¹⁹ The Islamic Republic of Iran became the first instance in modern history in which social forces were mobilized to reconstruct an egalitarian utopia that was believed to have existed in the Golden Age of Islam. The utopia is lost. As with any lost utopia, there are sobering lessons to be learned.

²¹⁹ See Ann Elizabeth Mayer, "The Fundamentalist Impact on Law, Politics, and Constitution in Iran, Pakistan, and Sudan," in Marty and Appleby, eds., *Fundamentalism and the State*, ch. 7; and Kuran, "The Economic Impact of Islamic Fundamentalism."