State Building and Religious Resources: An Institutional Theory of Church-State Relations in Iran and Mexico

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INTRODUCTION

In the past several decades, religion has made a surprising and dramatic resurgence in political life. The Iranian Revolution of 1979 reminded scholars of the mobilizing power of religious fundamentalism. In Latin America, evangelical protestantism has been altering the social arena and influencing presidential elections in countries such as Columbia, Guatemala, and Peru. Likewise, religious movements are transforming the political landscape in nations as diverse as Algeria, the Philippines, Poland, South Korea, Tibet, and the United States, to name just a few. Scholars have been quick to note the importance of the resurgence of religious politics, inspiring Samuel Huntington to posit that future political conflict will not be between states but between "civilizations" or "cultures," of which religion is a primary component.[1] The American Academy of Arts and Sciences considered the topic worthy enough to fund a four-volume, cross-disciplinary study—*The Fundamentalism Project*[2]—examining the changing role of religion in societies around the globe.

The growing interest in religion and politics is a recent phenomenon. Influenced by modernization theory, the reigning notion among political scientists prior to the 1980s was that as societies industrialized, religion would fade into the

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background. Secularization[3] and the separation of church and state were considered natural processes in building modern nation-states. Huntington himself made this connection in his earlier writings when he stated that "[w]ith the birth of the modern state came the subordination of the church."[4] The separation of church and state has been considered one of the hallmarks of modern political "development," wherein modern industrial nations (e.g., Western Europe, United States) are portrayed as successfully having restricted religion and traditional religious values from the public sphere early on in their histories.[5] While modernization theory has been discredited on a number of dimensions in the study of political economy, the notion that secularization naturally coincides with industrialization and democratization continues to influence the study of religion and politics today. Staying within this general framework, resurgent fundamentalisms are explained as reactions by traditionalists to modern industrial society.[6] The struggles resulting between religion and politics—both in the process of secularization and fundamentalist resurgence—are thus seen as grandiose battles between traditional and modern worldviews.

Interestingly, most explanations given for the decline and resurgence of religion in politics are steeped heavily in ideational analysis.[7] The analytical preference for an ideational perspective is not surprising given that religions are, at heart, purveyors of ideas, values, and norms. If the authority of religion is based on ideology (or, more properly, theology), it seems reasonable to expect that conflict involving religious and secular political officials would be motivated principally by divergent ideas. But is conflict between church[8] and state exclusively a matter of competing values and worldviews? Is it possible, instead, that there are strong institutional interests driving church-state conflict? Moreover, since church-state cooperation is historically more common than conflict, how can ideational perspectives explain periods of harmonious relations between secular modernizers and religious traditionalists, especially if both actors maintain ideological consistency?

Consider for a moment two historically and geographically disparate moments in church-state relations. In 1924, Iranian Prime Minister Reza Pahlavi proclaimed,

> I myself and all the armed forces of Iran are ready to protect and preserve the glory of Islam. This I consider to be one of my important duties. I have always wanted to see the progress and promulgation of Islam and have the highest respect shown to the office of the clergy.[9]

The clergy reciprocated by offering a flattering letter, prayer, and a revered portrait and alleged sword of the first Shi'ite Imam.[10] A decade later, after consolidating political power, Reza Shah ordered the mandatory unveiling of women. When the clergy and other religious activists protested the change in policy, the shah's police fired on the protestors who were holding a sit-in at Iran's most holy mosque.[11] The birth of an independent Mexico, roughly a century earlier, exhibited a remarkably similar pattern in church-state relations, oscillating between

comity and conflict within a few years. This was epitomized by the actions of Valentín Gómez Farías. As an early Mexican politician committed to a liberal agenda, he "praised the Church and churchmen during the [eighteen] twenties" in an effort to win their support for his political causes. Within ten years, however, Gómez Farías "had become the leading zealot of the new Liberal party and was to distinguish himself as the promotor [sic] of Masonic-inspired anti-Catholic legislation . . . wholly willing to destroy the Church in which he was raised."[12] To the extent that these conflicts were ideologically determined, as the literature at large implies, we are faced with a paradox. Why did secular actors who were consistently committed to building a modern state (based on precepts of secular Westernism or liberalism) shift from an initial position of cooperation with traditional religious authorities to a more hostile stance a few years later? Perhaps more puzzling is that in both cases, conflict between church and state subsided after an intense period of conflict, and cordial relations were eventually reestablished.[13]

To get at the issue of whether ideas or interests motivate church-state conflict, this paper analyzes the relationship between state actors and religious institutions in Iran and Mexico during important periods of state building. Following Huntington's lead, we define "state building" as a period of "rapid growth and rationalization of state bureaucracies and public services, the origin and expansion of standing armies and the extension and improvement of taxation."[14] It should be noted that "state building" is not necessarily a "one-time" event in a country's history. Political centralization (and decentralization) is an ongoing process. Nonetheless, there are generally agreed upon historical periods in virtually all countries when a new hegemonic regime emerges from an accelerated process of political centralization and bureaucratization. In both our cases, scholars widely identify two instances of such activity—the mid-1800s and 1910-1930s for Mexico and 1921-1930s and the 1980s in Iran. We concentrate attention on the earlier periods in each country as representative of the initial "modernizing" phase when, according to most ideational theories, the struggle between "modern" and "traditional" ideologies first manifests itself as church-state conflict. If we can show that institutional interests played a significant role in church-state clashes during the period when "modernizing ideologies" were seen as gaining prominence over "traditionalist theologies," there may be good reason to suspect that similar interests may be at play in the current "era of religious revival."

Our two cases—Iran and Mexico—are chosen to maximize explanatory leverage in a qualitative historical analysis. We consciously apply a "least similar" systems design[15]—analyzing an Islamic and Catholic case during two separate centuries—to illustrate how variation in cultural tradition plays a relatively limited role in church-state conflict. The observation that church-state relations follow similar patterns in each country's history suggests that common institutional interests prevail. Although not a definitive test of the theoretical explanation presented below, this case selection conforms to Eckstein's criteria for "theory building" and "crucial case studies."[16] While the ideal research design would have us

examining the entire universe of cases or taking a random sample, this would not permit us to explore the cases in sufficient historical depth to make a solid empirical case for our argument. As such, we selected countries where church-state conflict was clearly evident during a period of state centralization, with a conscious decision to choose separate religious traditions. While we are open to the criticism that our theoretical model was developed from an examination of these two cases and then tested on the same cases, the explanatory framework presented below was derived from hypotheses advanced earlier by Gill,[17] who did not examine either Mexico or Iran.

By focusing on how institutional interests precipitated church-state conflict during the initial state-building era in Iran and Mexico, our goal is to open a wider debate about the role of institutional incentives in the study of religion and politics. Greater attention to interest-based behavior could inform the current debate on the resurgence of religious fundamentalism around the world.[18] Moreover, we hope to provide the basis for a theory of church-state relations that encompasses situations of cooperation as well as conflict. To date, the majority of scholarship focuses on conflict, leading to significant analytical distortions. Contentious issues in church-state struggles frequently are cloaked in ideological/theological rhetoric giving rise to the belief that differing worldviews are the principal causes of these conflicts. However, there are historical periods when secular modernizers and traditional religious authorities coexist harmoniously, often cooperating with one another. If ideological convictions remain reasonably constant over time, other variables must be at work provoking oscillations between conflict and cooperation. This is not to say that ideology remains set in stone; worldviews are malleable over time. In the cases presented here, however, the historical record shows that all actors maintained consistent ideological goals, be it a vision of modernism or traditional religious order. Thus, our case selection also controls for variation in belief as well as any historical analysis can.

In contrast to ideational models of church-state conflict, we set forth an initial explanation of church-state relations based upon institutional interests to account for both conflict and cooperation between secular and religious leaders. We posit that the interaction between church and state is affected over time by the ability of each entity's leaders to control resources critical to institutional survival and growth. Religious leaders will attempt to maximize spiritual influence over society, financial resources, and institutional autonomy, while state actors strive to maximize their control over the population (including revenue extraction and popular consent). To the extent that these goals are complementary, a cooperative bargain between church and state will result. However, should the opportunity costs of cooperation increase for either party, conflict will occur. We argue that conflict emanates from competition over institutional resources that religious organizations possess prior to the formation of the nation-state and that secular leaders need to expropriate in order to consolidate and expand their rule at critical moments in the state-building process.

This institutional approach to the study of church-state relations seeks to supplement more ideational theories by depicting politicians and clergies as independent agents who make bargains and maneuver to achieve institutional interests. Therefore, we portray clergies as modifying or transforming their position and attitudes vis-à-vis political actors given the specific political context. Having said this, we do not deny that ideological factors play a role in church-state relations. Latent ideological hostilities can flare into fierce political struggles. However, such battles are often precipitated by more interest-based concerns such as access to economic resources or political power. Ideology molds the rhetoric, form, and intensity of conflict (and cooperation) in these instances. Thus, we assert that ideology serves as a secondary factor, typically providing justifications for institutional maneuvering or signals of intended action. Ideology also may limit the feasible set of political stances taken by political and religious actors, making some actions more likely than others.[19] Nonetheless, it should be noted that the religious doctrines of Islam and Catholicism are quite expansive and sometimes contradictory, providing justifications for a wide array of political and social activity.[20]

Finally, the perspective presented in this paper allows for contingency by explaining actions at specific historical points. Each particular nation-state follows its own independent path defined by particular structural configurations, ideological variations, and international conditions. These factors determine the time, language, and group composition of both political changes and church-state relations. Nonetheless, broad-based patterns can be observed across cases and time. Hence, we argue that at key historical junctures in a state's history—namely, initial periods of bureaucratic centralization—state actors will formulate policies to prolong political survival and maximize revenue. The actions that rulers take often will impinge upon the traditional prerogatives of religious institutions, thus provoking conflict between church and state. Religious leaders will respond by trying to protect institutional autonomy, access to financial resources, and their social influence. In this light, we demonstrate how institutional interests are critically important in shaping church-state conflict and the resultant process of "secularization." We begin by elaborating briefly the conventional wisdom, followed by a general discussion of the institutional interests at play in church-state relations. We then proceed, along the lines of analytic narrative,[21] to examine the specific cases of Iran and Mexico.

IDEATIONAL APPROACHES TO CHURCH-STATE CONFLICT

Modernization theory, popular in the 1950s and 1960s, implicitly accepted the sociological theory of secularization wherein it was believed religion would naturally fade away as science and bureaucratization advanced. Typical of this view, Anthony Wallace argued that

even while religion has, over the millennia, been responding to the successes of technology by increasingly concentrating its attention on problems of human behavior, [science and government] have been becoming ever more serious competitors. . . . Science competes with religious mythology, with its metaphysics, with its belief system; *government competes with religious ritual by introducing ritual of its own*.[22]

In effect, the supernatural theology of religion would be replaced with a this-worldly, secular ideology. From this perspective, modernization theory frequently framed the issue of church-state conflict as a dichotomy between traditional and modern values, with religion falling in the former category. Religion, it was argued, emphasized a number of behavioral beliefs that stunted the development of a modern nation, such as deference to authority, paternalism, glorification of the past, and so on.[23]

Admittedly, secularization theory has been modified to account for religious revivalism in the years since Wallace wrote his classic statement on the subject. The global resurgence of religion, including its prolonged strong presence in the United States, has forced many social scientists to reevaluate the notion that religion invariably vanishes from public life with socioeconomic and political development.[24] Scholars mostly have stopped claiming that there is an automatic linear progression from religious to secular societies. Nonetheless, church-state conflict commonly remains conceptualized in terms of ideological conflict between religious and secular worldviews.[25] In analyzing the rise of fundamentalism in developing countries, Mark Juergensmeyer argues that secular nationalism

became the ideological partner of what came to be known as "nation-building." As the colonial governments provided their colonies with the political and economic infrastructures to turn territories into nation-states, the ideology of secular nationalism emerged as a by-product of the colonial nation-building experience. As it had in the West in previous centuries, secular nationalism in the colonized countries in the nineteenth and twentieth centuries, secular nationalism came to represent one side of *a great encounter between two vastly different ways of perceiving the sociopolitical order* and the relationship of the individual to the state: one informed by religion, the other by a notion of a secular compact.[26]

As evidenced by the above quote, church-state relations during the state-building process are viewed as inherently conflictual interactions due to competing ideological worldviews. In Latin America, it has been asserted that modernizers in the nineteenth century championed the ideology of "liberalism" against corporatist Catholic thought.[27] Similarly, several Middle East specialists argue that "Westernism" was in inherent conflict with "traditional" Islamic values.[28]

On a more microlevel of analysis, religious actors are assumed to be motivated more by ideas than interests when compared to their secular counterparts. This is understandable since clergy are often the primary source for the generation and propagation of societal beliefs, norms, and values. However, viewing religious officials exclusively in ideational terms denies the more tangible requirements and interests of individual clerics (e.g., career advancement) and institutions (e.g.,

the need to finance their organization).[29] Likewise, state leaders tend to be motivated by interests more than ideology. Again, this does not imply that ideology is irrelevant. Rather, we agree with Douglass North that ideology is often a means of lowering transaction costs at one particular point in history and may limit an actor's strategic options in the future.[30] Our primary objection to the ideational literature on church-state relations during the state-building process is that relations between religious and secular actors are conceived exclusively in ideological terms. Hence, our purpose here is to provide an alternative, interest-based perspective with the intent of stimulating debate over the relative role of ideas versus interests in the study of religion and politics.

As argued below, the historical record shows that liberal or Western modernizers do not blindly follow their ideology into battle with religious leaders; they strategically calculate when and how to expropriate the various functions of religious organizations. Knowing this helps to explain why even the most ardent secularists will yield to church influence early in their rule, when their hold on power is most tenuous.[31] Likewise, religious personnel have often acted contrary to their moral proclamations in order to further organizational objectives.[32]

CHURCH-STATE RELATIONS DURING STATE FORMATION FROM AN INSTITUTIONAL PERSPECTIVE

Understanding the institutional dynamics of church-state relations first requires elaboration of the varied interests of religious and secular actors in relation to one another. Taking the evangelizing mission of most major religions at face value, we begin by proposing that religious leaders are concerned principally with maintaining or increasing the number of adherents,[33] as well as enforcing commitment to the established belief-system (or doctrine). One of the most successful, long-term means of ensuring parishioner fidelity is early socialization into the religion,[34] hence religious officials will attempt to monopolize or gain privileged access to education. Religious leaders will also seek to maximize their membership base by eliminating rivals,[35] either through moral suasion (i.e., evangelization), government intervention (e.g., legal restrictions on competing denominations), or other means (e.g., social ostracism). In order to spread the religious message and provide services, a religious organization, like any secular group, requires financial, physical, and human resources. Clergy will therefore seek to maximize revenue from established sources without alienating their critical constituents. This said, religious leaders have an interest in controlling (or having privileged access to) financial institutions and/or revenue-producing assets such as taxation, endowment, and property registration systems.

For individual clerics, their personal success (whether measured in career advancement, annual income, or "souls saved") depends on their ability to serve their followers' needs, meet organizationally determined goals, and preserve control over religious institutions. Even though Islam may be less hierarchically

organized than Catholicism, the desire of Muslim clerics to spread and enforce the faith imposes the same incentives on them as their Catholic counterparts. Given the combination of various professional opportunities to extract income by providing private services (legal, educational, and religious) and the absence of a strong hierarchical organization (like the Vatican), Muslim clerics have a stronger incentive to maximize revenue as it directly equates to their personal income. In other words, religion for all clergy is an occupation, and occupational interests, as determined by the structure of particular institutions, in part, will determine individual behavior.

Political actors are also motivated by institutional and occupational incentives. First and foremost, secular rulers typically are interested in political survival. Rulers usually pursue state power because it is the means to their other ends. As Ames succinctly puts it,

> *Why* [political leaders] want power is not at issue. In their own minds, leaders may seek power in order to assist certain social or ethnic groups, to improve the well-being of all citizens, to enjoy the trappings of office, or to get rich. None of these goals is attainable unless executives can maintain a grip on their offices.[36]

Political survival is threatened by the existence of credible rivals to power. During the period of initial state building, political survival is especially tenuous. Multiple individuals (or groups) will stake claims to governmental authority. The distribution of power among these groups is frequently diffuse, favoring no particular individual or group. Without well-institutionalized rules of political behavior, politics becomes a fiercely competitive zero-sum game. The first person to obtain decisive political control will gain the ability to define the procedures and create institutions that dictate future political interactions, most likely in a way that bolsters their own personal power and gives them preferential access to society's economic resources. Securing political survival during the initial period of state building eventually requires the monopolization and centralization of coercion, lawmaking and enforcement, and the provision of key public goods (e.g., education, economic infrastructure, etc.). As we shall see, it is pursuing these institution-building activities that puts the modernizing state at odds with religious authority.

Building state institutions requires resources—bureaucrats must be paid, infrastructure built, and rivals paid off. Thus, one of the first tasks of state builders is to construct an efficient system of revenue extraction. Secular leaders who can tax efficiently will find their rule reinforced by a stronger bureaucracy and coercive apparatus. This, in turn, strengthens the state's ability to extract further resources from society. However, at the outset of the state-building process, the power of secular leaders over society is relatively limited: monitoring and enforcement of policies are weak, and rivals to power are numerous. Gaining the voluntary or quasi-voluntary compliance of the citizenry in paying taxes and obeying rules is paramount.[37] This is an important point since it provides state

executives with the incentive to cooperate with religious authorities when they first take power. Religious leaders, having built a loyal following prior to the inception of the centralized state, have the ability to command the obedience of the population and thus mobilize support in favor of (or against) a particular set of leaders. In the game of political mobilization, longstanding religious institutions have a significant advantage in organizing collective action. When multiple rivals to power exist, the safe strategy of any particular set of rulers is thus to court the cooperation of the clergy. Challenging religious authority before consolidating one's own rule could provide secular opponents with a powerful institutionalized ally. This would lead us to expect that early in the state-building process, when one set of leaders has taken state power but still faces viable opponents, church-state cooperation is likely.

Although church and state actors may have incentives to cooperate under certain conditions, they are also potential rivals for social authority. Prior to the formation of nation-states, religious institutions carried out numerous functions now typically in the hands of state leadership. Specifically, religious organizations provided key public goods necessary to ensure social stability and economic efficiency. In medieval Europe, for instance, the Catholic Church maintained financial institutions; monitored economic transactions; provided a legal system for arbitrating property rights and contracts; recorded births, deaths, and family lineages; and even funded military excursions.[38] Both the provision of public goods and the concentration of wealth within religious institutions made the clergy potential rivals to incipient state leaders.

The existence of a rival authority severely weakens the obedience and revenue rulers can solicit from their citizenry. Voluntary and quasi-voluntary compliance, as well as its associated costs (namely the tax rate), would be driven down by religious competitors to the level that citizens were willing to bear for the secular provision of public goods. For example, should individuals disapprove of the quality or cost of state judicial services, they could turn to religious representatives for more favorable arbitration. Prior to the creation of modern bureaucracies, this practice was common in the Middle East, medieval Europe, and, to a lesser extent, Latin America.[39] Lacking the ability to pass judgment on contract disputes, the state would lose considerable control over property rights. This would severely limit the state's rent-seeking ability. Not surprisingly, we should expect secular officials to expropriate the various bureaucratic functions of religious organizations in the early phases of state building. Instead of outright expropriation, secular leaders sometimes have the choice of co-opting religious organizations so as to maintain tight regulatory control over their social functions.[40] Church-state conflict would likely ensue since religious officials would not be expected to give up their authority or autonomy easily.

With respect to where the specific areas of conflict between church and state will be, we suggest that the key battlegrounds of church-state conflict during the

period of state building will be in areas that enhance state authority and revenue and over which religious organizations traditionally had control. A close examination of various historical church-state conflicts reveals three specific areas of fundamental importance—education, tax infrastructure, and jurisprudence.

Education. As noted above, religious officials have a strong interest in controlling education as it serves as the primary means of teaching religious norms and practices and bringing individuals into the faith, thereby guaranteeing they will be long-term adherents.[41] Likewise, states also have an interest in education. Socializing children to respect the laws of the state and become citizens of a nation-state may lead to long-term political stability. However, since most political leaders, especially during the initial stages of state building, have time horizons shorter than the time it takes for children to mature into politically active adults, this reason is not entirely satisfying. In the short term, secularization of education gives rulers control over a new class of highly regarded authority figures—teachers. In many societies where literacy and education are rather limited, teachers command great respect in communities and can often sway political opinions and actions. By creating a cadre of respected professionals who are civil servants beholden to the state, government officials can enhance social compliance and thereby reduce the overall cost of rule. Also, administering schools and forming educational curriculum allow the state to produce citizens with skills appropriate for employment in an expanding bureaucracy. Schools transform citizens into bureaucrats who work for the state. In ethnically divided societies, secular control of education allows the government to promote the use of a single language, potentially reducing social tension and integrating more individuals into the political and economic life of the state. Finally, the expansion of public education also allows for the creation of a "national network of mass communication," an important infrastructural development needed for industrialization.[42]

Taxation. One of the most essential tasks of modern states is the need to raise tax revenue. Without revenue, all state projects grind to a halt. However, efficient tax collection (wherein the costs of collection are minimized relative to revenue) requires a rather well-developed bookkeeping and census apparatus. Tax collectors must be able to determine who owns what property as well as familial relationships (for inheritance taxes). Traditionally, religious organizations were responsible for such bookkeeping. In both the Islamic and medieval Catholic worlds, the clergy directly controlled the collection of religious taxes and registering property.[43] State rent-seeking behavior also implies capturing other revenue-producing assets—namely, authority over private goods and services paid for by individuals. This includes fees frequently associated with life cycle activities (e.g., birth certificates, marriage licenses, and funereal services).

Jurisprudence. Finally, effective state leadership requires the ability to enforce laws. Enforcement encompasses monitoring compliance, punishing deviance,

and arbitrating disputes among citizens themselves, as well as between citizens and the state. Control over arbitration is particularly important as it gives the state a monopoly position over the interpretation of formal and informal contracts. The development of legal institutions and the expansion of jurisdiction over contracts also enable state leaders to define property rights in order to meet their political and socioeconomic needs. This can affect everything from wealth redistribution to the determination of whether interest rates are usurious. Moreover, a credible legal system that more efficiently enforces property rights is needed to stimulate economic investment, a source of taxable revenue.[44] Competing systems of arbitration may lead to uncertainty, depress transactions, and hence limit the state's ability to capture rent from such economic activity. Given that religious institutions, especially in the Islamic world, were typically the most trusted source of dispute arbitration prior to the development of secular judicial bureaucracies, it is not surprising that this would be a major issue area with regards to church-state relations.[45]

Given this initial framework, we now turn to a discussion of our two case studies—Iran and Mexico—in order to examine the historical developments of church-state interactions during state-building eras.

IRAN

A casual reading of news headlines would lead one to think that Middle Eastern politics is synonymous with religious violence and that this conflict is, in turn, conditioned between the clash of two opposing worldviews. Scholarship on the Middle East has typically followed suit by describing "church-state" relations as an inevitable dichotomy between tradition versus modernity, or Islam versus "the West."[46] Due in large part to the outcome of the 1979 Iranian Revolution, Iran's Pahlavi dynasty (1925-1979) is often cited as the epitome of such ideological conflict.[47] The religious-secular conflict is magnified in the Iranian case because Shi'ism, the faith of the vast majority, has often been described as a heterodox form of Islam with a unique "oppositional" ideology propagated by the Shi'ite clergy, or *ulama*. Hamid Algar typifies this claim when he writes,

> There are . . . grounds for discerning a stance of opposition to tyranny as one of the fundamental and most pervasive characteristics of Ithna 'ashari [or Twelver] Shi'i Islam, and this stance was not inspired exclusively by the defects of Qajar rule. Furthermore, an almost unbroken line of descent connects the oppositional role of the ulama in Qajar Iran with the present struggle of an important group of the Iranian ulama against the Pahlavi regime. Despite far-reaching changes in the intellectual, cultural, social, and political countenance of Iran, the voice of the ulama is still heard demanding an end to what it identifies as tyrannical and arbitrary rule.[48]

However, such a purely ideational perspective toward ulama-state is at best imprecise and at worst misleading. First, the historical record shows that there have been several lengthy periods when prominent ulama opted for political

aloofness rather than action.[49] Moreover, even if we are to accept the argument that Shi'ism is intrinsically opposed to temporal authority, Shi'ite theology is predominately controlled and dissipated by authoritative individuals with specific institutional interests. Yann Richard perceptively notes, "The paradox of Shi'ism is that this revolutionary potential is not left to its own devices, but channeled as much as possible through the clergy."[50]

To explore the institutional interests underlying relations between the Iranian state and ulama, we center attention on the events between 1921 and 1941, the primary state-building era under Reza Pahlavi. It is worth noting that scholarship on Reza Shah's reign has been sparse and homogeneous, with scholars far more interested in analyzing conflict rather than cooperation. The major works on modern Iran all provide superficial treatment of the interwar period and simply describe the era as a "modernization" phase with Reza Shah attacking religion and the clergy.[51] Historians and social scientists studying modern Iran typically paint a stylized picture of Reza Shah as a tyrannical modernizer and secularizer. In these accounts, Iran was said to have been "modernized" by the new shah with little reference to coalitions and interactions with other actors. We, conversely, seek to show that the ulama, a group that receives substantial attention by scholars studying post–World War II Iran, were not passive recipients of Reza Shah's dictates and played an important role in his rise to power—first as cooperative allies, then as targets of state hostility.

Shi'ite Islam: The Ulama and Their Institutions

Shi'ite Islam has been the official religion of Iran for almost five hundred years. Although only about 10 percent of all Muslims in the world are Shi'ite, today roughly 90 percent of Iran's population consider themselves Shi'ites. Moreover, today the Shi'ites living in Iran almost exclusively follow the Twelver denomination and the Usuli, or rationalist, judicial school. The Islamic clergy, both Shi'ite and Sunni, are usually referred to as the ulama (pl. of *alim*), or the learned, and provide religious services, administer religious establishments (e.g., mosques, seminaries, and endowments), preside over Islamic courts, educate, and write theological and legal texts. Their rank is based on their educational level, published works, and acknowledgment by peers. Furthermore, the Shi'ite clergy derives its expertise from the conceptualization that the Shi'ite community is divided into those who have received the learning in order to deduce law (i.e., *mujtahids*) and those who must emulate them (*muqallids*). In the past two centuries, a hierarchy has developed among the scholars themselves, the zenith of emulation being a single or select group of *marja-i taqlids*.

By the dawn of the twentieth century, the Shi'ite clergy possessed five basic social duties and privileges earning them income and a high social status. First, the ulama are leaders of Friday prayer services. The second right of the ulama is to declare religious war, or *jihad*. Third, and arguably the primary function of the

ulama, is to study, teach, and interpret the religious texts. The ulama are the guardians and interpreters of the word of God and the Holy Law since they have monopoly over the right to interpretation and transmission of the Koran and traditions attributed to the Prophet Muhammad (*hadith*). They historically administered all the educational institutions from the village Koranic schools to the great seminaries. Related to scholarship is the judicial authority. A primary field of Islamic scholarship is the study of God's law and the methodology of jurisprudence. Over time, all aspects of Islamic law fell in the hands of the religious scholars, including criminal, inheritance, contract, and family law. Many clerics also use their legal expertise to write title deeds, arbitrate disputes, monitor witnessing of documents, and preside over marriages and burials, and they are the custodians of public and private endowments. The last major role of the ulama is to collect and distribute the religious taxes, the most important of which is the *khums*, a pecuniary tax that supports charities and funds educational activities and other public projects. These are the institutions that the ulama attempt to maximize their control over, receive income from, use to enforce and spread religious doctrine, and educate future clerics. In other words, they are the institutions that condition the interests of the ulama.

Ulama-Reza Pahlavi Cooperation (1921-1928)

After the Constitutional Revolution (1905-1911), Iran's domestic affairs fell into disarray. Separatist and republican movements, tribal rebellions, British and Russian imperial activity, and the post–World War I economic crisis and famine typified the disunity and exposed the feebleness of the central authorities headed by the Qajar monarchy. There was certainly no shortage of secular competitors wanting to control state power. Within this context, Reza Khan, a relatively unknown commander of the elite Cossack Brigade, successfully launched a coup in 1921 against the government in Tehran and subsequently became minister of war. After only four years, he wove his way through Iran's volatile political maze and challenged a number of rivals to become shah and establish the Pahlavi dynasty. Reza Khan's climb to the throne, however, was impossible without the cooperation of the Shi'ite hierarchy.

Reza Khan actively sought the approval of the ulama for his centralization of the military, attacks against separatist movements, and political battles with the Qajars and liberal reformers. The ulama were a major contingent within Iran's parliament, known as the Majlis, an influential force in Iran's urban politics and whose edicts carried legal weight.[52] First, Reza Khan used symbolic gestures to demonstrate his piety and reverence for the religious leadership.[53] Moreover, in a dramatic and well-publicized move, he outmaneuvered the Qajars by negotiating the return of the two noted Iraqi ulama to their homeland.[54] These scholars had been expelled from Iraq by the British-controlled Iraqi government. Reza Khan also offered a set of political concessions and overtures to the clergy and religious

community. Significantly, this included a retreat on his desire to transform Iran into a constitutional republic.[55] After the leading clerics in Qom informed him of their disapproval of the constitutional change threatening to send Iran down the secularist path taken by Ataturk's Turkey, Reza Khan publicly proclaimed his change of heart. Thus, prior to his coronation and during much of the 1920s, Reza Khan not only refrained from attacking the clergy's institutions but fostered the clergy's involvement in politics and solicited their support. Given that Reza Khan would again reverse this position, it is more appropriate to view this as a strategic, as compared to an ideologically based, decision.

Why would the ulama champion Reza Shah versus his political opponents? The ulama either opposed Reza Khan's political competitors or supported Reza Khan as the only person who could prevent the ever-increasing likelihood of anarchy, military ineptness of the central army, and imperial domination that was attributed to the Qajar dynasty. The ulama had several reasons to dissolve ulama-Qajar relations. It was during the Qajar dynasty that a new secular school system was created and threatened to encroach upon the ulama's educational monopoly. Second, the Qajars did not impede and at times even encouraged Western influence and concessionary exemptions. Increased foreign intervention weakened the religious hierarchy's legal jurisdiction over transactions in the economy, introduced Christian missionary schools, cut into the revenue of the ulama, and economically undermined the clergy's main ally—the merchant class. Western influence was especially worrisome for the ulama who were aware of the restrictions imposed upon Islamic institutions in their colonized Iraqi and Central Asian neighbors, as well as in Turkey. Finally, the ulama likely found Reza Khan's outsider credentials appealing since he was not related to the Qajar court or the political establishment and was perceived to be more capable of reducing corruption and reorganizing the central government. For these reasons, the religious scholars were quite willing to support—tacitly and explicitly—Reza Khan's campaign to increase his political power at the expense of the Qajar monarchy. The internal security and unity provided by Reza Khan benefited the ulama in general. First, during an era of increasingly complex transactions across Iran and internationally, many property rights were unenforceable without a third party such as the state. Thus, the development of a national enforcement mechanism was vital for the enforcement of legal verdicts and contracts, much of which benefited the clergy or their merchant supporters directly. (A strong military controlled by the state was not objectionable to the ulama since it suppressed outlaws and, during this initial state-building phase, was almost never used against Islamic institutions. The improved security decreased banditry and increased civil stability, promoting economic growth and consequently increasing judicial and registration income for the ulama.) Reza Khan's program of modernization was not antithetical to the interests of the clergy, and little theological opposition was raised to it.

As a result of a supportive ulama, Reza Pahlavi was able to consolidate his position in the 1920s. Additionally, Reza Pahlavi won the early support of the

urban liberal reformers[56] and the merchants.[57] The weak Qajar dynasty was abolished on October 31, 1925, by the pro-Reza Khan parliament. Less than two months latter, the Constituent Assembly ensured Reza Pahlavi's political supremacy by proclaiming him the new shah and founding the Pahlavi dynasty. The era from the coup d'etat to 1928 was marked by the monopolization of the sources of coercion under the supervision of the state. Reza Pahlavi, both as commander-in-chief and shah, mobilized the state's resources primarily to suppress rebellions, disarm rival tribes, and wrest control of the rural areas from local power magnates. The goal was to establish the supremacy of the central authorities in Tehran.[58] Related to the government's monopolization of coercion was the implementation of a national conscription law. Notably, after a series of meetings with the religious leadership, this bill was amended to exempt the clergy and their students from military service.[59] In contrast to what ideational models would predict, this demonstrates a surprising lack of hostility between a modernizing regime and traditional religious authority.

Breaking Ulama-State Relations (1928-1941)

During the initial years of Reza Shah's rule, when he was concentrating on outmaneuvering his political competitors, the ulama retained substantial control over the nation's judiciary and educational system. After Reza Shah consolidated the state's coercive apparatus, he turned his attention to strengthening the government's fiscal position. The U.S.-directed Financial Mission helped the government establish an efficient tax system.[60] Tax collection and customs revenue skyrocketed.[61] The shah also benefited from the burgeoning oil industry (controlled by the Anglo-Iranian Oil Company), which paid royalties directly to the central government. With such high rents filling state coffers, the rapid construction of a modern bureaucratic state began in earnest circa 1928.[62]

During this second phase of ulama-state relations under Reza Shah (1928-1941), the state attacked the political power of the clergy and expropriated their institutional sources of social power. First on the agenda was the clergy's legislative power. Reza Shah transformed Iran's parliament into a rubber stamp for his policies, employing irregular election procedures benefiting candidates personally chosen by the shah.[63] The important ulama contingent in the parliament was a major victim of electoral fraud. The percentage of deputies who were clerics declined from 14 percent in 1923 to 4 percent in 1930 and finally none in 1938.[64] Thus, unlike his rise to power, Reza Shah implemented legislation without having to make concessions to the ulama. The most conspicuous examples of the end of cooperative relations between the state and religious leaders were physical attacks against the ulama.[65] During the confrontational phase, the organized national army, whose formation was supported earlier by the ulama, was brutally turned against them.

Educational reforms. Directly related to the state-building process, however, was Reza Shah's creation of a national educational, registration, and judicial system. These were the very institutions historically controlled by the ulama. It was not until the late 1920s and early 1930s that the state made a concerted effort to appropriate the educational system from the Shi'ite hierarchy. Prior to this, all education was provided or tightly supervised by the ulama. Beginning in the nineteenth century, the government began to introduce Western educational subjects and organizations into Iran. However, the government was too financially and militarily feeble to propagate any major reforms. In 1910, the parliament created the Ministry of Education, Endowments, and Fine Arts and made the ambitious proclamation that there would be compulsory education for all Iranians. Nonetheless, numerous articles were included in the bill to placate the ulama and allow them close supervision of the government-run schools.[66] Thus, Islamic schools were not simply for devout Muslims or religious education but were the only schools available for general education. Islamic seminaries represented the final level of education where the student then graduated to become a religious scholar or a government employee. In this manner, the ulama maintained an autonomous, albeit indirect, source of influence over the nature of government.

The public school system expanded in the 1920s, but it was not until the 1930s that the state significantly increased finances for education and accelerated the expansion of the public school system. The number of students attending public elementary and secondary schools more than doubled in the 1930s. Although the number of students attending Koranic schools continued growing until 1935, these institutions could not keep pace with the subsidized state-run schools. After 1935, their enrollment and influence began to wane.[67] Islam and Arabic language courses, usually taught directly by clerics, were abolished from the public elementary school curriculum by 1930.[68] Finally, in February 1935, Tehran University was officially founded, marking the first secular alternative to the Shi'ite seminaries in the realm of higher education. With this move, the secular government gained control over the education of future public servants.

Reza Shah's policies apparently were designed to develop an educational system controlled directly by the state and to marginalize all private schooling. Ulama-run elementary schools continued to operate, but attendance fell. The demise of these schools was not merely due to the replacement of Koranic schools with the government schools. Rather, the state invested its resources into developing public schools that offered better job opportunities for graduates. The clergy lost their monopoly over the provision of education and with it a critical institution to spread the faith, reproduce clerics, and gain revenue. State expropriation of religion's institutional power did not stop there, though.

Tax infrastructure. In the 1930s, legal institutions were adjusted to place registration and documentation powers fully in the hands of the central state. The sys-

tematic documentation and recording of property rights facilitated collection of taxes, enabled complex economic transactions, and provided alternative sources of revenue. A Land and Property Bureau was created in the fall of 1929. Registration of real estate became compulsory, and authority over land transactions shifted from religious courts to the bureau.[69] Furthermore, properties whose owners were unknown were registered under the supervision of the regional public prosecutor, and if the owner did not claim them within twenty years, they were to be registered in the name of the state. The Registration of Documents and Property Act of March 1932 stripped the ulama of their function as registrars and notaries of documents, including contract deeds, affidavits, powers of attorney, and property titles. Along with the reduction of social power this implied for the clergy came a loss of occupational revenue, further weakening the institutional power of the religion. Banani writes that documentation services were "by far the largest source of legitimate revenue for the *mujtahids* and lower clergy. As a consequence of the law of 1932, many members of the clergy were forced to abandon the robe and seek secular employment."[70] By expropriating the tax and registrar authority of the clergy, the state seriously weakened one of the only rival sources of social authority remaining in Iran.

Judicial reforms. In 1928, the state began to implement the process of centralizing the judicial system under state jurisdiction. The law remained largely based on Islamic canon law but now was administered by the state. Previously, a dual legal system existed in Iran. First, there were the religious courts that were administered by the ulama and implemented canonical law. Meanwhile, in the government courts, state-appointed officials heard cases outside of the jurisdiction of religious law. Religious courts were generally responsible for civil cases, especially those of personal status. On the other hand, the secular courts judged cases regarding violations against the state, such as rebellion, embezzlement, and drunkenness. The Constitution of 1907 initiated attempts to specify the roles of each court system and establish a degree of hierarchy.[71] Nonetheless, the religious courts held disproportionate power in this arena.

During Reza Shah's reign, the judicial coexistence was violated beginning in the late 1920s. The Swiss-educated Minster of Justice, Ali Akbar Davar, spearheaded the restructuring of the judiciary. After first dissolving the ministry in February 1927, the process to write and enact a civil code began. Two earlier attempts, in 1877 and 1907, were aborted due to the weak position of the central government. The shah's courtiers, on the other hand, were successful in passing the civil legal code in piecemeal fashion through a compliant parliament between 1928 and 1935. The code was not exceedingly controversial for it overwhelmingly followed the prevailing Shi'ite law. In fact, the civil code remains mostly intact today following the Islamic Revolution.[72] Yet the day-to-day administration of judicial institutions changed hands, sometimes having important financial consequences. For instance, Shi'ite legal formulation stipulated that in the event the deceased had

no heirs, his assets would go to the ulama, as the representatives of the Imam, who would distribute the assets to the poor. Under the civil code, however, the government received these assets.[73]

By the middle of the decade, the ulama lost their occupational positions as judges. At first, a law was passed requiring all judges presiding over religious courts to have the minimum status of mujtahid. This seriously limited the number of eligible judges coming from the clergy. In December 1936, the ulama's standing further deteriorated. Mujtahids could no longer legally be judges, and judges were required to hold a degree either from the Tehran University's law faculty or foreign (i.e., Western) law school. Additionally, former judges within the Ministry of Justice were obligated to pass examinations in Iranian and foreign law to retain their jobs. Those passing found promotions limited.[74] Near the end of his rule, Reza Shah also passed a provision forbidding cases to be referred to the religious courts without the authorization of the state courts and the attorney general. He finally abolished religious courts altogether. In a matter of twelve years, centuries of ulama authority in judicial matters were swept aside, and the state officially monopolized the legal system.[75] While all these reforms could be seen as an attempt to make the state more "Western" (supposedly equivalent to "modern"), it is equally plausible to see them as a strategic attempt to remove control of important sources of social authority from the only remaining rival to state power—institutionalized religion. It is important to note that these attacks against the authority of the ulama did not focus on the inappropriateness of religion in society per se. Rather, the "secularizing" actions of the state were directed at functions and resources necessary to strengthen state power, lending credence to the thesis that ulama-state conflict was driven more by institutional interests than ideational factors.

An ideational perspective on ulama-state conflict would lead us to expect that hostilities between modernizing (secular) and traditional (religious) authorities would commence as soon as the secular authority took power. This struggle is conceived to be one of deeply ingrained convictions, after all. As is apparent in Iran, this was not the case. The analytic narrative above points to Reza Kahn's strategic manipulation of his relations with the clergy, courting them when he needed their support and turning on them when he consolidated power over his secular rivals. Where it might be argued that Reza Kahn's ideological convictions shifted over time, the historical record shows that he was a committed "modernizer" who, from the start, looked toward the West for assistance and advice. As additional proof of the interest-based thesis, one would have to ask why the shah would attack a strong social ally without provocation. Such a strategy could prove costly considering that the clergy could potentially mobilize opposition to the regime. The answer here lies in the shah's shifting opportunity costs. The ulama controlled social functions and resources that were valuable for the state to monopolize, even in 1921, before relations soured. However, by 1928, all other

secular rivals to power had been neutralized, leaving the clergy without any viable ally against the state. The risk associated with expropriating the ulama's power was therefore much lower and the expected benefits of such action proportionately higher.

True to the spirit of King, Keohane, and Verba's call to derive as many testable propositions from one's theory as possible, there is yet another historical test that helps us differentiate between the ideational and institutional perspectives of church-state relations.[76] An ideational model would predict that religious leaders would regain lost prerogatives once more traditionally oriented leaders took state power. Those proclaiming the primacy of religion in society should be willing to bolster the social authority of religious leaders. An interest-based explanation would predict that state leaders—be they "traditional" or "modern"—want to retain those social functions that support their political survival and power. The second period of state building in twentieth-century Iran—the Revolution of 1979—provides a critical test to differentiate these rival explanations. The historical record bears witness that after the Iranian Revolution of 1979 and the consolidation of the Islamic Republic of Iran, state authority over such institutions as educational system, legal apparatus, and taxation all remained firmly under the supervision of the "Islamic" state and was not returned to the autonomous control of the ulama. Today, the state even administers a Special Clergy Court to adjudicate cases involving the ulama. While one could claim that contemporary Iran represents a theocracy, there is clearly a division of authority between the ulama who reside in central government institutions and those who do not. More than half a century after Reza Shah's reforms, the centralized state maintains its grip on the institutions of government.

MEXICO

Islam and Catholicism differ quite significantly in terms of institutional organization and theological worldview. Moreover, in colonial Latin America, the Roman Catholic Church did not provide the range of secular services that Islamic ulama did in the Middle East. Nonetheless, like the Iranian ulama, the Mexican Catholic Church did represent a parallel source of authority to the secular government during the period of state building. Clergy owned vast landholdings and other assets, served as a principal financial lender, and possessed significant sociolegal privileges, including control over the registry. Even with these differences in the structure of religious institutions, relations between religious and state officials in Mexico during the period of state building mirrored those seen in Iran. Accommodation was the norm during first few decades of Mexico's independent existence (with one exception noted below), a period noted for intense military competition for political power (c. 1821-1855). Church-state conflict finally ensued when one set of rulers began consolidating their authority during La Reforma (1855-1876). Cooperative relations eventually were restored only

after the state had expropriated most of the Church's assets and nonspiritual social functions and rule was reasonably secure under the dictatorship of Porfirio Díaz (1876-1910).

Church-State Accommodation in the Era of the Caudillos (1821-1855)

The modern state-building process in Mexico began following independence in 1821. The struggle for independence and the political vacuum created by Spain's withdrawal created a vicious cycle of anarchy and economic degradation. Numerous *caudillos* (i.e., strongmen who led regional armies) vied for national political power. Given that much of the country's economy had been destroyed during the War for Independence, caudillos that did succeed in taking power found government coffers empty and were unable to pay their troops. Unpaid soldiers defected and, with the help of rival caudillos, led rebellions to overthrow the government. This was complicated further by occasional political and military interventions by the United States. As a result, Mexico was ruled by approximately fifty separate administrations between 1821 and 1860.[77] Not surprisingly, political survival became the preeminent goal of rulers during this period.

Paradoxically, the Catholic Church emerged from the War of Independence bereft of leadership but in a strong legal and financial position. Most bishops initially supported the royalist cause during the struggle for independence, but seeing the tide turning against Spain in 1820 and disturbed by the anticlerical policies of the Spanish Cortes, they reversed their position and supported the rebellion. Nonetheless, fearing retribution for their early royalist support, a number of bishops fled the country in the early 1820s, leaving the Church leaderless. Controversy over who had legal authority to appoint bishops—the state or the Vatican—left many diocese (including the archdiocese of Mexico City) vacant for over a decade. Without bishops available to ordain priests, the number of clergy in Mexico declined rapidly. Despite a severe personnel shortage, the Church retained its colonial legal privileges, including a separate judicial system, the *fuero ecclesiástico*, and control over the civil registry. Education also stayed exclusively in the hands of the clergy. From a financial standpoint, the Church remained the largest single asset holder in the country, owning between one-fourth and one-half of all wealth in Mexico.[78] The Church also was Mexico's largest and most trustworthy banker during the "era of the caudillos," loaning funds at an interest rate of 5 to 8 percent as compared to other commercial institutions lending at 12 to 24 percent.[79] In addition to legal and fiscal powers, the Church also demonstrated the ability to mobilize the population for important political causes. During the War of Independence, two priests—Padres Miguel Hidalgo and José María Morelos—rallied a sizable indigenous militia around the Virgin of Guadalupe, a religious icon that had significant spiritual meaning for the popular classes. While the episcopacy did not approve of the revolutionary activity of Hidalgo and Morelos, most caudillos took note of the Church's capacity for mobilization.

Given the tenuous nature of political survival during this period, few Mexican administrations attempted to alienate the clergy, though underlying tensions between the institutional interests of the state and the church were present. If state policy toward the Church was based more on ideological concerns, we should have seen early attempts to expropriate ecclesiastical wealth and power when the Church was in such a weakened condition. Ideological differences between more "modern" liberals and the traditional clergy certainly existed, but the fact that liberals did not immediately act upon their supposed hatred of the institutional Church strongly suggests that strategic political interests held greater sway over behavior. For its part, the state maintained the *patronato*, an arrangement whereby the government had final approval of episcopal appointments as well as censorship rights over Vatican communications issued in Mexico. While this arrangement infringed upon the autonomy of the clergy, the Church retained its various legal privileges, property, and exclusive dominion over education. The patronato was rescinded in 1831 by President Anastasio Bustamante in exchange for clerical support for his rule. Nonetheless, state interference in church affairs continued, though only when it benefited the clergy, demonstrating the bargaining leverage of the Church at this time. Mecham observes that

> when the pope issued a brief (1836) authorizing a reduction in the number of religious feast days, the Chamber of Deputies, which was made up of priests and their partisans, refused admission to the brief because of the injury this would cause the clergy, who derived financial profit from the fiestas.[80]

That such intervention in papal communications came after the official end of the patronato indicates that both state and church officials maintained reasonably cooperative relations. Both modernizers (Liberals) and traditionalists (Conservatives) saw it in their best political interest not to alienate religious authorities when their hold over power was tenuous.

Tensions between church and state did exist during the era of the caudillos. Financial considerations generated this tension. Given a growing government deficit, an inability to tax effectively, and the need to fund various military expeditions, state leaders looked toward the wealth of the church as a possible solution. The Mexican government inherited a number of Church properties confiscated by the Spanish crown in the late colonial period. These properties included assets from the office of the Inquisition (abolished in 1813) and the Jesuits (expelled from the colonies in 1767). The value of these assets amounted to no more than 5 percent of the national debt in 1822.[81] Importantly, several attempts to auction off these assets were thwarted by clerical and public opposition, showing that even a weakened Church still had clout. The government, then, only used the threat of auction to induce the clergy to make loans to the government at favorable rates; outright attacks on Church property and social authority were rare.[82] The most severe conflict between church and state during this time occurred in 1833 when vice president Valentín Gómez Farías (who ruled de facto in place of the absentee

president, Antonio López de Santa Ana) attempted to sell Church assets, declared an end to the *fuero*, and drew up a plan to secularize education. The plan, which also included rescinding military prerogatives, provoked a massive public outcry and fierce opposition among the president's opponents. Gómez Farías's tenure in office was terminated after five months by the returning Santa Anna, himself a purported (though weakly committed) Liberal, who then reversed all anticlerical legislation. In essence, this was the "exception that proves the rule" from the vantage point of the institutional perspective. Secular rulers were still too weak to undertake a direct frontal assault on religious authority; thus governments were more likely to seek the support of the clergy at this time rather than try to expropriate its social functions. Although Gómez Farías may have been acting out his ideological preferences, his failure made future leaders more politically savvy in their future dealings with the Church.[83]

> Under [Liberal] President José Joaquín Herrera (1848-51), who enjoyed the distinction of being the first president since Guadalupe Victoria to serve out his full term of office, the Church gained in wealth and influence. It became the dominant factor in Mexican politico-economic affairs.[84]

All told, relations between church and state remained reasonably harmonious for the first two decades following independence. The government occasionally coerced the Church to lend it money to finance military expeditions (as in the war with the United States in 1846). Nonetheless, given the lack of strong Church leadership for the first four decades of independence and the disastrous financial position of the Mexican government, it is remarkable that state leaders did not try to expropriate any more Church wealth or privileges. The religious property held by the government amounted to roughly 7 percent of total Church wealth at the time and was never auctioned off.[85] The registry, an essential bookkeeping instrument needed for taxation, remained firmly in the hands of the clergy, as did education, funereal services, and marriage licensing. Political survival being as tenuous as it was provided secular leaders with the incentive to maintain cordial, if not outright friendly relations with the Church, lest the clergy mobilize opposition to their administration.

This situation changed by the early 1850s. As rival caudillos were killed off or co-opted into larger factions, securing immediate political survival gave way to the goal of establishing a complex state bureaucracy. With political rivalries coalescing into two distinguishable camps, Liberal forces led by Benito Juárez attempted to centralize state authority by building a stronger bureaucracy, bringing the military under their control, and restricting the activity of their primary rival, the Conservatives. This period, known as La Reforma (1855-1876), represented the first instance of state consolidation in modern Mexican history. In line with the temporal pattern predicted by the institutional interests model, it also coincided with the first major expropriation of ecclesiastical property and social functions.

Church-State Conflict during La Reforma (1855-1876)

Without question, Liberals were more anticlerical in their rhetoric and more adamant in expropriating church wealth and privileges than the Conservatives. That Liberals justified their actions on the doctrine of church-state separation contained in Enlightenment thinking gives rise to the notion that church-state conflict was provoked by ideological conflict. As Bowen argues, "[a]t first it was the more intellectual of liberals who came to believe that the advance of individual liberties and social progress would only be achieved when the powers of the Catholic church were curbed."[86] While it cannot be denied that ideological motivations influenced state builders to some degree, institutional interests provide a better explanation. Again, to the extent that consistently held ideological convictions come to the fore only under certain political contexts suggests that ideology is, at best, a secondary cause of behavior.

Though the "era of the caudillos" was winding down in Mexico by the mid-1850s, a significant political rivalry for control of the state still existed between Liberals and Conservatives, more so than what Reza Shah faced in the later stages of his rule. The rivalry was sufficiently strong to provoke a civil war (1857-1860) and, indirectly, foreign occupation (1864-1867). Although the existence of political rivalries should have given the Church greater bargaining leverage to resist expropriation of its wealth, the battle lines were clearly drawn by this time. Liberals represented urban commercial interests in Mexico. These sectors wanted to expand the country's infrastructure, attract labor from the countryside, and build strong connections with foreign investors. All of this required a stronger, centralized government capable of collecting revenue efficiently. The majority of this revenue was to come from the countryside as landed property could be taxed more easily than commercial incomes, which can be hidden. Furthermore, given the severe fiscal crisis facing the state, Liberals had to raise cash quickly if they were to succeed in finally consolidating their rule.

Conservatives, on the other hand, represented the rural aristocracy, who feared a centralized government with greater power to tax. In this regard, Liberals had a stronger economic incentive to expropriate many of the socioeconomic functions of the Catholic Church. Admittedly, this economic incentive was driven partially by ideological convictions; thus a wholesale dismissal of the ideational explanation of church-state conflict wholesale would be misplaced. However, to the extent that Liberals expropriated those functions that facilitated building a stronger, more centralized state (one capable of taxing landed wealth and transferring it to the city) and did not seek to restrict Catholicism (theology) as a "backward" belief system, the institutional explanation would appear to carry more explanatory weight. Moreover, since rural interests were not completely at odds with urban merchants (after all, it was these merchants who brought rural produce to the international market), Conservatives also shared an interest in a reasonably strong state, though not one that worked counter rural interests. If Conservatives

were truly pro-clerical out of ideological conviction, they would have refrained from similar attacks on Church wealth or would have returned property (and privileges) taken by the Liberals. As Bazant sarcastically notes, this was rarely the case. "Conservative presidents did not confiscate Church wealth. They merely took [church] properties or capital as forced loans and handed them over to their creditors."[87] As was true in most of Latin America, the ideological difference between Liberals and Conservatives on many issues was more nominal than real. The real question was simply who controlled central state authority and how society's wealth would be distributed between city and countryside. Liberals had the greater material (and ideological) incentive in building a bureaucratic, centralized state. As such, they possessed a stronger incentive to transfer significant degrees of authority over society from the church to the state.

Judicial reforms. The Catholic clergy did not have judicial powers to the same extent that the Islamic ulama did. Priests rarely arbitrated civil or criminal disputes. Nonetheless, the Church did possess the fueros, a court system reserved exclusively for the clergy. Any priest accused of violating civil law would be tried by the church's courts, not the state's. This obviously gave the clergy the incentive to ignore secular laws since they could expect favorable rulings from their ecclesiastical peers. With such a system in place, it would be difficult for the state to enforce any laws designed to eliminate the church as a rival to social authority. Realizing this, the Liberal government passed Ley Juárez (1855), eliminating the fueros. Ecclesiastical courts remained but were allowed only to pass judgment on issues of canon law.[88] In an effort to bring the military under central control, military fueros were also eliminated. The attack on military prerogatives fueled the underlying tensions with numerous officers who owed loyalties to Conservatives and provoked, in part, the forthcoming civil war in 1857.

Revenue and tax infrastructure. With lingering foreign debts and expanding government deficits, the need to raise revenue was the most pressing issue on the Liberal agenda. Paying off foreign debt and expanding the public bureaucracy required raising cash. Two principal actions relating to church-state actions were taken to facilitate this end. First, under the Ley Lerdo (1856), ecclesiastical properties not specifically used for religious purposes and held by community interests were prohibited. Property held by religious orders and diocesan landholdings were transferred to secular interests, with the state benefiting financially in the process, both from immediate sales and the ability to tax secularly held property.[89] A second, longer term response to strengthening the fiscal position of the state was to expropriate the office of the registry. Traditionally a clerical responsibility, the state now directly controlled the bookkeeping apparatus needed to tax property and individuals. Related to the registry, marriages and cemeteries were secularized at this time.[90] Both these duties were associated with user fees and helped finance the government's debts.

Education. The final major expropriation of church prerogatives was contained in the Constitution of 1857, Article 3: free public education. By creating a public school system, the government created a new class of bureaucrats loyal to the state and respected in their community. That education was to be free for all (though availability was still far from universal) made it difficult for Catholic schools to compete. Although religious schools were allowed to operate (at least the ones whose property was not expropriated), they were expensive for the Church to operate effectively, giving the state the upper hand in the education business. Only the children of the political and economic elite could afford an education in Catholic schools. The great irony of this situation was that members of the Liberal elite often sent their children to be educated by the clergy whose values they supposedly despised, not the most ideologically consistent behavior one would expect if the elite were truly motivated more by ideas than interests.

Other legislation was introduced during La Reforma to weaken the institutional power of the church and eliminate it as a chief rival to power. Clergy were prohibited from holding political office, the government refused to assist in collecting religious tithes, private citizens were forbidden to will the church property, limits were put on novitiates, and members of religious orders were prevented from wearing distinctive garb in public.[91] While seemingly trivial in some respects, these acts had the effect of decreasing the church's wealth and increasing the state's.

In all these cases, legislation was enacted with the clear goal of bolstering political survival and strengthening the fiscal health of the state. The former was accomplished by eliminating the Church as alternative source of authority and as a potential contributor to rival leaders. As Mecham notes, Liberal state builders "felt that if the civil war [1857-1860] were to be ended, it could only be by depriving the Church of its revenues."[92] The latter task, bolstering the state's financial infrastructure, was accomplished by directly expropriating property and functions that guaranteed the state access to future revenue. At no time was the theological doctrine of Catholicism attacked in any serious way. To the contrary, Liberals often portrayed themselves as saving the theology of Catholicism from the "corruption" of the institutional Church. Legislation limiting the Catholicism's theological influence over the population was never enforced,[93] something that one would not expect if the conflict was simply an ideological battle between Liberalism and Catholicism.

La Reforma ended with the dictatorship of Porfirio Díaz (1876-1911). The Porfiriato, as the dictatorship was known, further illustrates how institutional and political interests trumped ideological considerations in Mexican church-state relations. Díaz initially proclaimed himself in agreement with the Liberal 1857 constitution and did not change any of its anticlerical provisions. Nonetheless, relations between the president and the Catholic hierarchy improved dramatically. Realizing that the Church was no longer in a position to threaten his rule and

with all secular rivals safely eliminated, Díaz lent the Church financial and symbolic support. In return, "[b]ishops often spoke out in praise of the administration, exhorting priests to forget traditional animosities, back the government, and abstain from intervening in political affairs. . . . Only on the sensitive issue of education was perfect conciliation not possible."[94] Having expropriated the functions necessary for state building and eliminating the Church as an effective rival source of authority, there was no need to destroy Catholicism per se. In an era where centralizing state authority over a geographically decentralized and ethnically divided nation was a top priority, Catholicism served as a symbol of national unity.

As most historians agree, Mexico underwent a second period of state (destruction and) building, beginning with the Revolution of 1910 and culminating during the rule of Lázaro Cárdenas (1934-1940). A pattern of church-state relations similar to that of the previous century occurred during this time. The earlier period was chosen for analysis here since this was when a number of critical social functions under examination (e.g., record keeping, judicial authority) were expropriated. Church-state conflict in the latter period, which resulted in expropriation of remaining Church wealth and social status, resulted from clerical resistance to various factions during the revolution. The close collaboration between Church leaders and Porfirio Díaz made the episcopacy a prime enemy during the subsequent revolution that toppled his regime. In this instance, it is reasonable to say the Church, not the state, provoked hostility.

However, despite widespread criticism of the Catholic Church during the revolutionary period (1910-1920) and the extreme anticlerical nature of the 1917 Constitution, no president prior to Plutarco Calles (1924-1926) attacked the Church directly. Indeed, Francisco Madero, the first revolutionary leader, was careful not to antagonize the clergy. Even Calles, himself an adamant revolutionary, delayed his anticlerical attacks for two years into his administration. The reason for this hesitancy to alienate the Church revolved around the issue of political survival. Between 1910 and 1920, holding onto political power was complicated by the presence of rival militaries vying to control the country. Most revolutionary leaders died violently in office or were betrayed by their supposed allies. In such an environment, it made no sense to alienate another powerful player. However, once the intensity of revolutionary rivalries subsided, suppressing the only remaining credible challenge to power—the Church—became a viable political strategy. Even then, this action provoked a minor civil war, the so-called "Cristero Rebellion" (1926-1929).[95] While the specific issues related to church-state conflict were different in the 1920s as compared to the 1850s, the fact that conflict was delayed until political consolidation had taken place supports a more interest-based reading of events. Although the Mexican case is not as clear-cut as Pahlevi's Iran, due in large part to the existence of more entrenched political rivalries, it does support the institutional explanation presented above.

CONCLUSION

We have argued that analyzing church-state relations from an institutional, interest-based perspective allows one to better explain temporal fluctuations in church-state relations. It is not sufficient to conceptualize church-state relations exclusively in ideational terms or to view religious actors as motivated primarily by ideological (theological) considerations. Rather, we have proposed that one can arrive at more subtle conclusions by acknowledging that religious organizations represent important institutions that influence how societies, polities, and economies operate, persist, and filter external shocks. Institutions, in turn, impose goal-oriented behavior on individuals within them, structuring both their interests and behavior.[96] As we noted, clergy must administer and fund complex institutions needed to propagate and enforce their faith, while providing institutional support and social welfare for segments of society, if not society as a whole. In both Shi'ite Iran and Catholic Mexico, these included the educational system, key economic functions and landholdings, and the legal system (though the latter was far more important in Iran). Quite frequently, the social-administrative functions of religious institutions serve as the cornerstone for the creation of modern bureaucratic states.

Nevertheless, as our empirical cases illustrate, the clash of interests between religious leaders and state builders is tempered by the resources and security of the secular rulers. Rule in the very initial stages of state building is fraught with many dangers and obstacles, not the least being the presence of local and national rivals, such as ethnic separatists and the Qajars in Iran or the many caudillos in Mexico. As religious leaders can rally the allegiance of a substantial number of citizens, sometimes regardless of local or ethnic distinctions, secular leaders, like Reza Shah or President Anastasio Bustamante, would prefer the endorsement of religious officials when their political survival is at risk. Thus, we suggest that church-state cooperation is likely in the initial stages of the state-building process when opponents to the existing state leaders are prevalent. Yet, as state officials succeed in eliminating secular rivals, the bargaining power of religious authorities wanes. While they can still rally the population against the government, a state facing fewer rivals can devote more resources to suppressing challenges. Moreover, initial successes in extracting revenue from society reinforce the authority and coercive capacity that the state has over their population. Hence, the likelihood of church-state conflict increases as rivals to state leaders are eliminated and the state obtains a minimal level of resources to counter popular challenges to rule. In particular, once state actors are secure, they have a strong incentive to expropriate traditional religious functions and assets since they facilitate the consolidation and expansion of their rule. Unlike the ideational approach, we predict significant temporal variations in the intensity of secular attacks against religious institutions. This is a critical implication since an ideology-driven hypothesis may well imply that church-state conflict would occur in the same issue areas as

predicted by the institutional hypotheses. Thus, temporal variation (i.e., fluctuating instances of church-state cooperation and conflict) is a fundamental point of differentiation between these two perspectives. One still could argue that state leaders are ideologically motivated but only forestall intense ideological conflict with religious institutions until such a battle can be won, but this lends credence to the institutional argument: interests take precedence over ideology. Ideology may still matter, but only as a secondary cause.

In both Iran and Mexico, it is clear that the desire of state leaders to bolster the legal authority and fiscal strength of the government provoked attacks against the clergy's traditional prerogatives, status, and wealth. As with any "small *n*" comparison, our analysis could benefit further from examination of other countries that witnessed church-state conflict during periods of state consolidation in the Middle East (e.g., Egypt, Tunisia, Ottoman Empire/Turkey) and Latin America (e.g., Guatemala, Ecuador). An initial reading of the church-state histories of these countries suggests that a pattern similar to the one presented above holds.[97] For example, church-state relations under Muhammad Ali and Ismail Pasha in Egypt seem to follow a similar pattern to events in Iran. As Daniel Crecelius writes, "[t]he ulama were an indispensable ally to Muhammad Ali in his rise to power, for they secured for him one important element of authority which force alone could not command, legitimacy."[98] However, Mohammed Ali and his sons went on to seize the Sunni Clergies control over the education, endowment, and legal systems. A close historical analysis of this and other cases is warranted.

By studying these cases, we may develop better understandings of the effects of variation in regime and state form (i.e., colonial versus independent states, nation-state versus empire, authoritarian versus democratic regimes), religion (i.e., Sunni, Shi'ite, Catholic, and Protestant), and international contexts. For instance, what resources a religion has to offer to a secular ruler under various circumstances will affect church-state interaction. For example, in countries such as Chile, where colonial neglect left the Catholic Church relatively impoverished compared to the Mexican Church, or in Turkey where the Ottoman ulama had been more dependent on government support than in Iran, one would expect less contentious relations between religious and secular leaders during the state-building process.[99] This study is meant to serve as both an empirical illustration of the hypotheses advanced above and a call for greater attention to institutional factors when examining church-state relations.

Granted, the analytic narrative approach used here may invariably be challenged by cases that do not fit the purported explanation perfectly. This is because historical discussion lends itself to a nuanced set of contextual variables that do not appear in other cases in exact form. Nonetheless, what we seek to accomplish with these two cases is to bring a greater awareness of institutional factors in the study of religion and politics. Religion should not be relegated strictly to ideational analyses as many scholars, even those not partial to cultural explanations,

have done. As Mary Douglas, an anthropologist who has worked extensively on religion, notes in her general comments on the sociology of religion:

> [Mancur] Olson exempted religious organization from his general theory. But twenty years later the exception of religious organization is clearly a mistake. The history of religion best bears out his theory. Whenever religious organizations have had access to coercive powers or have been able to offer selective rewards of wealth or influence to their most dedicated individual members, their religions have had a stable and flourishing career. . . . And whenever these have been absent, for whatever reason, the history is one of continual friction and schism. It does not help our understanding of religion to protect it from profane scrutiny by drawing a deferential boundary around it. Religion should not be exempted at all.[100]

Finally, although our focus was on initial periods of state building in a country's history, insights garnered from this study are relevant for understanding church-state relations today. Religious organizations and leaders remain or are becoming increasingly active in political and social life, contrary to the old-line secularization thesis. Radical Islamic movements have threatened political stability in many parts of the Middle East and Northern Africa. Evangelical Protestants are starting to exercise significant influence in local and national elections in Latin American countries such as Brazil, Colombia, Guatemala, and Peru. Scholars have interpreted this activity as an expansion in global fundamentalist thought or a clash of cultural worldviews.[101] However, beneath the ideological rhetoric of church-state conflict, institutional interests are often at stake. A more complete understanding of the interaction of religion and politics would benefit from an examination of such interests.

NOTES

1. Samuel P. Huntington, *The Clash of Civilizations and the Remaking of World Order* (New York: Simon & Schuster, 1996).

2. See the first volume in the series, Martin E. Marty and R. Scott Appleby, eds., *Fundamentalisms Observed* (Chicago: University of Chicago Press, 1991).

3. Secularization, as defined here, denotes the transfer of traditionally held religious functions and perquisites to secular leaders. See José Casanova, *Public Religions in the Modern World* (Chicago: University of Chicago Press, 1994), 13. Such functions and privileges include the allocation and administration of judicial matters, education, documentation of life cycle events (e.g., birth, marriage, death), and social welfare responsibilities. So defined, secularization represents a decline in the sociolegal status of religion in society, rather than broader definitions of the concept that view it as a general decrease in religiosity within society. Cf. Anthony F. C. Wallace, *Religion: An Anthropological View* (New York: Random House, **YEAR?**).

4. Samuel Huntington, *Political Order in Changing Societies* (New Haven, CT: Yale University Press, 1968), 95.

5. Cf. Seymour Martin Lipset, "Some Social Requisites of Democracy: Economic Development and Political Legitimacy," *American Political Science Review* 53 (1959).

6. John O. Voll, "Fundamentalism in the Sunni Arab World: Egypt and the Sudan," in Martin E. Marty and R. Scott Appleby, eds., *Fundamentalisms Observed* (Chicago:

University of Chicago Press, 1991), 352; Pablo A. Deiros, "Protestant Fundamentalism in Latin America," in *Fundamentalisms Observed*, 155.

7. See Fatima Mernissi, *Islam and Democracy: Fear of the Modern World* (New York: Addison-Wesley, 1992); Martin E. Marty and R. Scott Appleby, eds., *Fundamentalisms and the State: Remaking Polities, Economies and Militance* (Chicago: University of Chicago Press, 1993); Gilles Kepel, *The Revenge of God: The Resurgence of Islam, Christianity and Judaism in the Modern World*, trans. Alan Braley (University Park: Pennsylvania State University Press, 1994); Mark Juergensmeyer, "The New Religious State," *Comparative Politics* 27, no. 4 (1995): 379-91.

8. The term *church* typically implies a Christian understanding of religious organization. Non-Christian religious traditions (e.g., Islam) do not have the same organizational structure as Catholics or Protestants. For this reason, the term *church* may be somewhat misleading in this analysis given our partial focus on Islam. However, for rhetorical simplicity, the term *church* will be used to refer broadly to any religious organization.

9. Quoted in Donald N. Wilber, *Riza Shah Pahlavi: The Resurrection and Reconstruction of Iran* (Hicksville, NY: Exposition Press, 1975), 79.

10. Yahya Dowlatabadi, *Hayat-i Yahya*, vol. 4 (Tehran: 'Attar, 1982), 292.

11. Muhsin Sadr, *Khatirat-I Sadre al-Ashraf* (Tehran: Vahid, 1985).

12. Paul V. Murray, *The Catholic Church in Mexico*, vol. 1 (México, D.F.: Editorial E.P.M., 1965), 124.

13. See the more detailed historical discussion of each case below. It should be noted that Mexico underwent a period of state destruction and subsequent rebuilding during the 1910s and 1920s. A similar pattern of initial church-state cooperation (early 1910s), hostility (1917 to late 1920s), and normalization (1930s) occurred then.

14. Huntington, *Political Order in Changing Societies*, 95. Our conceptualization of "state building" is also consistent with Rueschemeyer and Evans's definition of the state as "a set of organizations invested with the authority to make binding decisions for people and organizations juridically located in a particular territory and to implement these decisions using, if necessary, force." Dietrich Rueschemeyer and Peter B. Evans, "The State and Economic Transformation: Toward an Analysis of the Conditions Underlying Effective Intervention," in Peter B. Evans, Dietrich Rueschemeyer, and Theda Skocpol, eds., *Bringing the State Back In* (Cambridge, UK: Cambridge University Press, 1985), 46-47.

15. See Adam Przeworski and Henry Teune, *The Logic of Comparative Social Inquiry* (New York: John Wiley, 1970).

16. Harry Eckstein, "Case Study and Theory in Political Science," in Fred I. Greenstein and Nelson W. Polsby, eds., *Handbook of Political Science*, vol. 7 (Reading: Addison-Wesley, 1975).

17. Anthony Gill, *Rendering unto Caesar: The Catholic Church and the State in Latin America* (Chicago: University of Chicago Press, 1998).

18. Consult Stathis Kalyvas, "Religion and Transition: Belgium and Algeria" (paper presented at the annual meeting of the American Political Science Association, Washington, D.C., September 1997).

19. Douglass C. North, *Structure and Change in Economic History* (New York: Norton, 1981), 49.

20. Bryan R. Wilson, "Reflections on a Many Sided Controversy," in Steve Bruce, ed., *Religion and Modernization: Sociologists and Historians Debate the Secularization Thesis* (Oxford, UK: Clarendon, 1992), 202-3. See also Kalyvas, "Religion and Transition."

21. Robert H. Bates, Avner Grief, Margaret Levi, Jean-Laurent Rosenthal, and Barry R. Weingast, *Analytic Narratives* (Princeton, NJ: Princeton University Press, 1998).

22. Wallace, *Religion*, 260-61. Emphasis added.

23. See Lawrence E. Harrison, *Underdevelopment Is a State of Mind* (Lanham, MD: Madison Books, 1985); Daniel Lerner, *The Passing of Traditional Society: Modernizing the Middle East* (New York: Free Press, 1964).

24. Casanova, *Public Religions in the Modern World*; Bruce, *Religion and Modernization*.

25. Hamid Algar, "The Oppositional Role of the Ulama in Twentieth-Century Iran," in Nikki R. Keddie, ed., *Scholars, Saints, and Sufis: Muslim Religious Institutions in the Middle East Since 1500* (Berkeley: University of California Press, 1972); Samuel P. Huntington, "Religion and the Third Wave," *The National Interest* 24 (1991): 29-42; Kepel, *The Revenge of God*; Deiros, "Protestant Fundamentalism in Latin America"; Voll, "Fundamentalism in the Sunni Arab World."

26. Juergensmeyer, "The New Religious State," 384. Emphasis added.

27. Austen Ivereigh, *Catholicism and Politics in Argentina, 1810-1960* (New York: St. Martin's, 1995); Enrique Dussel, *A History of the Church in Latin America: Colonialism to Liberation*, trans. Alan Neely (Grand Rapids, MI: William B. Eerdmans, 1981); J. Lloyd Mecham, *Church and State in Latin America: A History of Politico-Ecclesiastical Relations* (Chapel Hill: University of North Carolina Press, 1966).

28. Mernissi, *Islam and Democracy*; Bernard Lewis, *The Political Language of Islam* (Chicago: University of Chicago Press, 1988); Hisham Sharabi, *Neopartiarchy: A Theory of Distorted Change in Arab Society* (New York: Oxford University Press, 1988); S. N. Eisenstadt, "The Kemalist Regime and Modernization: Some Comparative and Analytical Remarks," in Jacob M. Landau, ed., *Ataturk and the Modernization of Turkey* (Boulder, CO: Westview, 1984); James Bill, *The Politics of Iran: Groups, Classes and Modernization* (Columbus, OH: Charles E. Merrill, 1972).

29. We do not deny that ideas play important roles in conditioning individual and social behavior. Our argument is merely that strong institutional interests often trump ideological factors. Interestingly, it frequently may be the case that institutional change promotes ideological change, rather than vice versa (though the obverse is possible). For example, Mardin claims that during the late Ottoman era, the weakening of religious institutions led to "a growing number of persons in the religious estate were forced to focus on the primarily religious aspect of their vocation. Religion thus became more of a subject matter or a field of specialization than a pervasive social function. This, in turn, led a number of more intellectualistic [sic] clerics to begin to think of the role of religion in society. The trend emerged towards the end of the [eighteenth] century and produced a mode of argumentation in defense of religion which was entirely novel." Serif Mardin, *Religion and Social Change in Modern Turkey: The Case of Bedizzaman Said Nursi* (Albany: State University of New York Press, 1989), 112. In Latin America, the rise of socialism and evangelical Protestantism provoked the Catholic Church to rethink its relationship with the poor. See Gill, *Rendering unto Caesar,* and Anthony Gill, "The Economics of Evangelization," in Paul E. Sigmund, ed., *Evangelization and Religious Freedom in Latin America* (Maryknoll, NY: Orbis Books, 1999).

30. North, *Structure and Change*, 45-58.

31. Consider the case of Getûlio Vargas in Brazil. Even though he was an avowed agnostic who audaciously named his two children Luther and Calvin (in a majority Catholic nation), Vargas substantially increased government subsidies to the Catholic Church. The same was true for the early years of Juan Perón's rule in Argentina. See Anthony Gill, "To Fall from Grace: The Church-State Obsolescing Bargain in Latin America" (paper presented at the annual meeting of the American Political Science Association, Washington, D.C., September 1993). For examples in the Middle East, see Tamir Moustafa, "Regulating Religion: Conflict and Cooperation between the State and Religious Institutions in

Contemporary Egypt" (paper presented at the annual meeting of the American Political Science Association, Washington, D.C., September 1997) and Arang Keshavarzian, "From Holy Alliance to Enemy of Islam: A Political Economy Theory of Ulama-State Relations in Iran, 1921-1941" (master's thesis, University of Washington, 1996).

32. Despite calls for religious toleration and ecumenical relations with other faiths, the Vatican has pursued a two-pronged strategy on the issue of religious liberty. In countries where Catholicism is an expanding faith (e.g., Russia), the Holy See has called for greater religious freedom. On the other hand, where the Catholic Church holds a near monopoly yet is facing upstart competitors (e.g., Mexico), the Vatican has lobbied governments for greater restrictions on "foreign sects."

33. Gill, "The Economics of Evangelization."

34. Laurence R. Iannaccone, "Religious Practice: A Human Capital Approach," *Journal for the Scientific Study of Religion* 29, no. 3 (1990): 297-314.

35. Robert B. Ekelund, Jr., Robert F. Hébert, and Robert D. Tollison, "An Economic Model of the Medieval Church: Usury as a Form of Rent Seeking," *Journal of Law, Economics and Organization* 5, no. 2 (1989): 309.

36. Barry Ames, *Political Survival: Politicians and Public Policy in Latin America* (Berkeley: University of California Press, 1987), 1.

37. See Margaret Levi, *Of Rule and Revenue* (Berkeley: University of California Press, 1988). Levi puts this in terms of transaction costs and discount rates. Transaction costs are, in part, a function of governing experience. A ruler's discount rate is largely affected by the proximity and power of rivals, with a higher discount rate implying that political survival is increasingly being threatened by competitors. Although transaction costs and discount rates may be high at any period of a ruler's tenure, they are more likely to be high early in a leader's rule, ceteris paribus. New rulers are likely to bear higher transaction costs than more seasoned ones because they lack experience and are likely to be oriented toward short-term political gains due to the presence of competing rulers.

38. See Robert B. Ekelund, Robert F. Hébert, Robert D. Tollison, Gary M. Anderson, and Audrey B. Davidson, *Sacred Trust: The Medieval Church as an Economic Firm* (New York: Oxford University Press, 1996).

39. Bustav Thaiss, "The Bazaar as a Case Study of Religion and Social Change," in Ehsan Yar-Shater, ed., *Iran Faces the Seventies* (New York: Praeger, 1971), 190; Ekelund et al., *Sacred Trust*, 77; Jan Bazant, *Alienation of Church Wealth in Mexico: Social and Economic Aspects of the Liberal Revolution, 1856-1875* (Cambridge, UK: Cambridge University Press, 1971).

40. Levi similarly notes that "[r]ulers will seek to control the supply of resources by either ensuring that they are a party to all exchange of resources or by eliminating rival suppliers." *Of Rule and Revenue*, 12.

41. Sociologists of religion have noted that the best predictor of adult religious participation is regular participation in religion as a child. See Iannaccone, "Religious Practice," for an economic explanation for this phenomenon based on Gary Becker's work on human capital.

42. Abram de Swaan, *In Care of the State* (Oxford, UK: Oxford University Press, 1988), 88-117.

43. Keshavarzian, "From Holy Alliance to Enemy of Islam"; Ekelund et al., "An Economic Model of the Medieval Church."

44. North, *Structure and Change.*

45. Arang Keshavarzian, "State-Building with and without the Ayatollahs: A Contractual Approach to Ulama-State Relations in Iran, 1921-1941" (paper presented at a conference entitled "Religion, Economics and Politics: Exploring the New Paradigm,"

University of Washington, June 1997); Timur Kuran, "Islamic Economics and the Islamic Subeconomy," *Journal of Economic Perspectives* 9, no. 4 (1995): 155-73.

46. Lewis, *The Political Language of Islam*; Sharabi, *Neopartiarchy*; Merinissi, *Islam and Democracy.*

47. Nikki R. Keddie, *Roots of Revolution: An Interpretive History of Modern Iran* (New Haven, CT: Yale University Press, 1981); Said Amir Arjomand, *The Turban for the Crown: The Islamic Revolution in Iran* (Oxford, UK: Oxford University Press, 1988).

48. Algar, "The Oppositional Role of the Ulama in Twentieth-Century Iran," 231. For an early counterargument based on socioeconomic and institutional variables, see Joseph Eliash, "Misconceptions Regarding the Juridical Status of Iranian 'Ulama,'" *International Journal of Middle Eastern Studies* 10, no. 1 (1979): 9-25.

49. Said Amir Arjomand, *The Shadow of God and the Hidden Imam: Religion, Political Order and Societyal Change in Shi'ite Iran from the Beginning to 1890* (Chicago: University of Chicago Press, 1984).

50. Yann Richard, *Shiite Islam: Polity, Ideology, and Creed*, trans. Antonia Nevill (Oxford, UK: Blackwell, 1995), 208.

51. See Shahrough Akhavi, *Religion and Politics in Contemporary Iran* (Albany, NY: SUNY Press, 1980); Arjomand, *The Turban for the Crown*; Keddie, *Roots of Revolution*.

52. Zahra Shaji'i, *Namayandigan-i Majlis-e Shura-yi Melli dar 21 Duwreh-yi Qanunguzari: Mutali'i az Nazar-i Jami'i Shinasi-yi Siyasi* (Tehran: Tehran University, 1965), 176.

53. Ni'matollah Qazi, *'Elal-e Suqut-i Hukumat-i Reza Shah* (Tehran: Asar, 1993), 22.

54. Dowlatabadi, *Hayat-i Yahya*, 289-91; Muhammad Razi, *Athar al-Hujja* (Qom: Hikmat, 1953), 24-26; Abdul-Hadi Hairi, *Shi'ism and Constitutionalism in Iran: A Study of the Role Played by the Persian Residents of Iraq in Iranian Politics* (Leiden: E. J. Brill, 1977), 126-28.

55. Akhavi, *Religion and Politics*, 29-30; Dowlatabadi, *Hayat-i Yahya*, chap. 36; Medi-Qoli Hedayat, *Khatirat va Khatarat* (Tehran: Kitabfurushi-yi Zavar, 1984), 362-67.

56. Ervand Abrahamian, *Iran between Two Revolutions* (Princeton, NJ: Princeton University Press, 1982), 120-35.

57. Ahmad Ashraf, "Iran: Imperialism, Class and Modernization from Above" (Ph.D. diss., New School for Social Research, 1971), 194.

58. Keddie, *Roots of Revolution*, 87; Leonard Binder, *Iran: Political Development in a Changing Society* (Berkeley: University of California Press, 1962), 144.

59. Hedayat, *Khatirat va Khatarat*, 377-78; Mohammad Faghfoory, "The Impact of Modernization on the Ulama in Iran, 1925-1941," *Iranian Studies* 26 (1993): 282.

60. A. C. Millspaugh, *The American Task in Persia* (New York: The Century Co., 1925), 187.

61. Juliam Bharier, *Economic Development in Iran 1900-1971* (London: Oxford University Press, 1971), 71-78.

62. Binder (*Iran*, 84) also cites 1928 as the point when Reza Shah's rule becomes more authoritarian.

63. Qazi, *'Elal-e Suquit-i Hukumat-i Reza Shah*, 145-46; Wilber, *Riza Shah Pahlavi*, 117.

64. Shaji'i, *Namayandigan-i Majlis-e Shura-yi Melli dar 21 Duwreh-yi Qanunguzari*, 176.

65. Qazi, *'Elal-e Suquit-i Hukumat-i Reza Shah*; Razi, *Athar al-Hujja*; Sadr, *Kharirat-i Sadre al-Ashraf.*

66. Amin Banani, *The Modernization of Iran: 1921-1941* (Stanford, CA: Stanford University Press, 1961), 90.

67. David Menashari, *Education and the Making of Modern Iran* (Ithaca, NY: Cornell University Press, 1992).

68. Banani, *The Modernization of Iran*, 92.

69. Sadr, *Kharirat-i Sadre al-Ashraf*, 293-95; Ann K. S. Lambton, *Landlord and Peasant in Persia: A Study of Land Tenure and Land Revenue Administration* (London: Oxford University Press, 1953), 185.

70. Banani, *The Modernization of Iran*, 72-73; see also Binder, *Iran*, 271-72 and 304.

71. Wilem Floor, "Change and Development in the Judicial System of Qajar Iran (1800-1925)," in Edmund Bosworth and Carole Hillenbrand, eds., *Qajar Iran: Political, Social and Cultural Change 1800-1925* (Edinburgh: Edinburgh University Press, 1983), 129.

72. S. H. Amin, *Middle East Legal Systems* (Glasgow: Royston Limited, 1985), 63; Roy Mottahedeh, *The Mantle of the Prophet: Religion and Politics in Iran* (New York: Pantheon, 1985), 227.

73. Lambton, *Landlord and Peasant in Persia*, 203.

74. Amin, *Middle East Legal Systems*, 62.

75. I say officially monopolized, for the ulama administered unofficial courts and arbitration hearings in the bazaars and rural areas. See Thaiss, "The Bazaar as a Case Study," 190. Until the Islamic revolution, *mollahs* functioned as the judges and arbitrators for those who had difficulties gaining equal access to the state system. Therefore, the ulama remained as providers of law for this limited (yet important) and expanding sector of society.

76. Gary King, Reobert O. Keohane, and Sidney Verba, *Designing Social Inquiry: Scientific Inference in Qualitative Research* (Princeton, NJ: Princeton University Press, 1984).

77. José Guitérrez Casillas, *Historia de la Iglesia en México* (México, D.F.: Editorial Porrúa), 229-39.

78. Bazant, *Alienation of Church Wealth*, 12.

79. Ibid., 6-11. Interest rates are often a good indicator of political conditions. While commercial loans to private interests were between 12 and 24 percent per year, loans to the government were in the neighborhood of 24 percent per month during this period. It is quite obvious that financiers knew that the average life span of any single administration was less than twelve months and adjusted their rates accordingly.

80. Mecham, *Church and State*, 354.

81. Bazant, *Alienation of Church Wealth*, 14.

82. Ibid., 14-32.

83. It was also possible that Gómez Farías, who had earlier stated his loyalty to the church (see Murray, *The Catholic Church in Mexico*, 124), was acting strategically but simply miscalculated. The historical record makes this difficult to determine; thus we conservatively accept that the alternative ideational thesis holds some explanatory power in this instance.

84. Mecham, *Church and State*, 358.

85. Bazant, *Alienation of Church Wealth*, 14-31.

86. Kurt Bowen, *Evangelism and Apostasy: The Evolution and Impact of Evangelicals in Modern Mexico* (Montreal: McGill-Queen's University Press, 1996), 24.

87. Bazant, *Alienation of Church Wealth*, 25.

88. Gutiérrez Casillas, *Historia de la Iglesia*, 289-90.

89. Ibid., 290-93; Bazant, *Alienation of Church Wealth*, 52-65.

90. Mecham, *Church and State*, 363.

91. Gutiérrez Casillas, *Historia de la Iglesia*, 296-300; Karl M. Schmitt, "Church and State in Mexico: A Corporatist Relationship," *The Americas* 40, no. 3 (1984): 366-68.

92. Mecham, *Church and State*, 367.

93. Peter Lester Reich, *Mexico's Hidden Revolution: The Catholic Church in Law and Politics since 1929* (Notre Dame, IN: University of Notre Dame Press, 1995), 9.

94. Ibid., 9-10.

95. Jean Meyer, *La Cristiada: El conflict entre la Iglesia y el estado, 1926-1929* (México, D.F.: Siglo veintiuno, 1973).

96. See James March and James Olsen, "The New Institutionalism: Organizational Factors in Political Life," *American Political Science Review* 78, no. 3 (1984): 734-50.

97. For introductory church-state histories of these countries during their relevant state-building periods, consult Daniel Crecelius, "Nonideological Responses of the Egyptian Ulama to Modernization," in Nikki R. Keddie, ed., *Scholars, Saints, and Sufis: Muslim Religious Institutions in the Middle East since 1500* (Berkeley: University of California Press, 1972); Mary P. Holleran, *Church and State in Guatemala* (New York: Columbia University Press, 1949); Robert W. Bialek, *Catholic Politics: A History Based on Ecuador* (New York: Vantage, 1963); Douglass Sullivan-González, *Piety Power, and Politics: Religion and Nation Formation in Guatemala 1821-1871* (Pittsburgh: University of Pittsburgh Press, 1998).

98. Crecelius, "Nonideological Responses," 177.

99. Cf. Gill, *Rendering unto Caesar*, 122-26.

100. Mary Douglas, *How Institutions Think* (Syracuse, NY: Syracuse University Press, 1986), 23-24.

101. Marty and Appleby, *Fundamentalisms Observed*; Huntington, *The Clash of Civilizations*.