

Land Politics in Iran; From Redistributive Justice to Entrepreneurial Urbanism

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This paper examines the evolving role of charitable, religious organisations in Iran's development, focusing on their involvement in urban land politics. Initially driven by the main premise of the Revolution, social justice and support of poor and vulnerable, these foundations, often termed "revolutionary," utilised confiscated land to support low-income families. However, they have transitioned towards "pious neoliberalism" and entrepreneurial urbanism in the decades since the 1979 Revolution. Leveraging control over confiscated land, close ties to the government, and extra-judiciary power, they have amassed significant political and economic power. This shift is evident in their increasing engagement in land speculation, value capture activities, and alliances with municipalities to secure favourable development rights, often converting land initially designated for social purposes into commercial ventures. The paper highlights the complex interplay of Islamist, left, and neoliberal tendencies in shaping the foundations' actions. While promoting Islamic principles of social justice initially, they adapted to and exploited neoliberal economic policies, blurring the lines between public and private sectors. This raises concerns about accountability, transparency, and the potential for prioritising narrow interests over broader social good, calling for greater scrutiny of their practices.

Keywords: Land acquisition, Redistributive justice, Islamic entrepreneurial urbanism, Iran

Introduction

Since the mid-19th century, and with the onset of modernisation and secularisation processes and colonial rule in the Middle East, the prominence of Shia and Sunni clergies in managing major institutions such as education, judiciary, and the administration and management of land endowments (Waqf¹) started to decline. In

¹ Waqf is an Islamic philanthropic tradition that involves the endowment of assets, typically in the form of land, property or funds, to be used for charitable purposes. The idea is to

response, religious leaders sought to develop new strategies to safeguard and regain their economic and political influence within Muslim societies. In Iran, the tension between state and religious institutions goes back to the 1920s when the Pahlavi government was established with the support of the British government, nationalist elite and landlord class and implemented a series of reforms to reduce the status of Shia clerics within the judiciary, and their involvement in the management of land endowments (Waqf) (Shabanipour et. al, 2020). The legal system reform of 1929 and the endowment law of 1934 which granted the government the authority to supervise endowment affairs and integrate the Waqf organisation into the state apparatus, were among the initial state interventions that provoked significant opposition from Shia clerics. These acts were followed by the implementation of the Land Reform policy in 1963 to limit private ownership of large tracts of land. Nonetheless, the policy disproportionately affected Waqf land rather than the estates of influential landlords with closer ties with the royal government. Subsequently, the land reform increased the antagonism toward the regime by the Shia ulama, and to date, many argued that the land reform was a crucial factor in triggering the Islamic Revolution, as Khomeini was the leader of the opposition movement against the land reform.

In the aftermath of the 1979 revolution and in order to consolidate and expand the power of Islamic Sharia ideology nationwide, Ayatollah Khomeini and radical Islamists, despite their supreme position within the constitution, did not fully trust the

ensure the continuous benefit of the endowed assets for the community and society at large. Waqf operates independently of individual ownership. The administration and management of waqf properties are typically carried out by trustees or administrators responsible for ensuring that the resources are utilised in accordance with the donor's intentions and Islamic principles.

state bureaucracy or the institutions that they inherited from the previous regime. Hence, they initiated new mechanisms to generate and distribute resources through founding new revolutionary organisations (labelled as charitable foundations) which were established in parallel to the state machinery and took control over the confiscated wealth and property of the royal family and the assets of landowners and industrialists who fled the country². For the public, Khomeini portrayed society as starkly divided into two primary classes: the oppressed (*mustaz'afin*) versus the oppressor (the *mustakberin*); the impoverished against the wealthy (*serwatmandan*); the oppressed nation (the *millat mustaz'af*) versus the Authority of Satan (*the hukumat-e shaitan*); and the inhabitants of slums against those of palaces (Saeidi, 2001: 223). With this vague populist rhetoric, the charitable organisations obtained sufficient legitimacy to confiscate the wealth of the royal family, aristocrats, and wealthy industrialists without providing any compensation.

During the post-revolutionary decades, these charitable, religious inspired and political organisations have significantly transferred 'public' (confiscated) land into private hands, including poor, lower-income communities and private developers.

² Confiscation is specifically mentioned in the Constitution of the Islamic Republic, Article 49:

The government has the responsibility of confiscating all wealth accumulated through usury, usurpation, bribery, embezzlement, theft, gambling, misuse of endowments, misuse of government contracts and transactions, the sale of uncultivated lands and other resources subject to public ownership, the operation of centres of corruption, and other illicit means and sources, and restoring it to its legitimate owner; and if no such owner can be identified, it must be entrusted to the public treasury. This rule must be executed by the government with due care, after investigation and furnishing necessary evidence in accordance with the law of Islam.

Within the redistribution process, these organisations acquired considerable resources and political power, turning them into dominant developmental actors in the land market deeply entangled with land grabbing and confiscation activities, legitimised by Islamic principles of social justice and equity. As significant landowners, these organisations also claim to dilute capitalist, private property-oriented relations with land, and offer alternative ways of valuing and redistributing land. Yet and throughout this process, these organisations developed complex and ambiguous relationships with the state and market actors and became instrumental in driving speculative practices around land development and land use change. Such practices often include orchestrating the transition from agricultural to residential use, or from industrial to commercial use, exerting their influence on local communities and planning decisions and practices.

In this paper we examine how the formation of revolutionary charitable organisations played a pivotal role in reinstating Shia clerics' political and economic power through the question of land and property ownership. Moreover, we interrogate the role of charitable revolutionary organisations in land ownership and land use conflicts and the resulting power struggles that have emerged in Tehran's urban and peri-urban areas, resulting in a transition from redistributive justice ideas to the formation of parastatal entrepreneurial urbanism. We argue that despite their distributive claims rooted in Islamic values, these organisations actively engage in speculative land practices and maintain ambiguous and intertwined relationships with various state and non-state actors involved in land politics and the land market.

This paper focuses on the historical development of urban land politics in contemporary Iran with a focus on the evolving nature of the involvement of revolutionary charitable foundations in land grabbing, confiscation, redistribution and

appropriation. Overall, the paper contributes to urban land debates, the complexities of the land market and its impact on urban planning and development, and the development of southern urban planning theory.

Land question and the quest for urban justice

Land holds a central and enduring significance in the political economy of urban development and change. As the foundational resource upon which cities are built and societies evolve, land and its allocation, ownership, and utilisation shape the physical landscape of urban areas and determine the distribution of wealth, access to resources, and power dynamics within communities. Within these dynamics, issues of property rights, land use planning, housing affordability, gentrification, displacement and the broader socio-political forces that influence how land is leveraged for economic and social purposes are of particular concern. In classical political economy, land is one of the three primary factors of production and economic growth, alongside labour and capital (Ricardo 1951: p.5). Land also plays a crucial role in the classical theory of rent (Jäger, 2003; Ward and Aalbers, 2016). As an economy grows and agricultural production expands, land with better fertility and location becomes more valuable, a condition leading to the payment of rent to landowners (Ricardo 1951). In classical economics, "economic rent" is essentially the return to land that is above and beyond the cost of production, which reflects the importance of land in determining the distribution of wealth and income in society.

Urban land conflict has been a potent catalyst for social, political, and environmental transformations in various forms throughout the 20th century. The discourse surrounding urban land conflicts is frequently intertwined with urban processes that reassess or regulate land. Such conflicts arise from various dynamics, probably the most elaborated one of which is property rights. Property rights, neither

fixed nor neutral, are rooted in unequal, contested, and contingent social relations and can manifest, express, transmit, or generate conflicts in diverse ways (Marx, 2016).

Analysing struggles for land should extend beyond focusing solely on property rights distribution to examine the processes and networks constituting property rights and their inherent conflicts (ibid). Urban land conflicts may also be perceived as a consequence of incoordination in land-use structures when addressing varied human demands amid the deterioration of the natural environment. Concerning urban growth and inequality, intense competition for land and state regulatory failures may lead to violent conflict. The active role of powerful political interests in urban land conflicts is evident in various contexts, suggesting that interventions by power networks in land transactions and land tenure fixations contribute to exploitative formations. These processes at the local level may sow seeds of conflict by propagating existing social tensions, ultimately undermining citizenship ideals (McMichael, 2016; Patel, 2016).

Examining the relationship between urban land conflicts, access to urban land, and their implications for urban growth and inequalities requires a comprehensive understanding of the political-economic landscapes of national and local development planning and the involvement of various actors in the politics of urban land. The existing scholarship on urban land in cities of the global south reveals the inherently political nature of land conflicts and the formal and informal processes by which land becomes available for development (Simmons, 2004; Lombard and Rakodi, 2016; Marx, 2016; Manara, 2022, 2023; Rigon, 2016). Yet, in the Middle East, research on urban land conflict is fragmented and deals mainly with land disputes in conflict and post-conflict settings. Emerging scholarly work calls for a more sophisticated understanding of the diversity and plurality of actors and their changing institutional positions and relationships if we are to comprehend the pressures and priorities of

property industry actors (Campbell et al., 2013; Özogul and Taşan-Kok, 2020).

Analyses of urban land conflict should be extended beyond assessing the relative power of different parties struggling to access land and living space. Rather, they should recognise different types of conflict over land, seek to diagnose the immediate causes of such conflict and identify the ways in which conflict over land can be a proxy for wider societal conflict, political polarisations and administrative contexts (Goodfellow 2020).

One crucial yet under-theorised development actor comprises religiously motivated charitable organisations. In the Middle Eastern context, a recurring theme in studies of these faith-based development actors is the state's retreat from its traditional role as a facilitator (Tag-eldeen, 2020). This withdrawal aligns with the entwining of Islamist and neoliberal frameworks, where faith-based organisations emerge as embodiments of what Atia (2012) describes as "pious neoliberalism"—a discourse fostered by new religious leaders and organisations that intertwine religious duty with neoliberal principles, urging individuals to adopt entrepreneurial and proactive stances as a form of religious devotion (p. 822). Such organisations are the product of a distinct blending of neoliberalism and political Islam, underpinned by charitable action. Here, charity becomes both a demonstration of religious commitment and a vehicle for advancing self-reliance within a neoliberal framework (Atia, 2012).

The foothold of faith-based organisations in many Middle Eastern contexts often lies in the failure of weak states to deliver essential services or represent marginalised groups effectively (Fawaz, 2009; Harb, 2008; Harris). Frequently, these FBOs seize opportunities during crises, using the instability to entrench their role by addressing urgent service gaps and advocating for structural reforms. Such organisations exploit these systemic deficiencies, positioning themselves as necessary support agents for

specific, often underserved groups and finding footholds in various "niches"—political vacuums or unaddressed service areas like housing and healthcare.

Urban land conflict and governance regimes: Charitable Religious inspired organisations and the state in Iran

Iran's urban governance and land management framework encompasses a complex interplay between various actors operating at national and local levels, including governmental bodies, local municipalities, and cooperatives. At the national level, entities such as ministries and the Urban Land Organisation (ULO) hold substantial legislative power, influencing land use and urban development policies. While these bodies shape overarching policies, local municipalities are pivotal in implementing these directives. The role of municipalities extends beyond merely adapting national policies to local needs as they actively pursue their own interests, engaging with financial and development actors. This scenario underscores a nuanced balance of power and interests where national bodies dictate the legislative framework, but municipalities, leveraging their implementation role, influence how these policies materialise on the ground. A blend of policy implementation, negotiation, and strategic alliances thus marks the resulting governance structure in Iran's urban spaces.

It was against this historical and political background that Islamic charitable foundations were born in Iran. Various reasons account for the deep embeddedness of the foundations in the Islamic Republic, including political factionism, popular mobilisation, postwar (or post-crisis) welfare policies, and nationalist (each period and context has its formulation of identity) legitimisation. In the immediate aftermath of the Revolution, alongside the existing ministries and state institutions, these charitable foundations were established to manage and redistribute the assets of royal family and wealthy landlords and industrialists who fled the country post-revolution in order to

promote social justice and deliver revolutionary promises of building an egalitarian society.

Since their inception, the foundations became central to the Iranian economic system, often characterised as an "economy of Anfal" (Vahabi). In Islamic public finance, especially within Shi'i Islam, "Anfal" refers to all unowned natural resources belonging to the Imam, distinguishing it fundamentally from public property shared among the people. Article 45 of the Iranian Constitution³ specifically references Anfal, establishing it as a foundational principle legitimising the confiscatory structure of Iran's economic system (Vahabi). The broad range of assets in the foundation's portfolio in the early years after the Revolution created two major issues: (1) corruption and nepotism in asset management, and (2) ambiguity on whether many of the confiscated properties, lacking clear evidence of illegitimacy or having private claimants, should be seized or returned to their rightful owners (Asadolah Nezhad 2024).

One such foundation was the Foundation of the Oppressed, initially established in 1958 replacing the Pahlavi Foundation, formerly operated as a tax-exempt charity belonging to the royal family. The Pahlavi Foundation managed the Shah and royal family's assets, amassing considerable wealth amounting to \$3 billion by 1979. In alignment with the Revolution's commitment to equitable wealth distribution, the Foundation's name was changed to the Foundation of the Oppressed. The Foundation

³ Article 45: Anfal and public wealth, such as uncultivated or abandoned land, mineral deposits, seas, lakes, rivers and other public waterways, mountains, valleys, forests, marshlands, natural forests, unenclosed pastures, legacies without heirs, property of undetermined ownership, and public property recovered from usurpers, shall be at the disposal of the Islamic government for it to utilize in accordance with the public interest. Law will specify detailed procedures for the utilization of each of the foregoing items.

also seized properties from fifty affluent individual capitalists, leading to its wealth growth of about \$12 billion by 2006. The Foundation of the Oppressed also expanded its role to support Iran-Iraq war veterans and ventured into economic activities for asset preservation (Khatam 2015). Despite its success in aiding disadvantaged families, the Foundation faced controversies akin to other such entities, involving allegations of financial impropriety and fund mismanagement (Manouchehrifard 2015).

From a more urban perspective, access to land as a prerequisite for delivering revolutionary housing to the poor in the aftermath of the Revolution played a critical role in establishing and consolidating the power of foundations (Ehsani, 2009). A key example of positioning religion within urban development discourse in Iran could be found in Khomeini's speech in March 1979, where he called for the formation of action groups to tackle the housing problem across the country: "A group of trustworthy and righteous people, least of a three-member group of an urban/housing engineer or planners, a clergy and a government representative should be elected in each city to plan for building affordable housing for poor" (Khatam 2015). The early activities of the foundations after the Revolution were primarily focused on the housing and land markets⁴. Simultaneously, the newly established revolutionary government also

⁴ According to the Sharia law in Iran, or at least to the Iranian interpretation of it, lands that are undeveloped and unutilised cannot be privately owned. This was one of the core principles of the management of land in post-revolutionary time, bringing massive lands under the public ownership. Behdad and Nomani (2006) have argued that the decision to keep a huge number of confiscated assets after the revolution under the domain of 'public ownership' and not as part of the state enterprise consolidates the base of the power of the Bonyads, the main financial base of the conservative Islamists after the revolution.

attempted to allocate land to the landless to deliver part of its equity and justice slogans. Nevertheless, the revolutionary foundations were significantly active in offering housing and land to poor and low-income families mainly at the periphery of cities. For example, Established in 1979, the Revolutionary Housing Foundation, operating under the Islamic Revolutionary Housing Fund, distributed 125,000 parcels of land to disadvantaged families (Dehesh, 1994). The construction of revolutionary housing through popular land occupations in major cities mainly occurred on public land (largely confiscated from royal and aristocratic families), and then from 1979 to 1993, nearly half a million hectares of public unoccupied land was converted into private land owned by private landowners and cooperatives (ibid).

The foundations have also been active players in Iran's welfare system (Saeidi 2014). In addition to the "official" social welfare network, many Iranians rely on informal charitable networks to receive benefits. These networks operate under the auspices of the foundations which operate independently of the Ministry of Welfare and Social Security, and as a result, their criteria for determining eligibility for social welfare assistance are often perceived as arbitrary by observers. Consequently, some Iranians who do not genuinely require assistance end up receiving benefits through some of these charitable Islamic foundations, namely Imam Khomeini Relief Foundation. On the other hand, needy Iranians who lack connections or are viewed unfavourably by the government may frequently be denied social welfare benefits (Katzman, 2006).

In the decades after the Revolution, the foundations continuously evolved and developed and played an essential role in the socioeconomic development of Iran. By 2006, the foundations significantly influenced the country's economy, comprising an estimated 33% - 40% of its total GDP 2006 (Katzman 2006). Appointed by Supreme

Leader Khamenei, the heads of the foundations control vast state-provided assets and have become major employers, potentially benefiting up to 5 million Iranians and extending social welfare support to several million more. This wide-reaching support base among the working class and lower socioeconomic groups helps solidify their support for the supreme leader and dominant political apparatus (ibid). The foundations also enjoy extensive privileges, including virtual tax exemptions, customs benefits, preferential access to credit and foreign exchange, and regulatory protection from competition in the private sector. Exploiting these advantages, certain major foundations have established near-monopolies in the import and distribution of various goods (ibid). The economic power wielded by the foundations and cooperatives translates into political power for the clerics and politicians who oversee them. The revenue generated by these quasi-state economic conglomerates provides significant opportunities for patronage by the clerics and makes the Iranian public reliant on them for social welfare support. Conversely, these economic mechanisms effectively sustain the well-being of Iran's impoverished population and, according to some perspectives, serve as necessary and beneficial institutions despite their impact on the transparency of Iran's economy (Katzman 2006). These disputes over distribution lie at the core of a prolonged battle to determine the prevailing form of capitalism in Iran (Harris, 2013).

The paradox, however, relates to the bond between the foundations and the public and private sectors. According to the Constitution of the Islamic Republic, the three main sectors of the economy are the Public (governmental or *dowlat*, foundations or *bonyads*, and municipalities); Cooperatives, and the private sector (Tajbakhsh, 2003). The constitution also states that private property is protected "except where the law states otherwise". However, the constitution also reserves the majority of social, economic, and political affairs to the public sector, in effect stating that whatever is left

over after the state and cooperative sectors have been apportioned duties and responsibilities falls to the private sector (ibid). The foundations' main financial basis was consolidated by confiscating the assets and keeping them under the domain of 'public ownership' instead of part of the state enterprise (Khatam, 2015). In this framing, the category of 'public ownership' suffers from a great deal of ambiguity as, in reality, the financial assets of the foundations do not belong to the public in the conventional sense of the term. Based on the extrajudicial political and economic power gifted to the foundations, specifying them as public actors largely misrepresents their parastatal status.

Political economy of urban land in post-revolutionary Tehran

The land question has been specifically addressed and approached in the global south, where regimes of land ownership and tenure take variegated forms influenced by unique contextual, historical and political specificities (Simmons, 2004; Lombard and Rakodi, 2016; Dadashpoor and Ahani, 2019; Feola *et al.*, 2019). Within the context of the Middle East and particularly in the case of Iran, land and its ownership have played pivotal roles in shaping urban and socio-political condition of the country. Before the 1979 Revolution, land and land ownership were fraught with inequality (Keivani, Mattingly and Majedi, 2008). The country was facing a paradox: despite its relatively low population density (30 persons per square km) and ample available land, land prices were higher than in many other developing countries (MHUD, 1977). In Tehran, the land-related roots of inequalities are traced back to the destruction of the city's historic walls, its expansion during the 1930s, and the subsequent addition of large pieces of land to the city (Ahrabian 2023). The speculative manner and method of acquiring large pieces of land in the outskirts of Tehran transformed into a mode of urban development that left a distinct impact on subsequent eras. Notably, by 1978, around 85 per cent of

the land within Tehran's administrative boundary belonged to the royal family or a few major landowners, and 90 per cent of the outskirts' land was owned by just 10 per cent of landowners (Keivani, Mattingly and Majedi, 2008).

Additionally, religiosity had long been entangled with land and property ownership, deeply rooted in the clerics' dynamic engagement with and power over the society. Terrified of losing their traditional source of power, Shia clerics took a stance on various occasions against the attempts by the government to intervene and regulate the land market. Instances could be found in the Shia clerics' responses to Reza Shah's endeavour to assert control over *waqf* and diminish the social sway of the religious figures and his bid to erode their societal position by offering 'secular' assistance to those who were economically disadvantaged. Similarly, specific social policies pursued by Mohammad Reza Shah, such as the White Revolution⁵ and land reform, encountered comparable opposition (Maloney, 2000). These social policies disrupted the well-established and interconnected relationship between the mosque, the underprivileged, and the affluent, particularly the landlords (Manouchehrifar, 2015).

⁵ The White Revolution in Iran was a series of reforms implemented by Mohammad Reza Shah Pahlavi, the last Shah of Iran, between 1963 and 1979. The White Revolution encompassed a wide range of social, economic, and political reforms with the goal of modernizing Iran and consolidating the power of the monarchy. Some key elements of the White Revolution included: Land Reform, Women's Suffrage Nationalisation of Forests, Industrialisation, Education Reforms, and Healthcare Reforms.

Revolutionary order, accumulation by dispossession and land distributive initiatives

The 1979 Revolution led to the establishment of an Islamic government where religious clerics held significant power and influence over government policies and decisions, and religion, specifically Twelver Shia Islam, became central in the political and social puzzle. The ideological premises of the Islamic Republic were outlined from the outset as a hybrid commitment to Islamism, developmentalism, social justice, cultural conservatism, representative politics, and authoritarian paternalism (Ehsani, 1999). One of the new government's central social and popular objectives was to tackle the challenges surrounding urban land and housing. It was in this context that Ayatollah Khomeini's words reverberated with paramount significance within the revolutionary discourse:

"The Islamic system will not countenance such oppression and discrimination, for the provision of housing constitutes the most basic right of every individual. The land predicament must be resolved, and all of God's less fortunate servants should reap the benefits of this divine endowment. Each underprivileged individual must find solace in a home. There should be no corner of the country where individuals are deprived of this fundamental right... The assets, both movable and immovable, of the former Pahlavi regime should be harnessed for the betterment of the impoverished, labourers, and vulnerable workers..." (Translated from مؤسسه تنظیم و نشر آثار امام خمینی، 1378: 519 و 267).

Khomeini's words encapsulated the revolutionary slogans to address the land issue head-on, rectifying historical injustices plaguing marginalised segments of society. This commitment to ensuring that every citizen was granted the dignity of a secure dwelling became a driving force in the post-revolutionary era.

In the immediate aftermath of the 1979 revolution, the government's initial economic decisions were primarily oriented towards addressing the challenges

confronting poor and low-income urban segments of society (Keivani, Mattingly and Majedi, 2008). The focus of the legislative actions and popular movements in this period was mainly on redistributing urban land amongst the poor by lifting the barriers imposed by private ownership and market mechanisms (Majedi, 1996). The chaos caused by the Revolution and the lack of a transparent administrative and political structure provided a setting for impoverished families to seize the chance to occupy empty lands, unfinished buildings, and hotels and appropriate these spaces according to their needs (Bayat 1997). The urban poor and economically disadvantaged did not wait for the new government to address the pressing social issues and deliver its revolutionary promises. These land occupations encountered minimal opposition from the new government. In many instances, the occupation of vacant lands and properties was actively supported and facilitated by the revolutionary courts, militia, leftist groups and influential religious figures (Tavasoli 2020). These occupied lands underwent rapid development by the urban poor, transforming their legal status under Islamic law to '*dayer*,' signifying developed land, albeit under an uncertain ownership status. This posed a considerable challenge for the government and the municipalities, compelling them to provide urban services and address the legal status of the land and the landed property erected upon it. Technocrats such as the first mayor of Tehran after the Revolution were mainly concerned with the impact of these contingent land occupations and constructions on the future development trajectory of the city and the consequences of emerging parallel organisations outside of the municipality with massive influence on urban development and planning (ibid).

In parallel to the bottom-up movement of the poor to address their housing condition, the revolutionary foundations were also playing a significant role in land acquisition and housing initiatives for disadvantaged communities on the outskirts of

Tehran (Katzman, 2006; Khatam, 2015; Tavasoli, 2020). Embracing revolutionary ideals of justice and equity intertwined with Islamic concepts like Zakat, these foundations leveraged confiscated land and assets from wealthy landlords and Pahlavi royal family members as their primary power source. These seized lands were subdivided and transferred to low-income families. In the span of four months, from February to June 1979, a significant total of 30,433 plots, covering approximately 10 million square meters of urban land, were allocated to landless families in Tehran alone, according to data from the Municipality of Tehran (Keivani, Mattingly and Majedi, 2008).

As a response to the spontaneous land invasions and the arbitrary appropriation and distribution of land by ad hoc revolutionary organisations, the Iranian government enacted a series of legislations to regulate the urban land market across the country. These policies primarily aimed at acquiring surplus urban land beyond specific limits and directly assigning it for housing purposes to the general public, cooperatives, and the private sector, drawing upon Islamic law to define categories of urban land and establish ownership rights (Keivani et al 2008). Between 1979 and 1988, three Urban Land Laws were enacted in Iran to revolutionise the urban land acquisition and allocation programme. The implementation of these laws restricted private ownership of vacant urban land to a maximum of 1,000 to 1,500 square meters, depending on the city size, with any excess land to be acquired by the government (Majedi 1996). In June 1979, the government enacted the Urban Waste Land Ownership Abolition Law (UWLOAL), declaring all urban wastelands as public land. Under this law, ownership of unused land was abolished, with only a tiny exception allowing landowners without houses to retain a maximum of 1000 square meters of land (Azizi, 1998). Subsequently, the Urban Land Law (ULL) was introduced in 1982 and lasted five years. The

enactment of Urban Land Laws further revolutionised the urban land acquisition and allocation process, restricting private ownership and ensuring government acquisition of excess land (Majedi, 1996). This legislative framework aimed to provide affordable housing for low and middle-income households, curbing land speculation and promoting land for social services (Azizi, 1998). The cumulative impact of this government program and its associated activities substantially reduced the rate of urban land price increases and made land more affordable (Majedi, 1996). This, in turn, contributed significantly to the provision of affordable housing options for low and middle-income households. ULL also empowered the Urban Land Organization (ULO) to acquire "*bayer*"⁶ land, previously unused but with a history of development. Article 9 of this legislation also authorised ULO to acquire "*dayer*" land or farms in 32 cities grappling with housing and land issues. These provisions expanded the scope of public ownership and further restricted private land ownership (Azizi, 1998). Through various means, including confiscations from excess private ownership, compensation payments, and land transfers from various public organisations, ULO acquired a substantial landholding totalling 85,557 hectares in urban areas across the country. Of this, 10,790 hectares (12.6% of the total) were allocated to eligible applicants for housing construction, encompassing private households, housing cooperatives, and public and private developers. An additional 3,313 hectares (3.9% of the total) were designated for urban services and commercial buildings (Majedi 196).

⁶ In Iran, urban lands are broadly classified into three categories: undeveloped (*mavat*), developed (*dayer*), and abandoned (*bayer*). The abandoned lands refer to areas that were previously cultivated but have since been forsaken.

While these policies succeeded in improving urban land accessibility for low-income households and addressing issues related to private land ownership hindering development and allocation for public facilities, they also led to administrative complications: post-revolutionary weak institutional context and lack of clear distinctions between land types created hurdles in the implementation process. Furthermore, the haphazard implementation of these policies led to rapid urban expansion, inadequate infrastructure and services provision, and a lack of building and planning regulation for newly developed areas (Azizi 1998).

From distributional justice to the logic of land value creation

The Iran-Iraq war and the political and economic stagnation that came with it also hindered the legislative efforts around urban land regulation to fruition. A deteriorating economy, rising inflation, unprecedented level of foreign indebtedness, notable increase in rent-seeking activities that detracted from productive enterprises, decrease in the overall capital stock, a workforce lacking sufficient training, and economic institutions that were in dire need of substantial reform all seemed to be more persistent concerns compared to the issues around urban land management and conflicts (Karshenas and Pesaran, 1995). This condition was exacerbated by the lack of explicit authorisation and legislation, leading to conflicts between government factions advocating for organised land planning and revolutionary idealists pushing for distribution, sometimes benefiting the poor but often serving personal interests. The end of the war created an excellent opportunity for the foundations to transform the nature of their activities as primarily charitable organisations providing services to the poor to powerful economic institutions. The root cause of this shift could be found in the enormous assets – in the form of landed property - accumulated by the expropriation of the Pahlavi regime aristocrats, which effectively put the foundations into an unfair competition with the

other sectors of the still recovering national economy (Khatam 2015).

The upper hand of the foundations in urban land conflicts was also strengthened by the pro-market reform programmes in the early 1990s (Salehi-Isfahani, 1999). At the urban level, attention shifted to economic growth and post-war reconstruction, with the construction industry and associated land policies assuming pivotal roles in lifting the national economy out of a decade-long stagnation. This transition signifies a shift from Islamist socialist revolutionary ideals to more liberal forms of national and urban economies, significantly impacting how urban land is valued. The implication was a relaxation in the issuance of construction permits and marked the inception of a lucrative and speculative approach to urban land in the ensuing decades. Many public and private landholders embarked upon initiatives to solidify land tenure, responding to the neoliberalising landscape of urban land and property markets. Particularly for the urban poor, this entailed a process predominantly characterised by the consolidation of their foothold on occupied lands, the exercise of their agency in asserting ownership claims over said lands, and conceivably, the utilisation of the last vestiges of revolutionary politics, initially designed to cater to the needs of the impoverished and disenfranchised.

Harris underlines the notable role of 'networks of privilege' in 1990s Iran for the petty-bourgeois and private sectors to outcompete the public sector. He maintains that "by subcontracting out its social and economic responsibilities, the Islamic Republic ... neither achieved its privatisation dreams nor enhanced its state capacity for other, equally transformational, projects." (Harris 2013: p.67). Against this background, foundations appeared as major landowners across the country and as the only influential parastatal organisations that could bridge the social welfare gaps exacerbated by a shrinking government. In major cities and newly developed urban areas, unprecedented

forms of urban land conflicts emerged involving foundations and municipalities. The conflicts mainly were over the control of sizable plots of confiscated and undeveloped land, now situated within urban boundaries, and the informal settlements arose as a consequence of the foundation's distributary activities in the years immediately following the Revolution (Cite the other paper under publication).

Power consolidation through land value capture

Following the structural adjustments in the national economy, parastatal actors – including foundations and military organisations - became significant holders of government assets through privatisation and exerted a more visible influence on national politics and economic development (Maloney, 2015; Valadbaygi, 2021). The significance of this influence is particularly evident, especially in the 2000s, when we witness the consolidation of political power at the presidential level, representing the militarised sector of the economy. The emergence of this political force, which re-entered the realm of contemporary Iranian politics with new slogans such as "supporting the oppressed," can be seen as an apparent reaction to the distributary slogans of the post-revolutionary years and the neoliberal policies of the 1990s that further eroded the rights of the people, including housing and urban services. Despite its ideological slogans, the populist political alliance, shaped around egalitarian principles, essentially represented the same interests that had become intertwined with the process of neoliberalisation of the economic structure (Maloney, 2015). This brand of populism, explicitly targeting the disenfranchised and rural and urban poor, was closely intertwined with the government's strong ties to the military and influential parastatal entities like the foundations. Such a synergy created fresh avenues for a revitalised push for the privatisation of public assets alongside distributive policies aimed at solidifying

support from the electorate.

Notwithstanding the official claims of strengthening the local private sector, state-led privatisation initiatives have, in reality, facilitated the economic monopoly of parastatal organisations and their extensive networks. Particularly, the government's approach to privatisation is frequently characterised as the transfer of public assets to powerful military and parastatal actors (Habibi, 2015). 'State capitalism' coupled with the state's control over the means of production and the limited strength of the local private sector, has given rise to a 'state bourgeois' class that wields influence due to its proximity to the state. The foundations and military actors represent this class, dominating the economy and being significant recipients of government rent (Forozan, 2015).

Parallels have been identified between the rise of the subcontractor state in Iran and the post-soviet emergence of a 'new state' as a direct outcome of privatisation (Harris 2013). Furthermore, there are parallels between the wave of privatisation of public assets during the 2000s and the inception of foundations through dispossession and expropriation in the aftermath of the Revolution. The more recent wave of privatisation also involved dispossession, although this time, it targeted public assets, not the Pahlavi regime's aristocrats. The revival of the parastatal organisations due to this mode of privatisation signals a shift from welfare and social service provision to purely economic endeavours (Ehsani 2009).

The implementation of the Subsidy Reform in 2010⁷, a long-discussed plan since the 1990s, can be considered as another dark economic result of neoliberalisation agenda, playing a fundamental role in exacerbating urban deprivation. This was when the foundations with access to confiscated assets started orienting their activities towards predatory engagements within the real estate and property markets and value capture (Harris 2013). Thus, the conflict within the newly emerged power segment was not over the share of and the benefits for the underprivileged but rather over the distribution of rent and profit amongst the significant urban development actors.

Simultaneously, during this same period, with the increase in government oil revenues, significant capital flowed into the real estate sector, most notably manifested in infrastructure projects, road construction, and the Mehr Housing project⁸ (Maloney

⁷ The Subsidy Reform Plan in Iran, initiated in December 2010, constituted a significant economic overhaul aimed at rationalising and reducing subsidies on essential goods, particularly energy, food, and utilities. The freed-up resources were redirected towards social welfare programs to mitigate potential hardships for vulnerable segments of the population. While supporters lauded the move for enhancing economic efficiency and reducing government expenditure, critics raised concerns about inflationary effects and immediate burdens on citizens, especially those with lower incomes. See Salehi-Isfahani, D., 2016. Energy subsidy reform in Iran. In *The Middle East Economies in Times of Transition* (pp. 186-195). London: Palgrave Macmillan UK.

⁸ The Mehr Housing Project in Iran was officially launched in 2007 during the presidency of Mahmoud Ahmadinejad. The project was a response to the country's housing shortage and aimed to provide affordable housing to low-income families. It was part of broader efforts to

2015). At the urban scale, the empowered foundations and military-affiliated pension funds and cooperatives became prominent development actors because of their strong financial capacity, strong ties with the national government, and, more importantly, access to the lands confiscated decades ago. As investment conglomerates and parastatal developers, the foundations started forming new coalitions with Tehran municipality to guarantee their benefit from the construction boom and urban development in Tehran. Furthermore, urban settings provided profitable environments for these foundations to act as contractors of urban infrastructure alongside commercial and residential developments (Khatam 2015). By outsourcing the municipal services to the foundations and their semi-private connected networks, the municipality gradually shifted from a public institution to a massive contractor operating at a vast scale (ibid).

The relationship between the foundations and the Municipality is not always harmonious and could also be analysed through their conflicts over the maximisation of interests. Owing to their substantial financial resources, extrajudicial power and extensive land/property portfolio, the foundations wield considerable political leverage, influencing urban development and planning policies and exploiting the municipality's financial vulnerabilities to negotiate (Javadi 2017). Particularly regarding the inner city's vast vacant urban plots owned by the foundations, the municipalities tend to transfer development rights and issue extensive permits for land use change. These changes often go against the master plan's recommendations and allow the foundations to build commercial uses on the lands previously allocated to green space. This dynamic essentially allows both parties to maximise their profit, the foundations through

address social and economic issues and improve living conditions for a significant segment of the population.

extensive value capture for confiscated land and the municipality through permit costs and taxation. On the other hand, the foundations transfer some urban lands to the municipality as a gesture to compensate them for overlooking the foundation's unauthorised activities (Vaghefi 2010).

The nature of urban land conflicts in post-revolutionary Iran has evolved in accordance with the broader socioeconomic and political shifts, introducing new actors and dynamics. Within this process, the power of the foundations is primarily derived from land ownership - initially confiscated, then left unattended for future development at the right moment when value capture can be maximised.

Discussion

The four decades since the 1979 Revolution in Iran witnessed a metamorphosis in the tripartite constitutional arrangement of the society's sectors based on public, cooperative and private entities under the influence of internal and external political, economic and geopolitical forces. The semi-public sector – also known in the literature as parastatal, semi-private, and quasi-public – that raised out of the revolutionary rupture period, gradually turned into a robust fourth sector encompassing various novel and hybrid entities such as religious foundations, revolutionary organisations, military institutions, cooperatives, as well as social security and pension funds. Among these, charitable foundations bear the designation "revolutionary" to acknowledge their unique and extrajudicial status, a legacy of the exceptional circumstances surrounding the Iranian Revolution.

A historical examination of the foundations' involvement in the political economy of urban development underscores the socially constructed and perpetuated nature of urban land conflicts (Lombard and Rakodi 2016). These conflicts have evolved through various phases, manifesting in different forms that align with national

politics and successive governments, involving shifting alliances and antagonistic dynamics (ibid). Practices such as land grabbing and confiscation in the immediate post-revolutionary years, the privatisation of public lands under the guise of promoting distributive justice, the commercialisation of city skylines through the sale of 'surplus density', land-use changes, and land swapping as part of contractual relationships with municipalities represent the diverse ways in which the foundations have engaged with urban land. These engagements span both legalised, formal channels and coercive, arbitrary, and extralegal means, each corresponding to specific historical periods and reflecting the foundations' adaptive strategies in response to shifting political and economic landscapes.

Concurrently, the neoliberal economic development processes of the past four decades—characterised by deregulation, marketisation, and privatisation—have profoundly influenced the evolution and practices of these foundations. The historical policy trajectory concerning urban land ownership and the political economy involving various actors in Iran indicates a shift from a discourse advocating the abolition of private land ownership, in line with revolutionary slogans, to a pious neoliberal discourse of privatising state assets, including land, infused with Islamic principles. Within this transition, a notable duality emerged in the discourse on urban land management. On the one hand, a political discourse emphasised legislative measures and regulatory frameworks for controlling land use, occupation, and overall urban development. On the other, an Islamic ideological discourse—at times leaning toward socialist principles—began to influence urban land dynamics. This duality can be characterised as political versus Islamist or, more broadly, as technocratic versus religious populist orientations. The former advocated implementing laws and regulations to govern urban land, aiming for controlled and planned urban growth. In

contrast, the latter promoted the immediate redistribution of confiscated lands to alleviate the plight of the impoverished. While each perspective had its merits, the analysis presented in this paper suggests that the latter approach played a significant role in establishing and consolidating revolutionary charitable foundations.

Positioned at the core of this duality, the foundations both challenge and, in some instances, undermine formal urban regulatory structures and governance mechanisms. Their evolving role in urban land markets often precipitates conflicts with democratically elected bodies and state agencies, which frequently possess limited capacity to regulate them effectively. Such conflicts can manifest as disputes over the ownership of formerly confiscated lands now inhabited by settlers or tensions with municipalities concerning land use, development types, and the appropriation of inner-city properties. This complex interplay highlights the inherent tensions within Iran's urban development landscape, where the significant influence of parastatal foundations can overshadow formal governance structures, complicating efforts to implement cohesive and equitable urban policies.

The charitable revolutionary organisations have evolved beyond their initial revolutionary character and have adapted to the evolving political landscapes in which they operate. This trajectory from "redistributive justice" to "entrepreneurial urbanism" represents a broader pattern of ideological shifts within the post-revolutionary Iranian governance where the foundations implicitly operate as soft-power mechanisms to consolidate a social base through constructing social networks, welfare dependencies and beneficiaries. The shift is mirrored in the change in the semantic connotations of the concept of *mostaz'af*—or the impoverished or the oppressed— during the post-revolutionary decades, evolving from a mere economic sense to encompass both "political" and "economic" meanings. Politically, *mostaz'af* represents the civilisational

struggle against "arrogance," identifying those who resist internal and external oppressors and uphold divine decrees. The term thus no longer refers solely to the economically disadvantaged and more dominantly applies to individuals aligned with Islamic governance and the state's ideological framework. As such, a politically defined *mostaz'af* takes precedence and determines eligibility, precisely excluding those who, despite the economic need, oppose the core principles of the Islamic government. In this climate, revolutionary organisations like the Foundation of the Oppressed take the 'disciplinary and formative function, where the focus of their activities is on shaping, categorising, and supporting *mostaz'afin* as political subjects compliant with the Islamic Republic interests and broader political agenda (Assadollah Nezhad).

Iran's parastatal foundations are integral components of a broader framework of religiously motivated neoliberalism. The nation's trajectory illustrates a shift from revolutionary redistribution to neoliberal practices, paralleling global governance trends in post-colonial and post-revolutionary societies. Similar entities in other Middle Eastern and post-colonial contexts assume a dual role: providing welfare services while engaging in economic rent-seeking (REF). The rise of semi-private, parastatal development organisations raises significant concerns regarding accountability and transparency. By exploiting the advantages of both private and public sectors, these organisations often evade the responsibilities inherent to each. Methodologically, investigating their practices within the urban sector presents considerable challenges due to the opacity surrounding their activities, which impedes effective evidence gathering. Moreover, their substantial political influence grants them an extrajudicial and largely unchallenged status, complicating efforts to critically assess their impact.

the discussion presented in this paper could be carried forward through a more forward-looking and as basis for further scholarship on the convergence of religious ideology and neoliberal practices in urban land markets. comparative studies that look at the role of religious and parastatal organisations in urban development across different Islamic countries.

Conclusion

In this paper, we argued that the role of charitable, religious organisations in Iran's development has undergone a significant transformation since the 1979 Revolution, departing from a focus on principles of redistributive justice and alleviating the plight of the poor, arriving at an increasingly adopted practices aligned with a "pious neoliberalism" and entrepreneurial urbanism. Through their control over vast amounts of confiscated land and their close ties to the government and the extra-judiciary power of the Supreme Leader, these organisations have amassed considerable political and economic power while operating as parastatal entities, blurring the lines between the public and private sectors, and leveraging their unique position to influence development policies and practices. More broadly, the paper highlights the complex interplay of Islamist, left, and neoliberal tendencies in shaping the actions of these organisations. While initially and ostensibly promoting Islamic principles of social justice, they have adapted to and exploited the neoliberal economic policies implemented in Iran over the past few decades. This convergence of ideologies has enabled them to justify their pursuit of profit-driven ventures while maintaining a veneer of religious legitimacy. The opaque nature of these organisations' activities and their significant political clout raise concerns about their accountability and transparency. The paper underscores the challenges in studying these actors and advocates for greater scrutiny of their practices to ensure they operate in a manner that

benefits society as a whole rather than serving narrow interests.

There is need for more research to understand the complex and evolving role of religious institutions in urban land markets, particularly in the global south and developing a critical examination of the intersection between religion, politics, and urban development, acknowledging the influence of religious actors as powerful stakeholders in shaping the dynamics of urban space.

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1. This is a note. The style name is Footnotes, but it can also be applied to endnotes.

References: see the journal's instructions for authors for details on style

According to an estimation, four foundations hold control over 60 percent of the national wealth, all operate independently of both the government and parliament
~(tabnak)