The Iranian revolution of 1979 is best known for the idiosyncratic Islamic republic characterised by Ayatollah Khomeini’s *velayat-e faqih* (guardianship of the jurist) theory of jurisprudence and governance. However, social justice was also a key component of this revolution. Khomeini and his supporters rose to power on a combination of Islamic authority and popular discontent with the condition of the national economy, especially among the impoverished lower classes. In particular, the case against the Shah highlighted the lavish lifestyle of the upper echelons of the Iranian national leadership, which was paid for by the exploitation of these classes, who lived in abject poverty.

In this regard, the Khomeinist revolution was on a strong Islamic footing, as social justice and equality find substantial support in Islamic theology, the Quran and the Hadiths. The only pillar of Islam relating to man-man relations is that of *zakat*, or the giving of charity, and there is a whole series of laws and enjoiners, such as the call for interest-free lending, charity, assistance of orphans and the creation of a society that is generally based upon social justice. For instance, one verse in the Quran states: ‘Your wealth and your children are but a trial, and Allah has with Him a great reward. So fear Allah as much as you are able and listen and obey and spend [in the way of Allah]; it is better for yourselves. And whoever is protected from the stinginess of his soul—it is those who will be the successful.’ Another verse refers to the one who denies the Day of Judgment as one who ‘drives away the orphan…doesn’t encourage feeding the poor… and withholds assistance.’

In the Iranian Constitution, such principles are expressed in repeated references to justice and equity. For example in Article 3 which states that the government of the Islamic Republic of Iran has a duty to direct all resources to: ‘the planning of a correct and just economic system, in accordance with Islamic criteria in order to create welfare, eliminate poverty, and abolish all forms of deprivation with respect to food, housing, work, healthcare and the provision of social insurance for all.’ Article 43 of the Constitution provides a further list of basic necessities guaranteed to all Iranian citizens. Despite these commitments, a closer look at the economic data and governmental practices in contemporary Iran reveals that the Islamic Republic of Iran fails to uphold its Islamic and constitutional duties of social justice towards its citizens.

**Social justice in contemporary Iran**

Three and a half decades after the revolution, Iran is further from realising social justice than ever. In recent years the economy has bottomed out. Despite strong natural resources and a relatively well-educated middle class, Iran has seen 30-40% inflation levels over the last two years and a steady decline in currency value punctuated by brief periods of rapid devaluation. While such occurrences harm most members of the Iranian economy and populace, they are especially harmful for the most disadvantaged members, for whom small sums of money are most significant and who don’t have savings sitting in banks waiting for a brighter future. At the same time, many higher-qualified members of the middle-upper classes have left the country, leaving behind members of the lower class unable to obtain work visas or to find employment abroad.

Iran’s GDP shrank over the last two years, marking it among the weakest in the world and a great disappointment considering where it stood 40-50 years ago. Its unemployment rate is close to the bottom quarter of global performance and its inflation rate is nearly the worst of the more than 250 countries, regions or political entities listed globally. These problems are aggravated by the prevention of external relief and support by bodies such as the World Bank (which ended financial assistance to Iran in 2005), the effects of sanctions and Iran’s rising isolation in the global political economy.

Successive Iranian administrations have not only failed to improve the situation for needy Iranians, but they have exacerbated it. A 2013 exposé by Reuters focused on Setad, a massive yet shadowy business entity directly answerable to Supreme Leader Khamenei. It was shown that the organisation, created in 1989, has acted to consolidate control over considerable property and corporate holdings domestically and

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1. Quran 64: 15-16.
2. Quran, 100:1

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internationally. Purportedly dedicated to assisting widows, veterans and other needy members of Iranian society, in implementation Setad has been alleged to disenfranchise the poor, elderly and various minority groups, while enriching its own financial holdings. The result is what is by all accounts an incredibly wealthy (with estimates of holdings of nearly a trillion US dollars), non-transparent financial entity, one which has earned its wealth by taking the holdings of Iranian citizens. It is nominally committed to social justice but has dubious accomplishments to fall back on.

Factors in and causes of Iran’s economic failures
Assessing the roots of the failure in Iran’s approach to social justice is difficult given a lack of clear data, non-transparency and a lack of government cooperation. Much of the data available is questionable given the clear interest of the IRI’s government in maintaining a stoic face (e.g. the discrepancies on Riyal valuations in recent years between government figures and black market reports). However, several factors lend themselves immediately to consideration.

Firstly, wide-ranging international sanctions have had a clear impact on the Iranian economy, and subsequent effect on impoverished Iranians. Related to the sanctions regime is an overall sense of isolation from the global economy. This isolation, coupled with domestic inhibitions from one of the world’s most authoritarian regimes, has hurt the majority of Iranians while allowing a very small number of profiteers to exploit the situation for personal benefit. The lack of transparency and oligarchic, clerical rule has also prevented the natural diversification and growth of the Iranian economy. Rather than benefiting poor Iranians, the battle against capitalism in favour of socialism has led to a system of cronyism. Finally, the oppression and restriction of the rights of various minority groups (in particular religious minorities such as minority religions not recognised by the Iranian constitution, as well as women and various sects within Islam) has led to those generally underprivileged sectors sinking deeper into hardship.

Policy suggestions
In light of the aforementioned issues, a number of policy suggestions are offered, broken down here into suggestions for domestic governmental, international state and NGO (local and international) actors.

1. Iranian government:
   a. Amending the constitution to broaden the guaranteed protection of minority groups, establishing a working group with representation of all minority communities dedicated to improving freedom for those groups.
   b. Taking active measures to restore the economic rights and commercial freedoms of women in Iran.
   c. Reversing the process of consolidation of private Iranian properties by state entities (such as Setad) and returning assets to the former legal owners to the extent possible.
   d. Pursuing a policy of transparency in law and finance, including removing powers from clerical figures and handing them over to civil servants with relevant academic backgrounds and the implementation of reforms where needed to restore confidence in the Iranian economy.
   e. Cooperating with international actors to have the sanctions regimes lifted and to resume foreign financial aid with a goal of controlling inflation and currency valuation and restoring economic growth.

2. Foreign states and international governmental organisations (IGO)s:
   a. Refining and narrowing sanctions, focusing them on state entities clearly linked to nuclear pursuit rather than broadly focusing on the Iranian economy; allowing private Iranian citizens the freedom to engage in international business and trade.
   b. Considering the harmful effects of long-term sanctions on a national economy and infrastructure (e.g. post-invasion Iraq) and reevaluating the US-led approach to negotiations with Iran in light of such considerations.

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c. Incorporating social justice and economic reform into current and future negotiations with Iran.

d. Pursuant to a revised policy towards Iran, working to restore World Bank-led assistance programming within Iran with the immediate goal of controlling inflation and currency valuation.

3. Non-governmental organisations (NGO)s:

a. Strengthening awareness of, and commitment to, social justice within Iranian civil society.

b. Promoting economic rights and freedoms of minorities within Iran, as well as focusing resources on assisting impoverished and underprivileged groups to create actionable plans for improvement.

c. Exposing corruption and exploitation within Iran, in order to create domestic and international pressure for reform and improvement.

d. Working with cooperative government officials to create a framework for freer, more transparent business practices.