

A Shiite Economic Model. From Bāqir al-Ṣadr to Contemporary Iraq

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Introduction

A contemporary Shiite discussion of Islamic economics evolved in the late twentieth century, drawing on the traditional Shiite emphasis on *ʿadl*. The notion of *ʿadl*, or justice, is not unique to Shiism, yet it holds significant ramifications for this persecuted community. In the Sunni world, *ʿadl* has a direct political implication—*dār al-Islām* would become *dār al-ʿadl*, if the community were to be ruled by a righteous Islamic government that would uphold the moral virtues of God’s law. The sultan has an obligation to act in a moral way to implement Divine justice on Earth, although man cannot necessarily fully comprehend God’s justice.¹

Similarly to Sunnis, Shiites also revered God’s justice and even included *ʿadl* as one of the five pillars of religion. Both also provided a political reading of the notion of justice. Nevertheless, in Sunni understanding implementing justice was the prerogative of a leader elected by humans, while Shiites linked justice to the divinely designated Imams.²

Consequently, Shiite historiography portrayed the historical injustice against the chosen family of the Prophet Muḥammad, the *ahl al-bayt*, as a human decision to go against God’s will. This began with the rule of the early caliphate that usurped ʿAli’s legitimate quest for leadership. It continued with the Sunni persecution of Shiites throughout Muslim history, ‘when the Muslim community was ruled by tyrannical and unjust caliphs’.

According to the traditional Shiite perception, Muslim kingship was illegitimate, since authority was invested in the divinely designated Imams. As a result, justice will prevail only at the end of days with the return of the awaited Imam. This unique Shiite discourse on justice, injustice, authority and human reason was further reshaped in the modern era, within a new debate on religion, politics and socio-economic change. The following pa-

¹ See Ann Katherine Lambton, “Changing Concept of Justice and Injustice from the 5th/11th Century to the 8th/14th Century in Persia: The Saljuk Empire and the Ilkhanate”, *Studia Islamica* 68 (1988), 27–60.

² On the Shiite concept of justice see Shaykh Abū Jaʿfar Muḥammad ibn ʿAli ibn Ḥusayn ibn Mūsā (known as Ibn Bābawayh al-Qummi), *Essence of Shia Faith*, transl. by Dr. Safi Hassan, n.p.: Createspace Independent Publishing 2012, 320–324; Najam Haider, “*Shiʿi Islam: An Introduction*”, Cambridge: Cambridge Univ. Press 2014, 18–30.

per will provide a unique angle on the question of Islamic economics, with its rising significance in the Muslim world and the West.

Looking into the case study of Iraq, the current study will contribute to an understanding of the contemporary challenges facing the new Shiite-led regime. The overall majority of the Shiite parties established within the new drive towards democratization in post-2003 Iraq claimed allegiance to the original Da'wa Party and its chief ideologist Muḥammad Bāqir al-Ṣadr (1935–1980). Shedding further light on this linkage, this article will assess the extent to which al-Ṣadr's economic vision had an impact on the Shiite-led government following the fall of the Ba'ath regime.

On the other hand, perhaps the new Shiite drive towards democratization actually contributed to a more capitalist orientation. Scholarship provides some support for the linkage between capitalism and democracy since similar social forces are behind both democracy and capitalism. They also share core values and historically tended to evolve together. Yet, there are also some contradictions between these two models, since a free market can undermine equality and provide true opportunity only for a bourgeois minority.³ The following discussion will explore this relationship, focusing on the post-2003 period.

The creation of the new nation-state of Iraq in the aftermath of World War I led to significant changes in the orientation of the local Shiite community. Following the disintegration of the Ottoman Empire, the Shiites of southern Iraq began to gradually integrate into this new state-system. State education, mobility and social change led to the rise of an educated Shiite elite that began challenging the traditional authority of the *mujtabids* (senior Shiite clerics who have the authority to infer legal precepts from the sources).

Responding to this leadership challenge, several reform-oriented *mujtabids* from Iraq and Lebanon began introducing new topics into the religious discourse following their own exposure to modern knowledge. They sought to make Shiism more relevant to the contemporary needs of the community while offering a more active reading of religion and politics.

Thus, for example, Muḥammad Ḥusayn Kāshif al-Ghiṭā', a leading *mujtabid* from Iraq, called Muslims to join the struggle for Palestine. In Kāshif al-Ghiṭā''s view, justice was no longer within the exclusive domain of the awaited Imam, as Kāshif al-Ghiṭā' called Muslims to unite in a joint struggle against imperialist control of the region.⁴ Similarly, Muḥammad al-

³ See Gabriel Abraham Almond, "Capitalism and Democracy", *Political Science and Politics* 24: 3 (1991), 467–474; Walter Lefeber, "The Tension between Democracy and Capitalism during the American Century", *Diplomatic History* 23: 2 (1991), 263–284.

⁴ Muḥammad Ḥusayn Kāshif al-Ghiṭā' was a leading Shiite cleric from Iraq (b. 1876/1877). He contributed to the reform of Shia Islam in his engagement with a

Khālīsī, another leading reformist of Iraqi origins, held the banner of Muslim unity in an effort to bring prosperity to the entire Muslim nation.⁵

The politicization of Islam, which began in the middle of the 19th century with Muslim reformists in the Sunni world, went hand in hand with a new social conscience. The Egyptian scholar and journalist Muḥammad ‘Abduh (d. 1905) spoke about the cohesion and prosperity of society, emphasizing the significance of *maṣlaḥa*, or the common good. In the following decades, the Muslim Brotherhood (*al-Ikhwān al-Muslimūn*) began advancing this dual aim of political Islam and social equality. This influential movement, established in Egypt in 1928, adopted the cause of the poor, expressing its dismay at ‘the oppressive actions of the wealthy and the powerful’. Under the leadership of Ḥasan al-Bannā⁶ the Ikhwān advanced the call for Islam (*da‘wa*) by providing much needed services in education and welfare, stressing the value of family and community cohesiveness.

Sunni reformists and Arab intellectuals expressed criticism against capitalism, presenting this model as a materialist, individualist and immoral system. Thus, for example, Sayyid Abu al-A‘lā Mawdūdi (1903–1979), argued that the revival of Islam must go hand in hand with the value of brotherhood to provide material prosperity for all. This renowned Muslim reformist of South Asia would later have an impact on the Islamic Revolution of Iran and its leading ideologists.⁷

Already in the first half of the twentieth century, Shiite clerics from Iraq and Lebanon expressed an affinity with Sunni reformist ideas. This included the compatibility of Islam and science, the politicization of religion, an emphasis on orthodoxy, and a comprehensive notion of Islam. In the following generation, Muḥammad Bāqir al-Ṣadr joined this revivalist agenda. He called for an Islamic state, adding his voice to a new discourse on Islamic economics. Bāqir al-Ṣadr’s contribution was in providing an all-inclusive theory, placing his Islamic model as a middle way between communism and capitalism. His aim was to stem the threat of secularism in Iraq with the growing attraction of Shiite youth to Marxism.⁸

new political discourse and in his call for Muslim unity. On Kāshif al-Ghiṭā’s biography see Elisheva Machlis, “A Shi‘a Debate on Arabism”, *British Journal of Middle Eastern Studies* 40: 20 (2013), 95–114.

⁵ For an elaborate analysis see Elisheva Machlis, *Shi‘i Sectarianism in the Middle East: Modernization and the Quest for Islamic Universalism*, London: I.B. Tauris, 2014.

⁶ See Charles Tripp, *Islam and the Moral Economy: The Challenge of Capitalism*, Cambridge: Cambridge Univ. Press 2006, 13–76.

⁷ M. Umer Chapra, “Mawlana Mawdūdi’s Contribution to Islamic Economics”, *The Muslim World*, 94: 4 (2004), 163–180; Seyyed Vali Nasr, *Mawdudi and the Making of Islamic Revivalism*, New York, Oxford: Oxford Univ. Press 1996.

⁸ See Chapre, “Mawlana Mawdūdi’s Contribution”; Seyyed Vali Nasr, *Mawdudi and the Making of Islamic Revivalism*, New York, Oxford: Oxford Univ. Press 1996.

In his *Iqtişādunā* [Our Economy], Bāqir al-Şadr described four social models: capitalist-democratic, socialist, communist, and Islamic. For Bāqir al-Şadr, the democratic-capitalist system had its merits since it provided freedoms for its people in the political, economic and intellectual spheres. Yet, he was also highly critical of this model, for its ‘lack of morality and its materialistic and individualist basis’.⁹ Islam alone can overcome self-love, Bāqir al-Şadr stressed, as he cautioned about the pitfalls of human indulgence and materialism.

On the other hand, Bāqir al-Şadr was also highly scornful of socialism and communism for rejecting private ownership. Classical Islamic teaching provided protection for private property and emphasized the right of ownership. Furthermore, trade was an important mark of Arabian traditional culture, from the pre-Islamic era and through centuries of Muslim history.¹⁰ Nevertheless, Bāqir al-Şadr did not rely on this Arab and Islamic legacy to support private ownership, and instead employed a more modern discourse of human rights. Appealing to the secularized Shiite youth of Iraq, Bāqir al-Şadr attacked socialism and Marxism ‘for abolishing individual freedoms, and disregarding natural rights’.

In his understanding, Islam provides the most suitable economic structure, thus contributing to the creation of a healthy society. The individual is no longer merely a mechanical tool, nor does society exist to serve the individual. Instead, Islam insures spiritual and material dignity, righteousness, goodness and justice.¹¹ Within this vision, Bāqir al-Şadr provided the state with an important role in instilling God’s satisfaction (*riḍā*).¹² In this context, Bāqir al-Şadr lauded the Islamic tax of *zakāb* (alms) and *khum*s (fifth) as a mechanism for ensuring social equality, stressing that the head of the state holds authority to exact these religious taxes, to raise the standard of living of the poor.

Silvia Naef, “Shi’i-shuyu’i or: How to become a Communist in a Holy City”, in: Silvia Naef, Rainer Brunner and Werner Ende, eds., *The Twelver Shia Modern Times: Religions, Culture and Political History*, Leiden: Brill 2001.

⁹ For a full description of his economic theory see Muḥammad Bāqir aṣ-Şadr, *Iqtişādunā: dirāsah marwā’iyah tatanāwvalu bi-al-naqd wa-al-baḥṭh al-madbāb al-iqtişādiyab li-al-mārkiṣiyab wa-al-ra’smāliyyab wa-al-Islām fi usūsihā al-fikriyyab wa-tafaṣilihā*, Bairūt: Dār al-kitāb al-lubnāni 1977, 2 vols.

¹⁰ See Saba Habachy, “Property, Right, and Contract in Muslim Law”, *Columbia Law Review* 450 (1962) 450–473; Steven D. Jamar, “Protection of Intellectual Property under Islamic Law”, *Capital University Law Review* 21 (1992), 1079–1106; Patricia Riso, *Merchants and Faith: Muslim Commerce and Culture in the Indian Ocean*, Westview Press 1995.

¹¹ See Muḥammad Bāqir aṣ-Şadr, *Falsafatunā*, Bayrūt: Dār al-ta’aruf li-al-maṭbū’āt 1399/1979, 27, 81–82.

¹² *Ibid.*, 32.

Bāqir al-Ṣadr here added another dimension to the embryonic politicization of Shiism, which began in the early twentieth century. Going beyond these early theoretical discussions, Bāqir al-Ṣadr called for the actual realization of an Islamic state. The state was to be given control over the socio-political domain, including the collection and allocation of religious taxes, with its important contribution to the welfare of the poor.¹³

In the area of Iraq with its important Shiite centres of Najaf and Karbalā' the religious dues of the *zakāb* and the *khums* were a critical source of income for the *mujtabids* since they did not enjoy support from the Sunni state.¹⁴ In the course of history, following the disappearance of the twelfth Imam, Shiite clerics began obtaining some of the functions of the awaited Imam, including the collection of religious taxes. Bāqir al-Ṣadr's contribution was in providing the envisioned Islamic state with the right to control these taxes.¹⁵

Nevertheless, Bāqir al-Ṣadr did not provide the state with exclusive rights to implement divine justice, but spoke instead about multiple forms of ownership. He did not dismiss private property, but he supplied it with a moral framework. Emphasizing the significance of social balance (*tarwāzun ijtimā'i*), Bāqir al-Ṣadr legitimized private property, but also called for a better distribution of wealth. In his understanding, Islam ensures the implementation of social justice through the prohibition of interest and hoarding, through its inheritance laws and through public ownership of natural resources.

Bāqir al-Ṣadr's multiple forms of ownership and his concept of social balance presented a utopian model. This was a very vague socio-political theory, which did not include a clear mechanism of implementation, and was left to human discretion. Bāqir al-Ṣadr did not define the scope of private, public, and state ownership and the relationship between these three entities. Man's goodwill was to determine social balance. Shiite control of the state after 2003 provided an opportunity to explore the feasibility of implementing this ideal vision in a new political context.

¹³ Aṣ-Ṣadr, *Iqtiṣādunā*, vol. 2. no. 2, 138–143.

¹⁴ See Meir Litvak, *Shi'i Scholars of Nineteenth-Century Iraq: The 'Ulama' of Najaf and Karbala'*, Cambridge: Cambridge Univ. Press 2007, 12, 15, 35, and 180; and his article, "Money, Religion, and Politics: The Oudh Bequest in Najaf and Karbala' 1850–1903", *International Journal Middle East Studies*, 33 (2001), 1–21. See also Yitzhak Nakash, *The Shi'is of Iraq*, Princeton, Oxford: Princeton Univ. Press, 205–237.

¹⁵ See Said Amir Arjomand, *The Shadow of God and the Hidden Imam: Religion, Political Order, and Society Change in Shi'ite Iran from the Beginning to 1890*, Chicago: Univ. of Chicago Press 1984.

The Economic Vision of Post-2003 Iraq

From Bāqir al-Ṣadr to Iranian revolutionaries, Shiites provided the state with power to implement justice. Yet, in the long term, this model did not survive. The democratization process in Iraq, which followed the US-led invasion, led to the emergence of several Shiite parties all stressing their link with the original Da‘wa movement. This included the al-Ḥakim wing which was among the founders and leaders of the Da‘wa movement. Other powerful forces were the newly claimed Da‘wa party, which differed from the historical Da‘wa movement in its more lay orientation. Another group was the Jaysh al-Mahdī militia led by Muqtadā al-Ṣadr, a family member of the late Bāqir al-Ṣadr. Ṣādiq al-Ṣadr, Muqtadā al-Ṣadr’s father, studied under his cousin Bāqir al-Ṣadr, and two were imprisoned together during the 1970s, under Ṣaddām’s rule with his crackdown on the party.¹⁶

To what extent did the Shiite leadership that gained control in post-2003 Iraq endorse Bāqir al-Ṣadr’s economic vision; and to what extent was this middle way between capitalism and communism appropriate for the socio-political conditions of this new era in Iraq? The process of institution-building which began following the ousting of Ṣaddām Ḥusayn was marked by a heated debate between Arab Sunnis, Shiites and Kurds on the nature of the new regime. Consequently, Iraq’s new constitution of 2005 combined contradictory clauses on the relationship between Islam and state. It also reflected ambiguity over questions of authority, leadership, sovereignty, law and representation.

Thus, for example, Article 2 of the constitution stated that Islam is a fundamental source of legislation and that no law can contradict the principles of Islam. It also guaranteed the Islamic identity of the majority of the Iraqi people. Further provisions emphasized the Islamic character of the state. This included recognizing the importance of religious leaders, affirming Iraq’s membership in the Islamic world and providing protection to holy shrines and religious sites. Concurrently, the constitution also affirmed that the law should not contradict the principles of democracy, and the basic rights and freedoms stipulated in the constitution.¹⁷

The draft of the constitution spoke about social justice as the basis for building society, by cooperation between public and private activity. It also

¹⁶ See Nimrod Raphaeli, “Understanding Muqtada al-Sadr”, *Middle East Quarterly* 11: 4 (2004), 33–42. See also Patrick Cockburn, *Muqtada: Muqtada al-Sadr, the Shia Revival, and the Struggle for Iraq*, New York: Scribner 2008, 80–96.

¹⁷ Noah Feldman and Roman Martinez, “Constitutional Politics and Text in the New Iraq: An Experiment in Islamic Democracy”, *Fordham Law Review* 75: 2 (2006), 883–920; Nathan J. Brown, “Debating Islam in Post-Baathist Iraq”, *Democracy & Rule of Law Project, Carnegie Endowment for International Peace*, March 2005, 1–10, <http://cabinet.iq/PageViewer.aspx?id=2>.

stressed that Iraq's natural resources should be owned collectively by the Iraqi people. The constitution provided the state with broad responsibilities to promote growth, development, production and services. Its mission was to provide employment opportunities for every able citizen.

In post-2003 Iraq, the Shiites no longer had to wait until the end of days to achieve true justice for the community. The historical notion of *ʿadl* received a contemporary understanding, in the form of social justice, implemented through the power of the state. This draft constitution provided the state with broad responsibilities but did not eliminate private activity calling for collaboration between the public and private spheres. Political empowerment held the promise of *ʿadl* for the marginalized Shiite majority, and the Shiites were keen on advancing this notion through the new constitution.

Concurrently, the constitution's emphasis on a centralized socio-political model-, may have actually reflected the continued legacy of the Ba'ath Party. After decades of tight state control, the Shiites could not totally detach themselves from the political culture of Ṣaddām's oppressive dictatorship, and particularly from the ingrained notions of centralization and socialism. Iraq's democratization process was promoted by the US as a model for pluralism in the region. Yet, true democracy did not take root in Iraq. The Shiite-led governments which were established in the following years demonstrated the continued legacy of cronyism, favoritism and corruption, within a problematic legacy of minority-majority relations.

Furthermore, while the draft constitution embraced a centralized model, the final constitution represented a private-centred model, based on private property, private ownership and market forces.¹⁸ As American forces became entrenched in the country, the vision of social justice expressed in the draft constitution, was now largely limited to Shiite political empowerment.

The draft signaled that Shiites of Iraq were indeed interested in providing the state with significant power to implement social justice. Yet, in the end of the day, Iraq did not adopt any form of socialism—or even a multiple ownership model—similar to Bāqir al-Ṣadr's vision.

While this shift can be attributed to pressure from US neo-liberal forces, within the Shiite scholarly leadership there was also a tendency to support an open-market model. In particular, Āyatullāh ʿAli al-Sistāni (b. 1930), the current most revered Shiite cleric in Iraq, endorsed private enterprise.¹⁹

¹⁸ Herbert Docena, "Iraq's Neoliberal Constitution: The Bush Administration's Shaping of the New Iraqi Constitution", *Foreign Policy in Focus* (02.09.2005), http://fpif.org/iraqs_neoliberal_constitution/.

¹⁹ For Sistāni's background see, "Biography – The Official Website of the office of His Eminence Al-Sayyid Ali Al-Husseini Al-Sistani", <http://www.sistani.org/english/data/2/>.

Sistāni, who is acknowledged as the highest-ranking *mujtahid* in Iraq, reflects the traditional Islamic acceptance of trade, private property and wealth. In his view, the believer can participate in any economic activity that does not include transactions forbidden in the Sharia, such as the sale of pigs or handling alcohol.²⁰

In addition, Sistāni approved the purchase and sale of foreign currencies and the profits acquired by the banks in this process. He also authorized the option of payments in installments. Sistāni sanctioned the activity of the stock exchange, as long as does not include forbidden transactions. Concurrently, Sistāni argued that the Islamic ban on interest, including transactions or loans, can be bypassed by incorporating the profit into the price. This is similar to the mechanism of *murābaha*, approved by Islamic banks, in which both the buyer and seller agree on the value of the profit, which is added to the price, in exchange for allowing the buyer to defer payment.²¹

Sistāni's superior religious position and broad popularity provided him with significant power over the political process. Endorsed by the majority of the Shiite political players, Sistāni remained beyond murky politics, thus, maintaining his highly respected position. Nevertheless, Sistāni issued statements on current developments when he saw an acute need to intervene. For example, Sistāni expressed strong criticism against state corruption, calling upon the government to work on diversifying the economy.²²

His acceptance of capitalism, within the limits circumscribed by the Sharia, reflected Sistāni's traditional background. During the 1950s, Sistāni studied in Najaf under the Grand Āyatullāh Abū al-Qāsim al-Khu'ī (1899–1992) who represented the prevalent quietest tendency. Following the death of al-Khu'ī in 1992, Sistāni was acknowledged as the new supreme *marja'* in Iraq. He focused on the traditional role of the *mujtahids*, providing religious guidance to his followers on Islamic law. He did not join the Da'wa party, and only began expressing his views on politics following the empowerment of the Shiites in the post-2003 period.

Nevertheless, together with this new political activism, Sistāni did not embrace Khomeini's doctrine of *wilāyat-i faqih* (the guardianship of the Supreme cleric). Reflecting a more traditional position, Sistāni emphasized

²⁰ See Ali al-Sistani, "Dialogue on Economic Activity", <http://www.sistani.org/english/boo/49/2412/>.

²¹ See for example Ali al-Sistani, "Al-Istiftā'āt: al-'umalāt al-'ajnabiyya", www.sistani.org/arabic/qa/0609/; "Al-Istiftā'āt: al-būrṣa", www.sistani.org/arabic/qa/0365/. On the concept of *murābaha* see "Murabaha on Shari'ah Ruling", *Institute of Islamic Banking and Insurance*, www.islamic-banking.com/murabaha_sruling.aspx.

²² "Iraq's Top Shi'ite Cleric Calls for Corrupt Officials to be Prosecuted", *Asbarq Al-Awsat* (07.09.2015), <http://english.aawsat.com/2015/09/article55345037/iraqs-top-shiite-cleric-calls-for-corrupt-officials-to-be-prosecuted>.

that the role of the clerics was to provide advice to the ruler but not to assume direct power.

Sistānī's traditional tendency combined a quietist worldview with a market-oriented perspective. Due to his immense popularity, Sistānī succeeded in building a vast enterprise of Islamic institutions in both Iraq and Iran. Enjoying financial contributions from Shiites worldwide, Sistānī became the wealthiest *marja'* in the Shiite world.²³

Another important Shiite scholar who also contributed to this discourse was Āyatullāh Muḥammad Ishāq al-Fayyād (b. 1930), who is of Afghani origins. Al-Fayyād together with Sistānī are among the four Grand Āyatullāhs in Iraq of today.²⁴ He engaged in the political discourse, perhaps even more than Sistānī, although both rejected the doctrine of *wilāyat-i faqih*.²⁵

On the economic front, al-Fayyād actually endorsed the notion of multiple ownership (*al-mulkiyya al-muzdawija*), similar to Bāqir al-Ṣadr's vision. Al-Fayyād explained that Islamic economics accepts the principle of economic freedom, within the constraints of the Sharia. As a result, it differs from capitalism in protecting the weak and avoiding exploitation. The basis for implementing justice is through balancing diverse social classes, al-Fayyād argued.²⁶

On the other hand, al-Fayyād also stressed that an Islamic economic system should take into account the existing conditions. He called his followers to follow the law of the land, while expressing criticism over the prevalence of corruption.²⁷ Nevertheless, while declaring his support of multiple ownership and a balanced and just socio-economic system, al-Fayyād did not reject Iraq's capitalist system. He also provided religious justification for all types of trade including participating in the activities of international stock exchanges.²⁸

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²⁴ On Najaf's religious leadership see, Augustus Richard Norton, "Al-Najaf: Its Resurgence as a Religious and University Center", *Middle East Policy* 18: 1 (2011), 132–145.

²⁵ See Haytham Mouzahem, "Iraqi Shiite Clerics Maintain Humility, Influence", *Al-Monitor* (07.03.2014). See also al-Fayyād's personal website: <http://alfayadh.org/ar/>.

²⁶ See al-Shaykh Muḥammad Ishāq al-Fayyād, *Al-Anmūdḥaj fi manḥaj al-ḥukūma al-islāmiyya al-qā'ima 'alā asās al-ḥākimiyya Allāb ta'ālā*, Najaf 1426/2005, 15–26, 47–55. Online available at <http://alfayadh.org/ar/site/uploads/2013/03/Hokoomat-Islami-ar.pdf>.

²⁷ See for example, Istiftā'āt muwājaha li-maktab samāḥat Āyatullāh al-'uzma al-Shaykh Muḥammad Ishāq al-Fayyād: *masā'il fi mukhālafat nizām al-dawla*, <http://www.almurtadha.net/pages/news.php?nid=590>.

²⁸ *Ibid.*

The only political force that explicitly promoted the flag of social justice was that of Muqtadā al-Ṣadr and his Jaysh al-Mahdi. In contrast, other Shiite politicians saw the solution to Iraq's economic problems in promoting the private sector and diversifying the economy. Thus for example, 'Ammār al-Ḥakīm of the Islamic Supreme Council of Iraq—one of the most influential Shiite parties in the country—embraced a more capitalist vision, similarly to the other Grand Āyatullāh's in the country.²⁹

Following the US-led invasion, Muqtadā al-Ṣadr distinguished himself from other Shiite leaders through his outspoken and violent opposition to the occupation. A charismatic and populist leader, Muqtadā al-Ṣadr also took up the cause of the downtrodden in Iraq. He gained increased support among the Shiites of Madinat al-Ṣadr, a poor suburb of Baghdad, and among the Shiite community in Baṣra. Relying on the scholarly fame of his uncle, Bāqir al-Ṣadr, and his father, Ṣādiq al-Ṣadr, Muqtadā al-Ṣadr began enjoying growing support among the impoverished Shiite population. In 2005, he entered the political process, gaining seats in the newly established parliament. Moreover, Muqtadā al-Ṣadr and his movement positioned themselves in socially influential ministries, such as health, transportation, and municipal governorates, enhancing their ability to provide material support for their followers.³⁰

However, while taking a fiery stand with regard to social welfare, Islamic morals, and the occupation, Muqtadā al-Ṣadr did not provide any systematic vision of Islamic economics. Furthermore, he did not overtly reject private enterprise and even called for non-intervention in the activities of the central bank.

In the aftermath of the US-led invasion, the Shiite-led government itself was seeking to stimulate economic growth by reviving its rich energy resources. Private Western companies began entering the country's energy market. Iraq itself began reaching out to its Arab neighbors, as well as to Turkey, Iran, China and India.³¹ Islamic banks in Asia and the Gulf also saw

²⁹ See "Al-Sayyid 'Ammār al-Ḥakīm yantaqid al-siyāsa al-iqtisādiyya 'al-iḥādīyya' fi-al-ʿIrāq: mutābaʿāt", *Wikāla Aḥbāʾ Burāthan* (5, 2011).

³⁰ See Matthew J. Godwin, "Political Inclusion in Unstable Contexts: Muqtada al-Sadr and Iraq's Sadrist Movement", *Contemporary Arab Affairs* 5: 3 (2012), 448–456; Benjamin Isakhan, "Despots or Democrats?: Sistani, Sadr and Shia Politics in Post-Saddam Iraq", *Paper presented at the Australasian Political Science Association (APSA) Conference, University of Melbourne, Australia* (1990); Raphaeli, "Understanding Muqtada al-Sadr"; "Muqtadā al-Ṣadr: Tadakhkhul al-hukūma al-ʿirāqīyya fi 'amal al-bank al-markazi yuhadid iqtisād", *al-Balad* (30.10.12).

³¹ Thus, in a \$7 billion deal with the United Arab Emirates concluded in April 2012, Iraq receives 250 MW from UAE power-generating ships moored outside the port of Baṣra. See www.arabiangazette.com/uae-iraq-power-generating-ships/; www.ft.com/cms/s/0/84213d46-68a7-11e3-bb3e-00144feabdc0.html#axzz3xDkaGWNA.

the potential in the Iraqi market and began opening branches in Bagdad.³² Nevertheless, the lack of security, political infighting, instability and corruption overshadowed these economic opportunities.³³

The Iran-Iraq Connection

The Islamic Republic's populist orientation employed in the early days of the revolution in Iran could have provided a model for post-2003 Iraq. Following the revolution, the new regime established vast charity organization based on the confiscated property of the Shah. Peasants and revolutionary forces seized a vast amount of land from its previous owners, directing their grievances against imperialism and foreign capitalism associated with the Shah and his supporters. These populist measures were intended to advance the revolutionary notion of social justice while mobilizing the lower classes behind the new regime.³⁴

A leftist-Islamic tendency was apparent among leading ideologists of the revolution, and particularly 'Ali Shari'ati (1933–1977), an Iranian intellectual who gained a PhD degree in philology from the Sorbonne. Shari'ati argued that Islam was opposed to capitalism, private ownership and class exploitation. In his view, the Iranian intelligentsia was to lead this struggle towards Islamic justice.³⁵

Upholding the cause of the downtrodden was one of the dominant motifs of the Islamic republic in the first decade following the revolution. Under Khomeini's rule when the revolutionary fervor was at its height, the Islamic republic promoted a populist agenda calling for social justice and the redistribution of wealth. The new regime took over the Shah's vast property. It nationalized the economy in a bid to implement an anti-Western and Third World revolutionary agenda. The new regime strove to create a utopian society that will fight oppression and strive for social justice. Nevertheless, together with this populist call to assist the downtrodden, Khomeini

³² See www.thenational.ae/business/industry-insights/finance/sharia-lenders-team-up-to-fund-iraqs-promising-food-sector; www.cbi.iq/index.php?pid=IraqFinancialInst.

³³ <http://www.al-monitor.com/pulse/originals/2015/02/iraq-contracting-corruption-re-construction-projects.html#>; <http://www.aljazeera.com/indepth/opinion/2015/08/end-less-battle-fighting-systemic-corruption-iraq-150811084000991.html>; "Iraq's Economy: An Empty Chest", *The Economist* (21.03.2015).

³⁴ See Vedran Obuina, "Social Populism and the Future of the Islamic Republic of Iran", *Croatian Political Science Review* 52: 4–5 (2015), 163–186; Shaul Bakhash, "The Politics of Land, Law, and Social Justice in Iran", *The Middle East Journal* 43: 2 (1989), 186–201.

³⁵ Sohrab Behdad, "A Disputed Utopia: Islamic Economics in Revolutionary Iran", *Comparative Studies in Society and History* 36: 4 (1994), 775–813. See also, Val Moghadam, "Socialism or anti-Imperialism? The Left and Revolution in Iran", *New Left Review* 1/166 (11–12, 1987).

did not reject private property, sanctioned in Islamic teaching. He rejected accumulation of wealth but also legitimized production through small and large industries.³⁶

Yet, among the Islamic revolutionaries in Iran, there was also criticism against a class-centered worldview, which divided Muslims into oppressed and oppressors. Leading this opposition was Murtaḍā Moṭāhharī, a cleric and philosopher, who rejected the leftist tendency within the revolutionary camp. Defining this idea as non-Islamic, Moṭāhharī argued that Islam sanctioned private property and that material differences between people are natural.³⁷

Nevertheless, Iran's conservative religious establishment gradually shifted the regime's focus from social justice to cultural purification. Furthermore, Iran's experiment with populism in the first decade under Khomeini did not bring prosperity or justice to the Iranian people. Nationalization coupled with the high cost of the Iran-Iraq war pushed inflation to 23% in 1987 and unemployment to 13%. The need to rebuild the country after the costly war provided President Akbar Hāshimī Rafsanjāni (1989–1997) with a mandate to introduce a more open-market policy. His ascendancy was due to a growing Iranian understanding that reconstruction of the country required a shift towards a more open economy.

Rafsanjāni and, later on, Muḥammad Khātami (1997–2005) began opening up the Iranian market to foreign investment and to private enterprise. The focus on economic development strengthened the Iranian middle class, who supported Rafsanjāni's pragmatic policy and Khātami's drive towards political reform. In a backlash against Rafsanjāni and Khātami's constituency, Maḥmūd Aḥmadinizhād (2005–2013), revived the anti-Western rhetoric of the early days of the revolution and the populist promise of social justice.³⁸ The new Shiite-led government in Iraq, which came to power two years after Aḥmadinizhād became president, enjoyed the support of its American occupiers but also began establishing growing ties with Iran, at both formal and informal levels. The historical scholarly links between Shiites of Iraq and Iran and the current expanding ties between Baghdad and Tehrān made the economic vision of the Islamic Republic very relevant for contemporary Iraq.

In 2003, as Iraq was remodeling its system, neither the Ba'ath's socialist legacy nor the Islamic Republic's populist tendency provided good examples for implementing social justice. Socialism was associated with Ṣaddām Ḥusayn's oppressive and corrupt regime. The Iraqi people suffered im-

³⁶ See Sohrab Behdad, "A Disputed Utopia: Islamic Economics in Revolutionary Iran".

³⁷ Ibid.

³⁸ See Ali Ansari, "Iran under Ahmadinejad: Populism and its Malcontents", *International Affairs* 84: 4 (2008), 683–700.

mensely under a decade of international sanctions, while Ṣaddām and his loyalist elite continued to enjoy the wealth of this oil-rich country. Furthermore, the Soviet Union, which backed the socialist pan-Arab regimes in Iraq, Egypt and Syria from the 1950s and onwards, had disintegrated a decade prior to the fall of Ṣaddām. On the other hand, the Islamic Republic began shifting towards market economy in the 1990s following the reconstruction of the country in the aftermath of the devastating Iran-Iraq war.³⁹

Democracy and capitalism—represented by the US-led invaders—held more promise for the impoverished Shiite majority than socialism and populism. The idea of representation was not alien to Shiites in the region. In the course of the twentieth century there was a lively discourse on this topic in Iran, Iraq and other Shiite locations. Beginning with the Constitutional Revolution in Iran (1905–1911), intellectuals, bureaucrats, merchants and clerics were united in their opposition to the despotic rule of the Qajars and their growing ties with the British.⁴⁰

Iran's brief experiment with constitutionalism in the early twentieth century inspired a renewed call for representation. This began in the 1940s following the Allied occupation of Iran and the return of constitutional politics, and continued with the activities of the national front of 1963. Mehdi Bāzargān and Maḥmūd Taliqānī, the leaders of this Islamic national movement, would later play a significant role in the Revolution, with its constitutional element.⁴¹

In Iraq, Bāqir al-Ṣadr also expressed a similar notion of representation. During the 1970s, Bāqir al-Ṣadr delivered six essays dealing with the structure of the Islamic state. These essays, which were later bound under the title of *al-Islām yaqūd al-ḥayāt* (Islam governs life), played an important role in shaping the constitution of the Islamic republic of Iran.

³⁹ See Massoud Karshenas, Mohammad Hashem Pesaran, "Economic Reform and the Reconstruction of the Iranian Economy", *The Middle East Journal* 49: 1 (1995), 89–111.

⁴⁰ See Abrahamian, *Iran between two Revolutions*, 62–88; Mangol Bayat, *Iran's First Revolution: Shi'ism and the Constitutional Revolution of 1905–1909*, Oxford, New York: Oxford Univ. Press 1991, 106–138, 260–67. See also Said Amir Arjomand, "The Ulama's Traditionalist Opposition to Parliamentarianism: 1907–1909", *Middle Eastern Studies* 17: 2 (1981), 174–190; Vanessa Martin, *Islam and Modernism: The Iranian Revolution of 1906*, Syracuse, New York: Syracuse Univ. Press 1989; Fereshteh M. Nourai, "The Constitutional Ideas of a Shi'ite Mujtahid: Muhammad Husyan Na'in", *Iranian Studies* 8 (1975), 234–247.

⁴¹ See Houchang Esfandiari Chehabi, "Religion and Politics in Iran: How Theocratic is the Islamic Republic?", *Daedalus* 120: 3 (1991), 69–91; Hamid Dabashi, *Theology of Discontent: The Ideological Foundations of the Islamic Revolution in Iran*, New York, London: New York Univ. Press 1993; ANN K. S. Lambton, "A Reconsideration of the Position of the Marja' Al-Taqlid and the Religious Institution", *Studia Islamica* 20 (1964), 115–135.

While Bāqir al-Ṣadr supported the concept of an Islamic state, he did not embrace the totality of Khumaynī's *wilāyat-i faqīh*, proposing instead a broader notion of authority. As an individualist source of authority (*marja'īyya al-dhātīyya*), Bāqir al-Ṣadr argued that the principle of *wilāyat-i faqīh* could lead to uninformed decisions. Therefore, the best model would be some form of group authority within an institutional framework, with clearly defined functions that would include both jurists and laymen. This expanded *marja'īyya*—defined by Bāqir al-Ṣadr as an objective authority (*marja'īyya al-mad'īyya*)—would include various departments that would be responsible for the wide-ranging affairs of the Islamic nation.⁴²

Bāqir al-Ṣadr's broad notion of authority corresponded with his concept of *ḥukm al-shūrā* (rule of *shura*) or *ḥukm al-umma* (the rule of the *umma*, the Muslim community of Islam). He argued that the idea of an Islamic state is rooted in the Islamic notion of *shūrā*, or consultation, in correspondence with the Muslim community's right to rule. In his understanding, people can choose the specific structure or form of the state as long as it does not contradict the Sharia.⁴³

Following the fall of Ṣaddām, the newly appointed Shiite government began reviving this legacy of popular representation. Iraq began a process of democratization, establishing political parties, inaugurating a parliament and drafting a constitution. For the Shiites in the Arab world, democracy provided a means for empowerment. The opportunity presented in democracy for the marginalized Shiites may also have contributed to their embracing of the US liberal model in the economic domain.

Āyatullāh 'Alī al-Sistānī himself issued many statements supporting representation and the rule of law. While rejecting direct clerical involvement in power, this highly revered cleric demonstrated a clear shift from his former quietist position. Sistānī began expressing his opinions on the politics of the day, becoming the kingmaker of Iraqi politics.⁴⁴

⁴² See Talib Aziz, "Baqir al-Sadr's Quest for the Marja'īya" in: *The Most Learned of the Shi'a: The Institution of the Marja' Taqlid*, Linda S. Walbridge, ed., Oxford: Oxford Univ. Press 2001, 140–148; Rodger Shanahan, "Shi'a Political Development in Iraq: The Case of the Islamic Da'wa Party", *Third World Quarterly* 25: 5 (2004), 943–54; Mallat, *The Renewal of Islamic law*, 67–9; T.M. Aziz, "The Role of Muhammad Baqir al-Sadr in Shi'i Political Activism in Iraq from 1958 to 1980", *International Journal of Middle East Studies* 25 (1993), 207–222.

⁴³ See Jaffa Al-Rikabi, "Baqir al-Sadr and the Islamic State: A Theory for 'Islamic Democracy'", *Journal of Shi'a Islamic Studies* 5: 3 (2012), 249–275.

⁴⁴ Raidar Visser, "Sistani, the United States and Politics in Iraq: from Quietism to Machiavellianism?", *Norwegian Institute of International Affairs* 700 (2006); Babak Rahimi, "Ayatollah Sistani and the Democratization of Post-Ba'athist Iraq", *United States Institute of Peace, Special Report* 187 (6, 2007); Isakhan, "Despots or Democrats?". See also www.al-monitor.com/pulse/iw/originals/2014/06/iraq-isis-crisis-sistani-avoid-sectarianism.html#ixzz3U9q12vdO; www.youtube.com/watch?v=-9XR43Yfdl4.

Within this drive towards Shiite empowerment, the new regime rejected the former socialist system linked with Ṣaddām's oppressive rule. The Islamic Republic's model of populism also did not hold much promise for the Shiites of Iraq as it was overturned by the Iranians themselves over the years. As a result, Shiite politicians and clerics tended to support a more democratic and capitalist framework, due to the opportunities presented by the American invaders. In addition, this more open political and socio-economic framework fits the notion of *shūrā* on one hand, and classical Islamic support for private ownership and trade on the other. Nevertheless, the implementation of both democracy and capitalism remained fragile with the political and socio-economic challenges that weakened the Iraqi state in the post-2003 period.

Conclusion

Certainly, from the Constitutional Revolution until today, Shiite scholars from Iran, Iraq and Bahrain found a way to reconcile representation with an Islamic political system. This was similar to other contemporary issues that were resolved in the modern era.⁴⁵ While none of these scholars fully endorsed democracy, they demonstrated an understanding of the merits of popular participation. Nevertheless, Iran did not produce a full-fledged democracy, either. Throughout the twentieth century, Shiites in the region expressed their support for representation. Yet, they also promoted diverse economic visions, supporting capitalism, socialism or Bāqir al-Ṣadr's combined model.

From a theoretical point of view, while there is a clear link between democracy and capitalism, the two systems may also clash or evolve separately. As a result, the fact that Shiites in the region supported representation does not necessarily entail their endorsement of capitalism. Concurrently, the Gulf provides an example of an Islamic tendency toward market economy without necessarily endorsing true representation.

In contemporary Iraq, any form of social responsibility necessitated a joint vision of the state. However, in the unstable and fragmented situation which emerged following the US-led invasion, Sunnis, Shiites and Kurds could not agree on a unified vision of the nation, inclusive of these three di-

⁴⁵ Also in Bahrain, the largest Shiite party, the al-Wifāq Islamic Society (established in 2001), endorses some elements of democracy. Its discourse on democratization is particularly relevant today following the Shiite revolt in Bahrain which began in 2011. On its platform al-Wifāq speaks about civil rights, equality, freedom of religion, and the rule of law. Shaykh Qāsim, the party's spiritual leader, on the other hand, presents a narrower notion of democracy. He focuses on the people's right to choose their leaders, the rule of the majority, and free speech.

verse groups. Iraq's embryonic democracy was threatened by a range of challenges, including a problematic legacy of minority-majority relations, deteriorating security conditions, and clashes between the regime's Islamic, democratic and federative elements. The political culture of favoritism and fear passed down by Ṣaddām's authoritarian regime further impeded the ability to create a viable democracy in Iraq, inclusive of its Sunni minority.⁴⁶

With the growing fragmentation of Iraq in the post-2003 period and the challenge of Sunni Jihadists, the Shiite state was fighting for survival. The state became less democratic, and any form of social justice became at this stage irrelevant for the political vision of Iraq.

⁴⁶ See Amnon Cohen and Noga Egrati, eds., *Post-Saddam Iraq: New Realities, Old Identities, Changing Patterns*, East Sussex, UK: Sussex Academic Press 2011.