

they render Dehkhoda's unique voice into English for the first time in complete form. The result is a volume that is a pleasure to read, and with significant potential for use in classes on Iranian history and culture, Muslim modernism, and nineteenth century intellectual and social history. While introducing students and specialists to a major literary voice, this accessible edition of *Charand-o Parand* establishes a high standard for future comparative work on Iranian intellectual history in a global context.



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Eqtesād-e Siyāsi-ye Sanduq-hā-ye Qarz al-Hasaneh va Mu'assessāt-e E^ctebāri: Soqut-e Yek Ideolozhi [The political economy of interest-free funds and credit institutions: the fall of an ideology], Bahman Ahmadi 'Amu'i, Tehran: Nashr-e Pārsesh, 1396 (2017), ISBN 978-600-253-340-1 (pbk), 151 pp.

The politics of credit has merited relatively little attention from scholars of contemporary Iran. But, as protests that flared up during December 2017-January 2018 bore out vividly, this is a serious lacuna.

During this period, protests and riots hit hundreds of towns and cities across Iran. While commentators were surprised by what appeared to be a sudden wave of contention, the *Dey Māh* (December 2017-January 2018) outburst was preceded in October and November by dozens of smaller protests by depositors and account holders at credit institutions that were teetering on the brink of bankruptcy. Major financial services companies and interest-free banks such as Ārmān, Caspian, Melal, Afzal Tus, Padideh, Sāmen al-Hojaj, and Nur, failed to return costumers' deposits as the central bank, bent on containing inflation, was unwilling to extent further credit. Cus-

tomers who were initially hopeful to get a good return on their savings now faced the painful reality of the Ponzi schemes.

The sociological lesson to take away from these protests by deposit-holders is that large-scale extensions of consumer and real estate credit can lead to new forms of associationism and social organization that, in turn, can start to play an active role in contentious politics. Indeed, some of the protests turned violent, such as the 300 Arman Credit deposit-holders who gathered in front of the Khuzestan governor's office in Ahvaz on 11 October, camping out for about seven consecutive nights without achieving substantial concessions. However, having witnessed several of these gatherings in Tehran, a friend described the protests as mostly small and peaceful, employing a variety of slogans, and said that the number of police often exceeded the size of the crowd. While national media rarely covered the events, some of the protestors' own videos went viral. Shot in the middle of the crowd and cut so as to capture only the most radical slogans and intense moments, these social media helped to change the wider public's perception of protest and contention, precipitating *Dey Māh*.

If the winter 2017-18 protest wave was preceded by one of Iran's worst financial crises in years, it was followed by a collapse in the value of the dollar in the wake of the US decision to withdraw from the nuclear deal. From spring 2018, with iPhones suddenly approaching the value of cars, the government and central bank tried their best to halt depreciation of the national currency. Yet, for what is generally described as a powerful authoritarian state, major parts of the executive apparatus proved surprisingly incapable of exerting control over currency trading and speculation. While many pointed to corrupt elites, so-called *bonyāds* and major institutional traders, and *āqāzādeh-hā*—the well-connected offspring of the country's nomenclatura—much less has been said about the politics of credit in the Islamic Republic of Iran. How is credit created in the first place? What is the role of the government therein? What is the connection between finance, elite politics and the broader economy?

Several years in the making, Bahman Ahmadi 'Amu'i's most recent book attempts to tackle these pressing questions. Although known in and outside Iran primarily for his investigations into state corruption during the Ahmadinejad presidency, Bahman Ahmadi 'Amu'i is respected in the academic field for his insightful qualitative work on the development of Iran's political economy.¹ Like this much-cited and ground-breaking earlier work, in his latest book on credit institutions 'Amu'i once again keenly engages the interview method. In the preface he explains that finding access to sources was particularly difficult and time-consuming. Insiders preferred to keep their trade shrouded in secrecy. Nonetheless, the provocative journalist managed to bring out the voices of about a dozen individuals. These include former officials at the central bank, managers at financial supervisory organs, and senior cadres of the Budget and Planning Organization and other ministries. As for bankers, the book's most prominent source is 'Alā' al-Din Mir-Mohammad Sādeqi, one of the founders of the Islamic Republic's financial system as it emerged after 1979.

¹Eqtēsād Siāsi-ye Jomhuri-ye Eslāmi-ye Iran (Tehran: Gām-e Now, 2003-4 [1382]).

The book, brief and concise, is structured largely chronologically, and consists of eight chapters. Separate chapters are devoted to the 1960s and 1970s, the 1979 revolution, the war and reconstruction period of the late 1980s and early 1990s, the Khatami presidency (1997-2005), and, finally, the Ahmadinejad era (2005-13). Two chapters are more technical and analyse credit regulations and parliamentary debates about credit institutions.

Borrowing from the reformist economist Sa'īd Leylāz, the first chapter reviews "the most important ten years of the last hundred years," namely the development of Islamic, interest-free, credit in the long 1960s. In this period of rapid economic growth, devout bazaaris and financiers extended micro-loans to poor peasants and the recently urbanized lumpenproletariat, as well as the growing middle class. Even if occasionally accused by the SAVAK, the national intelligence agency, of funnelling money to the opposition, these new Islamic credit offices were mostly left alone due to their small size. In fact, Ahmadi 'Amu'i explains how, because they were overseen by the interior ministry rather than the central bank, Islamic credit institutions could expand their trade rather freely.

In the wake of the 1979 revolution, all major banks were nationalized and private banks merged into larger state-owned conglomerates. Since they were not classified as private banks, Islamic, interest-free funds were left alone. But not for long: the restructuring of the national banking system according to Islamic principles briefly put pressure on interest-free banking. Some revolutionaries argued that since finance without interest is an Islamic principle, there is no need for such companies to be run independently by private actors. Why should they all not be run by the Islamic state instead? Such radical proposals were shelved once bazaaris took control of the Chamber of Commerce and the Islamic Economy Organization, which was tasked with managing and restructuring banking after the revolution. These merchants and businessmen were keen to limit the size and extent of the state.

Similar to the way in which Evaleila Pesaran describes competition between "statists" and more pro-market "mercantilists" in her book on the Islamic Republic's political economy,² Ahmadi 'Amu'i explains how throughout the 1980s friction emerged between the government and the interest-free funds. Yet the government systemically failed to control the latter's growth. According to Ahmadi 'Amu'i, at the start of 1979, the country counted only 200 interest-free funds. This figure increased to 800 in 1980-81, 1,400 in 1983-84, and 2,250 in 1986-87. Because the Iranian constitution did not allow for private banking, entrepreneurs eagerly founded interest-free funds instead in order to remain within the bounds of the law. When the constitution was amended in 1989 and private banking became an option, many credit institutions changed their statutes. The monetary volatility that the emergence of private banking caused in the early 1990s was exacerbated by the establishment of a separate Ministry of Cooperatives, which legalized hundreds of so-called credit cooperative companies.

²Evaleila Pesaran, *Iran's Struggle for Economic Independence: Reform and Counter-Reform in the Post-Revolutionary Era* (London: Routledge, 2011 and 2013).

These cooperatives were organized along corporatist and occupational lines and could extend credit to their members.

Uncontrolled growth of private credit led to a major meltdown in 2003-04, when the two largest Islamic credit companies in Isfahan collapsed. These two institutions, which together commanded around \$700 million and had over 500,000 members in the region, were run by individuals closely connected to the local state, religious and business elites. But, under pressure from political opponents, the Khatami government was unable to come up with viable long-term solutions. Popular protests broke out and the Khatami government decided to merge all accounts under the police-owned Qavāmin (hereafter Ghavamin) bank. This, in turn, created its own contradictions. Because the Interior Ministry oversees both the interest-free credit system generally as well as the police force, the growth of Ghavamin gave rise to a major conflict of interest at the heart of the system of Islamic banking. Moreover, Khatami caved in to pressure from conservative Mashhad bankers who demanded that the corporatist requirement for credit cooperatives be waived. Once the members of cooperatives were no longer required to have a shared occupational or corporate connection, what were to become notoriously 'bad' institutions such as Sāmen al-Hojaj (which went bankrupt in 2017) or Sāmen al-A'ammeh, started operating in Khorasan. One of Ahmadi 'Amu'i's informants estimates that since Khatami, Iran's central bank has controlled only around 20 percent of the country's liquidity.

The book does not consider the Rouhani years after 2013. The final chapters focus on the Ahmadinejad administration's contradictory attitude toward banking. On the one hand, Ahmadinejad opposed the expansion of private banking, while on the other hand his government undertook no further measures to restructure the system. This changed slightly after 2010, when requirements for start-up capital were lowered, paving the road for interest-free funds to formally change their statute to private banks. Several Islamic credit companies were merged into larger conglomerates, establishing institutions such as Arman that succumbed during the 2017 crisis. Both the police and the Bonyād-e Shahid also extended ownership over some of the largest of these funds.

Ahmadi 'Amu'i's short book is a critical introduction to the history and framework of finance and credit in Iran, providing key insights into its workings and the views of some of its insiders. Yet the book also suffers from weaknesses. In particular, the almost exclusive focus on political history and the legal framework surrounding banking misses aspects that merit further investigation. For instance, Ahmadi 'Amu'i barely discusses the links between credit institutions and the wider Iranian economy. The book does not inquire into the social background of the customers of these institutions. What sort of individuals or institutions are interested in borrowing or depositing at non-bank organizations, and why? Which sectors of the Iranian economy are more reliant on these alternative finance options, and how do the state's monetary policies or international sanctions affect their usage? In other words, although Ahmadi 'Amu'i traces the sector over time, he fails to investigate more deeply the sociological relevance of such credit in the Iranian economy. At times,

the book is too technical, while on other occasions the author is hindered by his confining interview material.

In sum, as one of the first well-researched accounts of the development of Islamic banking in contemporary Iran, Bahman Ahmadi 'Amu'i's *The Political Economy of Interest-Free Funds and Credit Institutions* deserves the serious attention of political scientists, economists, sociologists and other students of Iran. More than anything else, Ahmadi 'Amu'i's work shows that further scholarly investigation of this neglected aspect of Iran's political economy is seriously needed.

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Both Eastern and Western: An Intellectual History of Iranian Modernity. Afshin Matin-Asgari, Cambridge: Cambridge University Press, 2018, ISBN 978-1-108-44997-7 (pbk), 361 pp.

This book is an ambitious study of Iranian modernity through the lens of intellectual history. It tells the story of modern Iran by identifying the influential ideas that captured the imaginations of writers, thinkers, and activists at different points from the late nineteenth century to the eve of the 1979 Revolution. In so doing, Afshin Matin-Asgari has two aims: first, to bring attention to the important role that the global context (rather than the West alone) has played in the shaping of Iranian modernity. Secondly, to propose a “genealogy” for the 1979 revolution and show that despite the dominant “Islamic discourse” of the Revolution, there was indeed a “continuity of political culture across the pre- and post-revolutionary divide” (p. 6).

Matin-Asgari's account begins with the “genesis of Iranian modernity” (p. 21) and the Iranian Constitutional Revolution, which, he reminds his readers, was perhaps more indebted to Ottoman and Russian models, and a result of the interactions with activists based in Russian-controlled Caucasus, than it was to the “West.” Subsequent chapters proceed to discuss the ensuing decades and the dominant discourses and/ or ideologies that characterized them. These range from nationalism and nation-state building in the 1920s and 1930s, to socialism and Marxism, which dominated much of the intellectual scene in Iran from the 1930s all the way to the 1970s, and Third-Worldism and Islamic leftist ideologies in the 1960s and 1970s. At each turn, he shows how different generations of intellectuals in Iran engaged with these global ideologies, giving shape not only to the debates in their own intellectual circles, but also to Iranian politics and political culture at large.

In expounding the various “visions of modernity” articulated by Iranian intellectuals, Matin-Asgari builds on existing scholarship. He not only engages with all the