



CONCESSIONS

CONCESSIONS (*emtīāzāt*), grants by a state to citizens, aliens, or other states of rights to carry out specific economic activities and of capitulatory rights on its territory.

i. In the Safavid period.

ii. In the Qajar period.

iii. In the Pahlavi period.

i. In the Safavid Period

In Safavid Persia capitulatory rights were granted by treaty to the Dutch, English, French, and Portuguese East Indies Companies. According to the various treaties, these rights could include, inter alia, the inviolate nature of their trading stations (factories), the right of European offenders to be tried before their own judges, the right to their own weights and measures, and freedom of trade throughout Persia. Furthermore, the privileged Europeans were not obliged to accept goods from any merchant if they did not wish to. In addition, the English and the Portuguese had the right to half the customs proceeds of Bandar-e 'Abbās and Bandar-e Kong respectively (Ferrier, pp. 488-90). Various communities (millets) of citizens in neighboring Muslim states like the Ottoman empire, Uzbek Central Asia, and Mughal India also enjoyed similar rights to control many of their own affairs, not by treaty but rather by



tradition based on reciprocity.

Economic concessions, on the other hand, were granted in order to promote the exploitation of Persian natural resources. Most of the sources cited here are of the 17th century, but similar arrangements existed in the 16th century. Because all natural resources, including those in the subsoil, were owned by the shah any mining operation could take place only with his permission, which was usually granted in the form of leasing or farming arrangements (*ejāra*, *moqāṭa'a*); that is, in lieu of a fixed share of the gross output or an annual fixed payment, the shah permitted the concessionnaire (*emtāzdar* or *ejāradār*) to work a particular natural resource in exchange for a percentage of the receipts. For example, the government levied a tax of one-third on receipts from the production of metals and 20 percent on those from pearl fishing and the mining of turquoise; in particular, the revenues from pearl fishing at [Bahrain](#) and mining of turquoise near Mašhad were considerable (Kaempfer, p. 94; Fryer, III, pp. 10, 12; Chardin, III, pp. 561-63, V, p. 398; Eskandar Beg, I, p. 321; tr. Savory, 1, p. 455). The Caspian and Gulf fisheries concession was another important source of revenue; according to Adam Olearius, it yielded 25,000 Reichsthaler per year (Olearius, p. 669; Struys, p. 411). The oil wells at Baku yielded revenues of about 7,000 tomans per year (Ashurbeili, p. 200). Salt mines were also leased to investors in Baku, Hormoz, and elsewhere, as were the sulphur mines at Hormoz (Puturidze, doc. 28; Musāvi, 1977, doc. 22; Lorimer, *Gazetteer*, p. 164). About other mining concessions little is known (Olearius, p. 581; Kaempfer, p. 94).

At the national level concessions related to mineral resources were overseen by an officer in the central fiscal administration, the *avārajanevīs-e ma'āden*, or chief comptroller of the mines (*Taḍkeratal-molūk*, ed. Minorsky, p. 92), whereas locally they were overseen by the *kelīddār-e ma'āden* (supervisor of mines) or the *zābeṭ* (registrar; Savory, p. 346; Puturidze, 1962, doc. 28), who were appointed directly by the local governors. At various times during the Safavid period certain governmental functions were farmed out, in particular administration of the [customs](#), control of the road system, and operation of the mint. The customs administration was farmed out early in the Safavid period (*Travel to Tana*, pt. 2, p. 173). Later the system was managed directly by the state, until 1674, when it was farmed out again (Chardin, V, p. 404; Qā'emmaqāmī, p. 49). The *rāhdār* system was farmed out in the 1730s and managed by a *rāhdār-bāšī* (Emerson and Floor, p. 326). The mint in each town was farmed out to private investors or provincial governors (see [coins and](#)



coinage; mint).

BIBLIOGRAPHY

C. B. Ashurbeili, *Ocherk istorii srednevekogo Baku*, Baku, 1964.

J. Emerson and W. M. Floor, "Rahdars and Their Tolls in Safavid and Afsharid Iran," *JESHO* 30/3, 1987, pp. 318-27.

R. Ferrier, "Trade from the Mid-14th Century to the End of the Safavid Period," in *Camb. Hist. Iran* VI, pp. 412-90.

J. Fryer, *A New Account of East India and Persia, Being 9 Years' Travels, 1672-1681*, ed. W. Crooke, 3 vols., London, 1909-15.

E. Kaempfer, *Am Hofe des persischen Grosskönigs (1864-85)*, tr. W. Hinz, Leipzig, 1940.

T. M. Musävi, *Orta äsr Azärbaygan tarikhinä dair fars dilli sänädlär (XVI-XVIII äsrlär)*, Baku, 1977.

A. Olearius, *Vermehrte Beschreibung*, Schleswig, 1656 (repr. Tübingen, 1971).

V. P'uṭ'uridze, *Persidskie istoricheskie dokumenti v knigokhranilishchakh Gruzii* I/2, Tbilisi, 1962. J. Qā'emmaqāmī, *Yak-ṣad o panjāh sanad-e tārikī*, Tehran, 1348 Š./1969.

R. Savory, "A Secretarial Career under Shāh Ṭahmāsp I (1524-1576)," *Islamic Studies* 2, 1963, pp. 343-52; repr. in R. Savory, *Studies on the History of Safavid Iran*, London, 1987.

J. J. Struys, *The Most Perillous and Most Unhappy of John Struys . . .*, tr. J. Morrison, London, 1683.

Travels to Tana and Persia. A Narrative of Italian Travels in Persia in the 15th and 16th Centuries, The Hakluyt Society, ser. 1/49, London, 1873.



(Willem Floor)

ii. In the Qajar Period

Concessions by the Persian government in the Qajar period included grants of political and extraterritorial rights to the Russian and British governments, as well as monopolies, contracts, and licenses to British and Russian citizens and companies to carry on specific economic activities on Persian territory. A few concessions were also granted to other European states and their subjects, for example, in 1312/1895 a French monopoly on archeological excavation (see [conservation and restoration of persian monuments](#)).

After the two wars between Persia and Russia and the signing of the treaties of Golestān (1228/1813) and Torkamānčāy (1242/1828) and then the [Anglo-Persian War of 1273/1856](#) a kind of semicolonial status was imposed upon Persia, particularly in relation to Great Britain and Russia. In fact, Persia became a buffer state between the two powers, the one seeking to protect its colonial interests in India, the other following an expansionist policy in the south primarily in order to counter British power. In the treaty of Torkamānčāy (for text see Hurewitz I, pp. 231-37) and in later agreements with Great Britain (peace treaty, Paris, 1857; Hurewitz, I, pp. 341-43) and other European countries (e.g., Belgium, Germany, France) Persia conceded “most-favored nation” status, including extraterritorial rights and a uniform 5 percent [customs](#) duty for merchandise imported to Persia. In addition, in 1296/1879 the Russians were asked to form the [Cossack Brigade](#) under the command of Russian officers, a major political and military concession.

The increasing rivalry of the two great powers during the last quarter of the 19th century brought scores of British and Russian concession hunters to Persia in search of quick profits. Their interests often coincided with those of the shah, who was in need of money and did not fully understand the implications of such concessions, as well as those of some corrupt courtiers (Keddie, p. 7). The shah came under increasing pressure from both Russia and Great Britain and sought to maintain a delicate balance by granting similar concessions to both, for instance, the right to establish a bank in Persia (see below). Equally, concessions denied to one party had to be denied to the other as well, for example, the right to build railways in the last quarter of the 19th century (Ašraf, pp. 46-72; Kazemzadeh, pp. 148-240).

Economic concessions fell into three major categories: public utilities,



financial enterprises, and exploration for and exploitation of natural resources. The most comprehensive economic concession was granted in 1289/1872 to a British subject. Baron Julius de Router (q.v.); for a period of seventy years he was to have the sole right to exploit most of Persia's natural resources; to build dams, bridges, roads, railways, and factories; to farm the customs; and to exercise the first option should the government decide to establish a national bank (Kazemzadeh, pp. 100-24; Teymūrī, pp. 97-150). Owing to popular opposition in Persia and to lack of British government support for Reuter, however, the shah canceled this concession in 1290/1873 (Teymūrī, pp. 97-150).

Public-utilities concessions to British interests also included a series of licenses, issued between 1279/1862 and 1336/1918, to establish and operate telegraph lines in Persia; opening of the Kārūn river to international navigation in 1306/1888; and, between 1307/1890 and 1331/1913, several concessions to construct and operate roads and railroads in the southern and western provinces of the country. Similar concessions were granted to Russian interests, including, in 1306/1889, the right to navigate Persian rivers flowing into the Caspian, to anchor in the Anzalī lagoon, and to build depots and roads between Pīrbāzār on the Caspian coast and Tehran; a series of grants between 1298/1881 and 1311/1894 for the use and control of telegraph lines in the northern Persian provinces; permission for a Russian insurance and transport company to construct a road from Anzalī to Qazvīn in 1310/1893; concessions to the Russian bank (see below) to construct and operate a road from Jolfā to Tabrīz and from there to Qazvīn (1319/1902) and a railroad from Jolfā to Tabrīz (1331/1913); and a grant to the Nobel brothers' company to construct an oil pipeline from Anzalī to Rašt in 1329/1911 (Kazemzadeh, pp. 275-79; Teymūrī, pp. 50-58, 151-77, 223-36, 251-73, 322-24; Maḥbūbī, *Mo'assasāt*, pp. 198-217; Issawī, pp. 184-94, 358-61; Jamālzāda, pp. 101, 104, 106, 112-15; Ašraf, pp. 48-49).

The major financial concessions included a grant to the British in 1306/1889 to establish the Imperial Bank of Persia (Bank-e šāhī), with a monopoly on the issue of paper money (Jones, p. 35; Teymūrī, pp. 178-212; see [banking in persia](#)). In order to balance this concession, Yakov Polyakov was granted the right to establish a loan company (Banque des Prêts, Bānk-e esteqrāzī) in Persia in 1307/1890; this enterprise was purchased by the Russian government in 1311/1894 and became a formidable rival to the Imperial Bank (Teymūrī, pp. 336-49; Jones, p. 56; Kazemzadeh, pp. 199-200, 272-80). In 1308/1891



Polyakov's brother Lazar Solomonovich had obtained a monopoly of the insurance industry in northern Persia (Kazemzadeh, p. 275; Teymūrī, pp. 352-54).

Concessions to exploit natural resources included a series of licenses to Stepan Martinovich Lianozov to exploit the Caspian fisheries between 1305/1888 and 1324/1906; a grant to the Russian subject Kusess to exploit the Māzandarān forests; a grant in 1316/1899 to a Russian mining firm to prospect for and develop mineral resources in the Qarāčadāg region of Azarbaijan; and concessions to the Russian bank to exploit the coal mines and oilfields within 10 *farsaks* on either side of the road and railway it had built in Azarbaijan (see above; Teymūrī, pp. 274-308, 333-35, 357-64; Jamālzada, pp. 101-04). A major and lasting concession was the grant in 1319/1901 of exclusive rights to the Englishman [William Knox D'Arcy](#) for a period of sixty years to search for, exploit, export, and sell natural gas and petroleum from anywhere on Persian territory, except the northern provinces (for the text, see Hurewitz, I, pp. 482-84; cf. Ferrier, pp. 42-49; see [anglo-persian oil company](#); [oil concessions](#)).

Taken as a whole, Persian concessions encouraged foreign trade, commercialization of agriculture, contacts with the West, and gradual incorporation of the country into the world economy. On the other hand, they were discriminatory to Persian traders and were often resented by merchants of the *bāzār*, the '*olamā*', and the intelligentsia, who recognized in them the increasing domination of the country by colonial powers and blamed them for its continued "backwardness" (Ašraf, pp. 89-125). In 1308/1891 a popular protest movement and urban riots were launched in major Persian cities against the grant in the preceding year to the Régie of a monopoly over production, sale, and export of tobacco (Ādamīyat, 1360 Š./1981; Keddīe; see tobacco régīe). The movement, which led to Nāṣer-al-Dīn Shah's cancellation of the concession on 4 Jomādā II 1309/5 January 1892, is considered to have been a prelude to the [Constitutional Revolution](#) of 1323-29/1905-11. One of the reformers' major demands at that time was popular control, through the Majles, of the granting of foreign concessions, and Articles 24 and 25 of the Constitution provided for that control.

See also [communications](#); [judicial system](#); [navigation](#); [telegraph](#); [railways](#); [roads](#).

F. Ādamīyat, *Andīša-ye tarraqī wa ḥokūmat-e qānūn*. 'Aṣr-e Sepah-sālār, Tehran,



1351 Š./1973.

Idem, *Šūreš bar emtiāz-nāma-ye Reżī*, Tehran, 1360 Š./1981.

A. Ašraf, *Mawāne'-e tārīkī-e rošd-e sarmāya-dārī dar Īrān. Dawra-ye qājārīya*, Tehran, 1359 Š./1980.

A. Destreé, *Les fonctionnaires belges au service de la Perse, 1898-1914*, Acta Iranica 13, Tehran and Liège, 1976.

L. P. Elwell-Sutton, *Persian Oil. A Study in Power Politics*, London, 1955.

M. L. Entner, *Russo-Persian Commercial Relations, 1812-1914*, Gainesville, Fla., 1965.

M. Fāteh, *Panjāh sāl naft-e Īrān*, Tehran, 1335 Š./1956.

R. W. Ferrier, *The History of the British Petroleum Company. The Developing Years, 1901-1932*, Cambridge, 1982.

J. C. Hurewitz, *Diplomacy in the Near and Middle East. A Documentary Record 1535-1914*, 2 vols., New York, 1972.

C. Issawi, ed., *The Economic History of Iran, 1800-1914*, Chicago, 1971.

M.-'A. Jamālzāda, *Ganj-e šāyegān*, Berlin, 1335 Š./1956; repr. Tehran, 1362 Š./1983.

G. Jones, *Banking and Empire. The History of the British Bank of the Middle East I*, Cambridge, 1986.

F. Kazemzadeh, *Russia and Britain in Iran, 1864-1914*, New Haven, Conn., 1966.

N. Keddie, *Religion and Rebellion in Iran. The Tobacco Protest of 1891-92*, London, 1966.

R. K. Ramazani, *The Foreign Policy of Iran, 1500-1941*, Charlottesville, Va., 1966.

J. Šayk-al-Eslāmī, *Asnād-e maḥramāna-ye Wezārat-e kāreja-ye Berītānīā dar bāra-ye qarārdād-e 1919-e Īrān wa Engelīs I*, Tehran 1365 Š./1986.

E. Teymūrī, *'Ašr-e bīkabarī yā tārīk-e emtiāzāt dar Īrān*, Tehran, 4th ed., 1363 Š./1984.



(Mansoureh Ettehadieh [nezām māfī])

iii. In the Pahlavi Period. See REŻĀ SHAH; MOḤAMMAD-REŻĀ SHAH.