To the Graduate Council:

I am submitting herewith a dissertation written by Hossein Daheshiar entitled "Social, Economic and Political Origins of the Iranian Revolution of 1979." I have examined the final copy of this dissertation for form and content and recommend that it be accepted in partial fulfillment of the requirements for the degree of Doctor of Philosophy, with a major in Political Science.

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We have read this dissertation
and recommend its acceptance:

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and Dean of the Graduate
School

SOCIAL, ECONOMIC AND POLITICAL ORIGINS OF THE IRANIAN REVOLUTION OF 1979

A Dissertation

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Degree

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Hossein Daheshiar

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DEDICATIONS

With much love and appreciation to my parents.

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Abstract

The goal of this research is to analyze the social, economic and political origins of Iranian Revolution.

This analysis concentrates on two major questions. First, what factors led to the emergence of a pre-revolutionary society in Iran, and second, what variables were necessary to mobilize this revolutionary potential?

This study found that both of the above conditions existed in Iran concurrently. A pre-revolutionary society had developed, and a highly organized contending elite, armed with a charismatic leadership and appealing ideology, and with access to mass scale communications network, had evolved with the intention to lead a revolution. Without the juxtaposition of these two factors the revolution would not have occurred.

The emergence of a pre-revolutionary society in Iran can best be explained, as a matter of faith, by the concepts of relative deprivation, modernizing dictatorship and resource mobilization.

In Iran, a pre-revolutionary society had evolved because on the one hand the major groups were experiencing relative deprivation in one form or another and on the other hand the concentration of power in the hand of the shah led to the militarization and bureaucratization of the society.

Against that background, the Shi'ite establishment mobilized its vast array of resources and powerful network, including more than 80,000 religious centers, 200,00 clerics, an appealing ideology, a charismatic leadership, and a strong financial base to bring about the revolution.

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PART I

THEORETICAL FRAMEWORK

Introduction

The Shah's ascent to power in 1953 was viewed by many Iranians as the dawn of a new era in the life of the nation. The educated class hoped that the traditional antagonism of peasants, tribes and ethnic groups toward the central government would be replaced with the establishment of an independent and nationalistic regime. The religious leaders were encouraged by the expression of a need for mutual reinforcement of secular politics and religious norms by the king. The traditional middle class, the merchants and the bazaaris saw an impetus for major economic progress. In general, the average Iranian assumed that life under the Shah would significantly improve in political, economic, and cultural arenas. In reality, the Shah's regime failed to accomplish these expectations on all counts; therefore, revolution became inevitable.

The Shah's flawed assumptions about the nature of political power, the extent of religious influence in the dominant culture and the degree of national sentiment in the society led to his downfall. The Shah believed that "the price of development is apt to be exercise of authoritarian power. Both political and economic" (Heilbroner, 1963: 135). He proudly claimed that "in Iran...what counts is the magic word and the magic word is king" (New York Times, March 31, 1974: 3). This view of the nature of power was reinforced by his narrow interpretation of the Iranian culture. He believed that the people of Iran "Tend to accept and even rely on a strong monarch who is above the law, rather than look to a constitutional structure that is daily interpreted by functionaries of lesser personal

authority at whatever level action is required." (Bayne, 1968: 162).

The grandiosity with which the Shah assessed his power and the cultural justification that he attached to his standing in the society psychologically allowed him to refute the democratic principles which assert, that the people are the source of power and that they offer legitimacy to the governing body. In this context, the Shah denied the efficacy of nationalism as a positive phenomenon to shape the future of the country. The Shah told an aide, "as long as the Americans support me, we can do and say whatever we want and I am immovable" (Salinger, 1981: 59). The Shah's disregard for the viability of nationalism to cement consensus proved to be a major problem for the future of the regime. The psychological importance of what Beer calls "one cause, one country, one heart" (Beer, 1993: 13) is essential in creating consensus toward profound changes in the society:

> The nation (like the family) has also a profound and positive social value, around its traditions and symbolism individuals with conflicting interests can be encouraged to cooperate and make sacrifices for the common good. Nationhood provides us with that most essential psychological anchor against the disorientating storms of change, an identity which gives us a sense of continuous existence (Thatcher, 1995: 36).

The Shah's failure to comprehend the symbolic importance of nationalism in creating a sense of consensus and solidarity severely diminished "the capacity of the system to engender and maintain the belief that the existing political institutions are the most appropriate ones for the society" (Lipset, 1963: 64). The ideological vacancy demonstrated by the Shah became a major impediment in his

drive toward modernization.

The Shah's modernization programs, which undermined the socio-economic and political power of the *Ulama*, glorified pre-Islamic kingship and culture, diminished the status of the bazaar, andfailed to produce expected gains. His policies failed because political, cultural, ideological, and social aspects of civil society belonged to a different ideological universe. Civil society is defined as a complex network of organizations such as political parties, trade unions, cultural institutions, mass media and religious institutions such as the mosque. In Iran, the Shah's regime encompassed everything, while civil society was gelatinous, primordial and underdeveloped. His discourse excluded civil society in order to facilitate the domination of his regime over society. Therefore, with the rise in economic discontent followed by political challenges and social disorder, the regime lacked the necessary buffers to rebuke the attack. Lack of independent political parties, viable trade unions, diverse cultural institutions and free mass media left the regime vulnerable to frontal attack by contenders for power. The repressive, non-democratic and dictatorial regime of the Shah prevented the development of civil society, which in turn deprived the regime of the ability to respond to challenges of contending powers during the time of economic crisis. In the words of Gramsci, when there is a developed civil society, "A crisis cannot give the attacking force the ability to organize with lightning speed in time and in space. Similarly, the defenders are not demoralized, not do they abandon their positions, even among the ruins, nor do they lose faith in their own strength or in

their own future" (Gramsci, 1971: 235).

The creation of a centralized state and the consolidation of the Shah's power failed to fill the void that had resulted from the exclusion of civil society in the overall developmental plan. Therefore, when economic crises arose, accompanied by the political and social challenges of the Islamic nationalists, the regime did not have the opportunity or the ability to engage in the "war of position," via actions such as establishing alliances with non-religious groups, to stay in power. In the end, revolution became a reality when the economic discontent, social alienation and political opposition was expressed in terms of Shi'i revolutionary discourse.

The Shah's strategy was centered around the policy of triangulation. The policy aimed to neutralize two major discourses in the Iranian society: Islamic-nationalism and socialist-nationalism. To provide a sense of authority and to further the monarch-centered national mythology, the Shah viewed the clergy and socialists as the advocate of negative nationalism, and therefore detrimental to his modernization policies. Pointing to clerical and socialistic opposition, the Shah frequently used the terms "black reaction" (referring to the Ulama) and "the red forces of destruction" (referring to the socialists) to identify the opposition. The following comment was generally understood to be the Shah's view: "We are not done with social and political parasites. I abhor the black reaction even more then the red destruction". The aim of the triangulation policy was to paint both Islamic and socialist-nationalism as extreme and irrelevant ideologies to facilitate

the regime implementation of its reform programs. The Shah viewed this strategy as a necessary step in the restoration of the regime's legitimacy, which had diminished following involvement of the CIA in staging the return of the Shah to power in 1953. There was a subtle need to associate the monarch with progress and prosperity. The reform programs were designed to provide a basis for the Shah's ideological campaign against the opposition, portraying them as anarchist and reactionaries. In his interview with the Italian journalist Oriana Falaci, the Shah stated:

> When there's no monarchy, there's anarchy, or an oligarchy or a dictator-ship. Besides, a monarchy is the only possible means to govern Iran. If I have been able to do something, a lot, in fact, for Iran it is owing to the detail, slight as it may seem, that I am its king. To get things done, one needs power, and to hold on to power one mustn't ask anyone's per-mission or advise. One mustn't discuss decisions with anyone (Halliday, 1979: 58).

The Shah's policy of modernization and secularization was vehemently opposed by the socialist and Islamic groups. "He clearly was trying to control the instruments of power through which he could govern Iran. But those instruments were few in number and quite inefficacious in consequence. Moreover, his competitors for the control of the instruments of power were numerous" (Zonis, 1991: 107). The clergy viewed the reform programs as trends toward the weakening of the Islamic religion in Iran. In 1967, the Shah had the Maglis (Parliament) pass the Family Protection Law, which gave women and civil courts a more equitable legal status in matters of marriage and divorce and gave civil courts the power over these matters that had previously been in the hands of the

clergy. In addition, the Family Protection Law gave women the right to vote. In 1971, the Religious Corps was created and attempts were made to establish an Islamic University to replace the *Hozeh-e Elmiehs* (seminaries). To make the situation worse, in 1975 the *Hegira* (Islamic) calendar was replaced by a royal calendar. Khomeini attacked the Family Protection Law as anti-Islamic and criticized the creation of the Religious Corps as an imperialist plot to undermine Islam and Ulema. He regarded the change of calendar as a clear sign of the animosity of the regime toward the Prophet and Qoran (Ferdows, 1982: 78). The socialists viewed the reform programs, especially the economic policies, as a move to establish dependent capitalism and to enhance the power of multinational corporations in Iran.

The suppression of the Islamic ideology was extremely difficult for many reasons. First, the Shah could not close all of the religious institutions and forbid religious ceremonies. There were more than 180,000 clergy who were able to keep their ties to the people through the network of 80,000 mosques and seminaries. Secondly, the clergy were not directly criticizing him, and he had no excuse to arrest them. Thirdly, he underestimated the depth of attachment to Islamic values held by the masses. Homayoun, the Minister of Information under the Shah, notes that the Shah was so overwhelmed with the underground opposition and the student movement that he ignored the danger of the clergy, who he personally despised (Homayoun, 1982).

The Shah's strategy of triangulation which was designed to portray him as

the champion of progress and development put him at odds with the socialists and Islamic nationalists. His policy was to establish a social order based on the centrality of the monarchy. He adhered to the view that in order to pave the path toward progress, "any government of any form, if it is to be a serious government must have someone above politics and who should make fundamental decisions" (Bayne, 1968: 64-65). In order to consolidate power, the Shah had, to show that the court was the only institution with both legitimate authority and the ability to solve Iran's socio-economic problems. The bureaucratic monarchy portrayed itself as the engine of economic development. In Europe, the bourgeoisie had engineered the leap from Feudalism to Capitalism. In contrast, in Iran the monarchy took the responsibility to facilitate the leap. The Shah's parallel, policy was designed to undermine the established political and economic structures and especially to strip the clergy of their traditional socio-economic and political privileges. The Shah stated: "I could not remain a neutral onlooker in the struggle against the forces of evil but have taken up the banner myself. So that no power can ... plunder the nation's wealth for the benefit of a minority" (Pahlavi, 1966: 36).

This dual policy pursued by the regime pathetically failed to eliminate the religious opposition. The Shah's Machiavellian rule which was based on the utilization of force instead of rule by law, proved to be insufficient in maintaining his regime. Machiavelli put forward the argument that "a ruler in order to succeed ought to choose the fox and the lion, because the lion cannot defend himself

against snares and the fox cannot defend himself against wolves. Therefore, it is necessary to be a fox to discover the snares and a lion to terrify the wolves" (Machiavelli, 1993: 138). However, the Shah lacked the majesty of a lion and the cleverness of a fox. He failed to achieve lionesque status because of his close association with the United States, which was perceived as a lack of independence. Bani-Sadr, the first president of the Islamic Republic, stated: "all that happened in Iran it was not the imperial court that made the decision, it was the United States Embassy" (Rubin, 1980: 267). The Shah's inability to project himself as an independent and shrewd leader deprived him of the ability to demoralize his opponents and to gain moral superiority because "friendships that are obtained by payments, and not by greatness of nobility or mind, may indeed be earned but they are not secured" (Machiavelli, 1993: 13).

The Shah's failure to implement a successful modernization program widened the gap between the state and civil society. The more the Shah insisted on his secular anti-religious ideology, the less he was applauded by his opponents and the more his discourse antagonized the various groups in the society. The revolutionary crisis began when the economic discontent, political opposition and social alienation were expressed in terms of Shi'i revolutionary discourse. Dual sovereignty emerged because the Shah and the opposition were constituted by and through two mutually negative ideological universes. The themes of Shi'i revolutionary discourse (that Iran's problems were related to the West's cultural domination and the un-Islamic nature of the institution of monarchy, and that there

was a religious solution to these problems) contradicted in essence the monarchy-centered nationalist discourse. Further, the discursive field generated by revolutionary Islam--that is, its symbolic structure, religious rituals and theme of martyrdom--played a crucial role in providing an effective channel of communication among the various participants, in maintaining a continuity in the people's mobilization against the Shah, and in transcending the social differences in society.

Theoretical Orientation

We are attempting, in this research, to explain the Islamic Revolution combining both resource mobilization theory and relative deprivation theory. Such a theoretical framework juxtaposes casual explanations and traces the effects of structural factors and individual behaviors. This model provides a framework within which an account for the affects of the structural forces and affect of the informed individuals can be effectively analyzed. The purpose of this dissertation is to utilize a multi-variable approach to explain the Islamic Revolution within its structural context while at the same time emphasize the importance of rational, deliberate and ideologically informed human action. The former components are a set of factors outside the individual's parameters which either constrain or facilitate the action of that individual. The latter deals with such individuals and how their interests and objectives lead to certain consequences. This study illustrates the centrality of deliberate and intentional revolutionary

action on the part of individuals. This is a case where people seize the opportunity provided for them in a unique structural conjuncture, managing to mobilize their resources and successfully challenge the regime. The clergy having obtained supreme control over cultural and non-cultural resources successfully dominated the revolutionary coalition. Essentially, such an efficient mobilization of socially embedded resources led by Khomeini brought down the shah's regime.

It is the proper understanding of the interacting regenerative effects between structure and human agency which is essential to any analysis of the Islamic Revolution. The proposed argument is that bureaucratization and modernization specifically did not cause mass revolutionary action alone. However, macro structural changes did have a significant impact on the distribution of resources and power among the different social groups and classes. More importantly, the most significant casual factor was the self-directed mobilization of individuals whose control over a variety of resources was indispensable to the success of the revolution. This discussion will focus on political (i.e., bourgeoisie, bureaucracy, military), economic (i.e., inflation, investment, importation, exportation, GNP, petrodollar), and social (i.e., Shi'ism, religious leadership, Bazaar, cleric network, secular network, and guerilla network) factors during the shah's rule to construct a comprehensive explanation of the Islamic Revolution. In conclusion, microanalysis dissects the internal dynamics of the Islamic Revolution, while macroanalysis dissects the influences of

revolution exerted by factors external to social constraints and complexities.

The objective of this research is to analyze the social, economic and political origins of the 1979 Islamic Revolution in Iran. This analysis concentrates on two sets of important questions. First, what factors led to the emergence of a pre-revolutionary society in Iran, and second, what variables were necessary to mobilize this revolutionary potential? To answer these questions, it is imperative to analyze the social economic and political foundations, or the etiology of the revolutionary situation in Iran and the factors which contributed to its transformation into a full-blown revolution. I will discuss the correlation, interrelation and association among social, economic and political foundations.

The central thesis of this research is that both of the above conditions existed in Iran concurrently: a pre-revolutionary society had developed, and a highly organized contending elite, armed with a charismatic leadership and appealing ideology, and with access to mass-scale communications networks, had evolved with the intention to lead a revolution. Without the juxtaposition of these two factors, the revolution would not have occurred.

The related concepts of social mobilization, relative deprivation, and modernizing dictatorship will be useful in helping establish a theoretical framework for this analysis. With some revisions these concepts can be operationalized in order to provide a powerful explanation for why a revolutionary society emerged in Iran. These concepts will help to enhance our understanding of the effects of various factors in shaping the revolutionary situation. Revolution as a complex

phenomenon demands a multifaceted, multi-variable explanation. Mono-causal and simplistic explanations of revolutions are bound to meet failure.

Social mobilization here "refers to the processes by which a discontented group gathers and invests resources for the pursuit of group goals" Charles Tilly's polity and mobilization models can be very helpful in understanding and underlining the dynamics of the people's behavior that made the revolution in Iran possible. Tilly's polity model suggests that within a given population there is an organization (government) "which controls the principal concentrated means of coercion" and where different groups (contenders for power) are continuously trying to influence government by applying collective resources. Contenders are divided into two general groups: polity members who are currently in control of government, and the challengers who are attempting to join the polity in spite of resistance by polity members. Tilly's mobilization model, by trying to "describe the behavior of a contender," emphasizes features such as organization and mobilization where organization is defined as "that aspect of a group's structure which most directly affects its capacity to act on its interests," and mobilization is defined as "the process by which a group acquires collective control over the resources needed for action" (Tilly, 1978:7). Analyzing structures of organizations and the ability of groups to organize and mobilize collective resources is important in understanding how and why revolutions occur.

There is a slim possibility for collective behavior without the mobilization of resources and the ability to coordinate the frustration and discontent of the

masses. Revolution occurs where people and resources are utilized to achieve a common purpose. Charles Tilly, as the major advocate of this approach, shifts focus from an emphasis on motivation to change (discontent ——————> desire to change ——————> revolution), to an emphasis on the level of organizational capacity to mobilize (discontent ——————> organizational capacity to mobilize ——————> revolution). The methodological shift from individual self-realization to collectivism represents a shift from psychological analysis to political conflict analysis. The employment of a political approach shifts the focus from the centrality of the individual to the centrality of the state. Revolution is analyzed in the context of the conflict/contention process. The process encompasses contending groups--people in power and people outside the power structure--who try to control the state apparatus. Governing groups try to keep their power positions against the desire of groups outside the governing circle. This brings about a revolutionary situation defined by Tilly as a condition of "multiple sovereignty." In this scheme the state is characterized as an independent and autonomous institution. This view is in sharp contrast to the Marxist view of the state as an instrument of class dominance.

During revolutionary situations when the state shows weakness, contending powers in the society lay claim to the state apparatus. "Revolutionary action becomes likely when in the presence of vulnerable power-holders potential opponents of those power-holders communicate with each other sufficiently to recognized that they have the collective capacity to overturn the existing structure"

(Tilly, 1984:32). From the psychological perspective, the individual mental state provides the necessary context for the emergence of the revolutionary situation. However, from the resource-mobilization perspective, the growth of alternative claims by contending groups creates the context for the emergence of the revolutionary situation. Tilly's analysis maintains that the ability of the contenders to occupy the apparatus of power depends mainly on their mobilization capabilities. "Mobilization refers to the processes by which a discontented group assembles and invests resources for the pursuit of group goals" (Oberschall, 1973:28). Tilly argues that discontent is a constant part of social life and the only time it brings about revolution is when resources are mobilized. A shift of resources from regime to contenders is the path toward revolution. There are always contending claims on the power structure by various groups in the society. However, revolutions occur only when governments fail to mobilize the available resources while the contenders, through better organizational capacities, are able to mobilize the available resources. Resources range from leadership, manpower, and weaponry to money and information. "Political violence is essentially a by-product of omnipresent processes of political conflict among mobilized--that is, organized and resource controlling--groups and government" (Skocpol, 1976:65).

The resource mobilizational theory advanced by Tilly stipulates that revolution is essentially a collective action that comes about during the revolutionary situation. This situation is characterized by claims of various contenders over the government. During the process of multiple sovereignty, "a

government previously under the control of a single, sovereign polity becomes the object of effective, competing, mutually exclusive claims on the part of two or more distinct policies" (Tilly, 1978:191).

Tilly bases his theory of revolution on the organizational capacity to mobilize resources, which indicates his emphasis on the mechanical foundations rather than the need for a set of preconditions as an essential component of revolution. To translate discontent to revolution Tilly's scheme stipulates:

1. The appearance of contenders making exclusive alternative claims.
2. Major adherence by the population to those claims.
3. Decline in the repressive capacity of the government.
4. Emergence of a revolutionary coalition between challengers and members of the polity.
5. Control of substantial force by the revolutionary coalition. (Tilly, 1978: 211-212).

It is also important to utilize the notions of relative deprivation and modernizing dictatorship in the context of social mobilization in order to explain why different groups and classes, many of which emerge as a result of social mobilization, ally and participate in a revolution, despite differences in interests, perspectives and considerations.

Relative deprivation, in the general sense, refers to the discrepancy between the values members of a group feel they are entitled to and what they actually get. Value is categorized in terms of the group's economic position,

status/prestige, and power measured in terms of the degree of influence members of the group have in the political process. Relative deprivation should be viewed not just in terms of a gap between what a group expects and what it actually gets, but how a group's economic status, social status, and power, have changed or are changing in relation to competing groups.

Gurr argues that aggression is a physiological phenomenon which is caused by societal variables: from lack of participation to economic problems. He stipulates that there is a direct relationship between perceived deprivation and frustration. The frustration-aggression axiom is the foundation of Gurr's analysis of collective violence and revolution. He presents three major physiological position for the generic sources of human aggression:

1. Aggression is solely instinctive.
2. Aggression is solely learned.
3. Aggression is an innate response activated by frustration (Gurr, 1974:29).

Assumptions about the instinctiveness of aggression show the influence of Freud's views about the nature of the phenomenon. Assumptions regarding the learned nature of aggression represent the influence of the functionalist theorists, such as Chalmers Johnson. The response assumption demonstrates the influence of structural theorists upon the theoretical scheme of Gurr's work. Gurr's proposition that there is a relationship between perceived deprivation and frustration represents the basis of his theory. The theory is utilized to show why deprivation leads to revolution. Revolution is conditioned by anticipated gain,

degree of opportunity, nature of retribution, nature of leadership and the degree of cohesiveness among the elites.

Gurr's relative deprivation theory stipulates that the necessary conditions for civil conflict are relative deprivation, defined as actors' perceptions of a discrepancy between their value expectations and their environment's apparent value capabilities. Value expectations are the goods and conditions of life to which people believe they are justifiably entitled. The referents of value capabilities are to be found largely in the social and physical environment: "They are the conditions that determine people's perceived chances of getting or keeping the values they legitimately expect to attain" (Gurr, 1972:37-38). Relative deprivation theory is based on a sequential pattern of development and occurrence of revolution. According to Gurr:

> The primary causal sequence in political violence is, first, the development of discontent, second, the politicization of that discontent, and finally its actualization in violent action against political objects and actors. Dissidence arising from the perception of relative deprivation is the basic instigating condition for participants in collective violence (Gurr, 1974:12-13).

Perception of deprivation comes about when improvement of one group doesn't keep pace with the other groups in the society, which leads to discontent. The second stage comes about when discontented individuals put the blame on the political system. Individual mobility improves at a rate which is inconsistent with their expectations and they shift the blame onto the system. The third stage is the actualization of discontent, which entails highly organized political violence

with a massive popular participation aimed to destroy the government (Figure 1.1).

Gurr's theory of relative deprivation, by focusing on the discrepancy between individuals' value expectations and their value capabilities, attempts to show the primary importance of the individual interpretation of reality in producing collective violence. In the words of Daniel Lerner, when the "want:get ratio" becomes unbalanced, it produces a revolution of rising frustrations (Lerner, 1963). Another major theorist of revolution who views the individual level of analysis as theoretically a better approach to explain revolutionary upheavals is James Davies. His starting point is Tocqueville's analysis of the French Revolution and his view that "increasing prosperity far from tranquilizing the population, everywhere promoted a spirit of unrest." (Tocqueville, 1955: 175). Tocqueville theorized that:

> It is not always when things are going from bad to worse that revolutions break out. On the contrary it oftener happens that when a people which has put up with an oppressive ruler over a long period without protest suddenly finds the government relaxing its pressure it takes up arms against it (Tocqueville, 1955:176).

Combining Tocqueville's theory with Marx's theory of the progressive pauperization of the workers, Davies hypothesized that "revolutions are most likely to occur when a prolonged period of economic and social development is followed by a short period of sharp reversal" (Davies, 162:6). Gurr's theory of relative deprivation is the extension of Davies's hypotheses with a sharper emphasis on the nature of human psychology.

Davies, by relying on a psychological approach, formulates the theory of "rising expectation" in order to explain the occurrence of revolution. It is only after economic progress starts that potentials for revolution develop. A swift decline of economic growth will cause frustration and ultimately lead to revolution. In a period of development, the expectation that the society can satisfy the needs of the population grows among the people. During the reversal period, however, anxiety is produced "when manifest reality breaks away from anticipated reality." Therefore, "the actual state of socioeconomic development is less significant than the expectation that the past progress now blocked can and must continue in the future" (Davies, 1962:19).

Davies's model represents a pattern which is most common in societies undergoing simultaneous institutional and ideological change. The process of modernization forces change in political, social, and economic arenas and demands change in dominant belief patterns and values. Davies stipulates that expectations start rising faster than actual development. Then a downturn in the economy brings about a frustration of expectations (Figure 1.2). Frustration will not happen "where there is the continued, unimpeded opportunity to satisfy new needs, new hopes, new expectations." Similarly, revolution will not happen where there is "no hope, no period in which expectations have risen" (Davies, 1962:19). The concept of modernizing dictatorship is compatible with the process of modernization and concentration of power engineered from above by the Shah. Centralization and concentration of political power were supplemented by

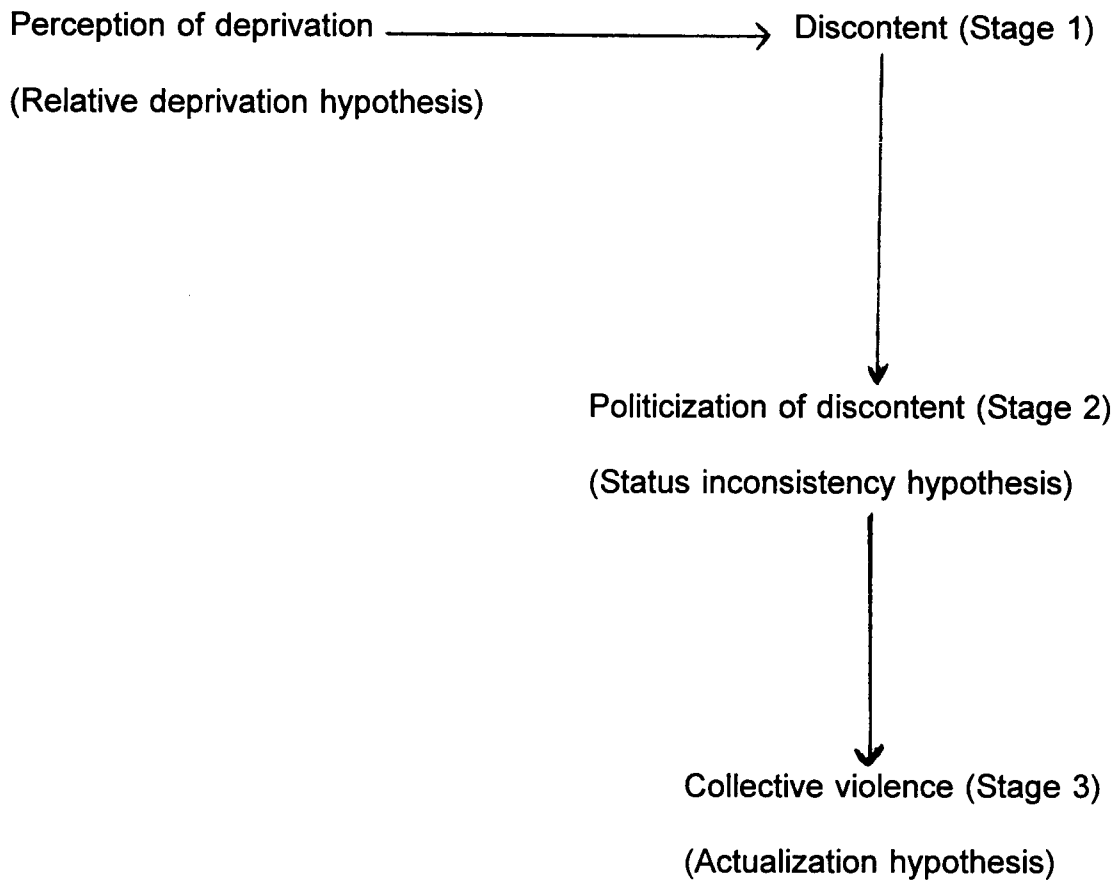


Figure 1.1 Structure of the Sequential Pattern of the Theory of Relative Deprivation

economic power based on monopoly control of national petroleum resources. The development of a modernizing dictatorship typically occurs when a low level of economic development, in the context of foreign influence, is the dominant feature of society. It begins with a seizure of power that is not based on a particular class interest, even though it may be accompanied by the support of certain classes. Its immediate motive is to suspend conflict among classes and groups by establishing its exclusive control over the means of power.

The expansion of power is a dynamic built into the structure of a modernizing dictatorship. This implies that the process by which a dictatorship achieves autonomy is accompanied by control over the military and bureaucracy. Its attempts to eliminate resistance develop a culture of dependency and submissiveness that, in turn, reinforce the traditional value systems and the religious beliefs upon which the foundation for such a culture is based.

Modernization under dictatorship primarily takes the form of a militarization of society and a bureaucratization of its functions which requires external support. Its key modern industries are owned by the state and the dictatorship provides employment for the vast majority of the population. It produces on one hand, a ruling apparatus composed of a new bureaucratic bourgeoisie defined primarily by organizational status and only secondarily by its relation to the means of production, and on the other hand, vast number of military and civil functionaries without independent power base. The bureaucratic and military machinery by which the dictatorship alone can manage and administer its affairs operate based

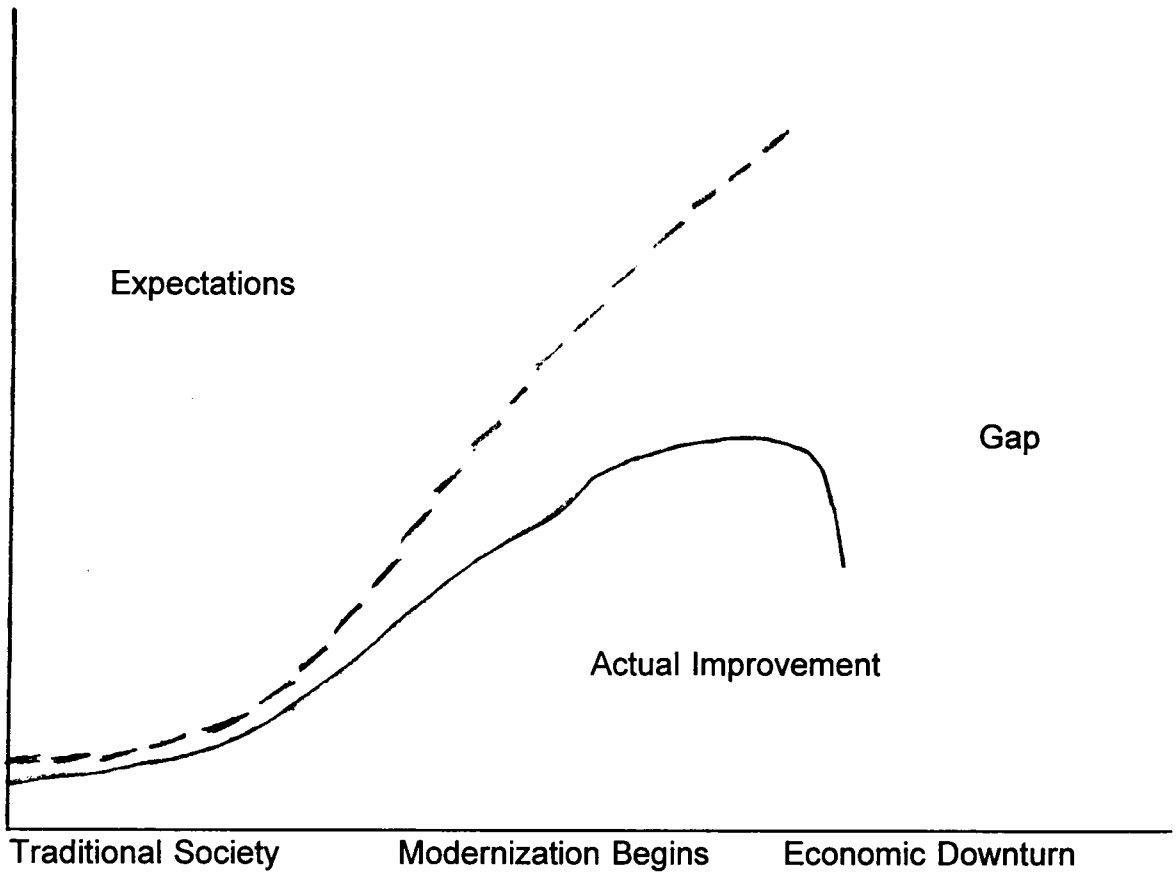


Figure 1.2 The Expectations Curve

Source: Michael G. Roskin, et al., Political Science. New Jersey. Prentice Hall. 1991:383.

on the principles of centralization developed to an unprecedented level.

I will argue (1) that dictatorship, because of its relative autonomy, maintains power through process of militarization and bureaucratization, and (2) that by virtue of its function as a primary agent of social change, the modernizing dictatorship carries out the historical task of the bourgeoisie.

This study will utilize these concepts in order to explain how and why a pre-revolutionary society emerged in Iran, and the factors that were the most important in shaping the revolution. The attempt is to explain the social, economic and political origins of the Iranian Revolution. This approach is consistent with the presupposition that two interacting conditions must exist in order for a revolution to occur.

Definitions of Revolution

There are nearly as many definitions of revolution as there are experts in the field. Here it is characterized as a mass-based movement that forcefully and violently brings about a regime change accompanied by expectations from the masses and attempts to transform the state's socio-economic and political fabric.

It is also important to differentiate revolutions from other forms of political violence largely because of dissimilarities in their objectives, causes, and effects. Rebellions, insurrections or coups "unlike revolutions do not seek to reconstruct the country's fundamental political, social and economic institution" (Hagopian, 1974:3). Still other forms of political violence such as riots may spark a

revolutionary process at some point, but in and of themselves have limited impact on societal change and fall short of even challenging the power of the ruling elite. Therefore, revolutions such as the one that occurred in Iran in 1979 must be classified distinctively from other forms of political violence.

Revolution puts into action the process of wondering what is around the corner. This reflects the expectations, hopes and uncertainty associated with the process of revolution. The American Heritage Dictionary provides the most concise and neutral definitions of the word:

1. Orbital motion around a point.
2. A turning or rotational change about an axis.
3. A sudden or momentous change in any situation.
4. A sudden political overthrow or seizure of power brought about from within a given system.
5. Activities directed toward bringing about basic changes in the socio-economic structure as a minority or cultural segment of the population (The American Heritage Dictionary, 1985:1058).

The central components of all definitions put forward by social scientists are the transformation of nature and the composition of social, political and economic interactions and structures. Transformation of the internal structure of society in a rapid and violent fashion essentially encompasses all different views of revolution. Revolution indicates a departure from consensus to cleavage and shift from tranquility to chaos. It is an oscillation from the known to the realm of uncertainty that is paved with hope and optimism. Revolution "is as natural as natural selection and as devastating as natural selection..." (Cohen, 1983:134).

Definitions mainly assign political or social interpretations to the sources of revolutionary upheavals. Political definitions of revolution link the occurrence

of revolution to the behavior of the elites, role of human agents, cultural orientations, the nature of the value system and the functions of the state apparatus. Social definitions of revolution focus on the level of production, the nature of class relations, the nature of relations between the state and various classes and the position of the country in the international capitalistic economic system. Dale Yonder stipulated that:

> The term revolution is one of the most used and one suspects one of the most misused of words. Both within and without the literature of the social science it has acquired a variety of meaning which make it as adaptable to personal purpose as is the chameleon's skin (Yonder, 1926:433).

The common point among the various definitions is the acknowledgement of the notion that revolutions are the consequence of a combination of various political and social factors. Scholars, depending on their points of view, choose to emphasize certain economic or political factors as the determining agents for revolution. Theorists who view revolution as a political phenomenon focus on the political capacities (military, bureaucratic, secret service, police) and political institutions that reflect the essential role the of state in igniting the revolutionary challenge. In this context the process of revolution, organization of revolution, direction of revolution, and the nature of coalitions in the process of revolution are all viewed in political terms. The following are political definitions of revolution put forward by the major social scientists. The focus of political definitions is the challenge to the social structure or political authority.

Charles Tilly: "A transfer of power over a state through armed struggle in

the course of which at least two distinct power blocs make incompatible claims to control the state and some significant portion of population subject to the state's jurisdiction acquiesces in the claims of each block" (Tilly, 1983:447). Ellen Kay Timberger: "decay of feudal institutions, urbanization of standing troops, and infiltration of urban artisans and merchants into the military" (Timberger, 1978:64). Eugene Kamenka: "A sharp sudden change in the social location of power." (Kamenka, 1966:124).

Raymond Tanter: "A revolution may be said to exist when a group of insurgents illegally and/or forcefully challenges the governmental elite for the occupancy of roles in the structure of political authority. A successful revolution occurs when as a result of challenge to the governmental elite, insurgents are eventually able to occupy principal roles within the structure of the political authority" (Tanter, 1967:267). Kai Nielsen: "Revolution is a complete overthrow of a government or social system by those previously subject to it and the substitution of a new government or social system" (Nielsen, 1979:160).

Jean Baechler: "The aim of revolutionary phenomena...is power, power that enable them to build a new social order" (Baechler, 1975:38). Peter Amann: "A contest for state power in which all the contestants are on show" (Amann, 1962:53). Louis Gottschalk: "A revolution is a popular movement whereby a significant change in the structure of a nation or a society is effected. Usually an overthrow of the existing government and the substitution of another comes early in such a movement and significant social and economic change follow"

(Gottschalk, 1944:6). Samuel Huntington: "A rapid fundamental and violent domestic change in the dominant values and myths of a society, in its political institutions, social structure, leadership, government activity, and policies" (Huntington, 1968:264).

Preze Zagorin: "A revolution is any attempt by subordinate groups through the use of violence to bring about (1) a change of government or its policy, (2) a change of regime, or (3) a change of society" (Zagorin, 1982:17). Roderick Aya: "Revolutions and popular violence as unfortunate concomitants of the 'modernization' process that set expectations soaring faster than incumbent government could coopt, crush, or liquidate the groups that harbor them" (Aya, 1979:76). Chalmers Johnson: "The purposive implementation of a strategy of violence in order to effect a change in social structure" (Johnson, 1966:57).

Ted Robert Gurr: "Highly organized political violence with wide-spread popular participation, designed to overthrow the regime or dissolve the state and accompanied by extensive violence including large scale terrorism and guerrilla wars, civil wars and revolutions" (Gurr, 1974:11). Hannah Arendt: "Only where change occurs in the sense of a new beginning where violence is being used to constitute an altogether different form of government, to bring about the formation of a new body politics where the liberation form oppression aim(s) at least at the constitution of freedom can we speak of revolution" (Arendt, 1965:28). Timasheff: "Revolution commonly breaks out when both parties have or seem to have a fair chance of victory" (Timasheff, 1965:156).

Political analyses of revolution accord with the Weberian framework which viewed state as the focus of authority. In this sense, revolution is the direct reflection of the masses' antagonism toward the way government functions (lack of efficiency) and the values government presses forward (absence of legitimacy). In the Weberian scheme, the state is the repository of political legitimacy and the embodiment of the dominant values and norms in the society. "It is possible to define 'political' character of an organization only in terms of the means peculiar to it, the use of force" (Weber, 1978:55).

Social interpretations of revolution essentially adept a Marxist view of social development. Their focus is on the class conflict and changes in the methods of production. This view disregards the significance of human agency and puts emphasis on the structural components of social life. Analysis focuses on different levels of articulation and from that, a conclusion is drawn to identify the role of classes, the international economic system and the level or production. Revolutions could be explained on one level as the contradiction between modes of production and social relations, or at another level as the result of competition among states or within the international economic system.

The most articulated social definitions of revolution are as follows: Edward Bernstein: "Final causes of all social changes and political changes and political revolution are to be sought not in the brains of men but in changes of methods of production and exchange" (Bernstein, 1961:10). Sigmund Neumann: "A sweeping fundamental change in political organization, social structure, economic

property control and the predominant myth of a social order, this indicating a major break in the continuity of development" (Neumann, 1949:333). Alfred Meusel: "When the upper class cannot and the lower class will not continue the old system" (Meusel, 1934:368).

Social interpretations of revolution stipulate that revolution is a social phenomenon. Revolution is the result of conflict between technical aspects of human society and human aspects of production. Production is a social phenomenon; therefore, revolution is also a social phenomenon.

My definitional basis is more compatible with the political interpretation. I define political revolution as a rapid, fundamental change in the structure of the state, in its source of legitimacy, as well as in the personnel and ideology of those who manage it, accompanied by mass movement from the lower classes. This definition distinguishes revolutions from coups, dynastic changes, rebellions and revolutions from above by accentuating revolutionary outcomes, especially those that effect the structure and the ideological essence of the state; the rapidity with which such transformations are realized; and the participation of the lower classes in bring about such changes.

The events that occurred in Iran in 1977 were so rapid and so transformative that they should be considered a political revolution. In the post-Shah era, there has been a complete replacement of the power holders, a different state structure had emerged, the sources of state legitimacy have been altered, and new institutions such as Pasdaran - revolutionary guard, and

Namayende-e Imam--Iman's representative--have been created. Finally the massive participation of the lower classes was profound throughout the Iranian revolution.

Literature Review

The phenomenon of revolution has been examined by social scientists for thousands of years. The intensity of such studies has been continuously increasing, especially following the French Revolution. The last two decades have witnessed an outpouring of literature on theories of revolution and political violence.

Yet, despite the voluminous amounts of related literature, many questions concerning the theories of revolution remain unanswered. Furthermore, a generally acceptable framework for the study of revolution has not yet been established because of several obstinate problems. First, there is no consensus among experts on the definition of revolution.

Second, the classification of revolution continues to be problematic. Experts persistently use different topologies when analyzing such events as revolutions, military coups, separatist movements, riots, rebellions, civil wars, and revolutions from above to name a few.

Third, there is no agreement on the proper methodological approach to the study of revolutions. There are differences among scholars whether to use case or comparative methods, pay closer attention to descriptive, explanatory or

predictive aspects of theory, or whether to apply individual, group or systematic levels of analyses.

Fourth, the question whether revolution can be treated in a scientific manner is still being debated. Many have argued that revolutions are unique and therefore should be analyzed solely on an individual basis. Others have advocated that there are considerable similarities among revolutions, so scientific studies are possible.

Against this background, it is pertinent to review some of the important literature on revolutionary theories.

Marxist Theory of Revolution

For Marx, class is central to the theory of revolution. Property-less workers are the focal point of every revolution. Economic changes and the emergence of new classes are essential to the historical processes that lead to revolution. In 1844 Marx, established these theoretical principles when he wrote:

> In the social production of their existence, men inevitably enter definite relations, which are independent of their will, namely relations of production appropriate to a given stage in the development of their material forces of production. The totality of these relations of production constitutes the economic structure of society, the real foundation on which arises a legal and political superstructure and to which correspond definite forms of social consciousness (Marx, 1970:20-21).

For Marx, revolution is the transformation of one social formation to another one. Transformation causes changes in the forces of production which inevitably require changes in the modes of production. Marx divided historical processes

into three distinct modes of production. The change in the mode of production "with consequent changes of all subordinate elements of the social complex constitutes a social revolution in the Marxist definitions" (Tucker, 1966:226). In each one of these three modes of production there was one fundamental contradiction: the cause for social development. This contradiction brought about a constant struggle between the owners of the means of production and the rest of society. "The source of revolutionary energy in a class is the frustration of man in his capacity of producer, his inability to develop new power of production to the fullest within the confines of an existing mode of production or social order" (Tucker, 1966:228).

For Marx, revolution is inevitable and structural contradictions are the engine of every revolution apart from individual desires. All pre-communist societies demonstrate internal contra--diction, which is an inevitable result of the antagonism between the classes. Objective contradictions happen independently of any moral or psychological consideration among individuals. "At certain stages of their development, the material productive forces of society come into conflict with the existing relations of production..." (Marx, 1970:23). Structural contradictions are the determining forces in making revolutions, not individual motivations. They cause the class struggle which brings about an attempt by the oppressed class to capture political power through violent behavior. Monopolization of the means of production contributes to the pauperization of the workers which in turn facilitates the creation of revolutionary situations.

Revolutionary situations happen because of structural contradictions that bring about class consciousness, which causes revolution. Marx stipulated that the proletariate as a class seize political power and then change and transform social relations. Socialist revolution by the workers removes structural contradictions due to the demise of class struggle that would occur after the abolition of private property.

Assessment of Marxist Theory of Revolution

Marxist theory of revolution is highly regarded by many social scientists because of its powerful explanatory qualities. However, despite its eloquence, Marx's theory of revolution leaves some important questions unanswered. It doesn't explain why many industrialized countries have not experienced the anticipated revolutions. Historical evidence has made it abundantly clear that, contrary to Marx's prediction, a socialist revolution has not yet materialized in any of the advanced capitalist countries. In fact, the first "socialist revolution" happened in Russia, the least developed capitalist country, or borrowing the term from Lenin, "the weakest link in the imperialist chain." All other revolutions claiming to be socialist have occurred in predominantly agrarian ex-colonies or semi-colonies.

Marx's division of society into distinct social classes has unique analytical advantages over many other methods of historical investigation. However, classes cannot and should not be defined exclusively in terms of their relations

to the means of production. The emphasis on the role of the proletariat as an historical agent commissioned with the onerous task of liberating man from exploitation, and as potentially the most revolutionary class, is highly debatable. (There is no logical or historical evidence to guarantee that the exploited workers of yesterday will not be the exploiters of tomorrow). The workers did not begin, or even play a decisive role, in fomenting the Iranian Revolution. They were among the last groups to join Khomeini's forces. Nor was the contradiction between the workers and the capitalists a major impetus behind the revolution.

Another criticism is that Marx doesn't suggest how far capitalism must progress before revolutions break out. Later, Lenin argued that class-based revolutions will occur in progressive capitalist systems only after a "vanguard party" has been formed that can organize and mobilize the masses. This notion remains problematic even among Marxists.

The Political Modernization Theory of Revolution

Samuel Huntington, as the main proponent of the political modernization theory, sees revolution as part of the modernization process and sees its origin in the gap between political modernization and political development. The primary cause of political instability is the "rapid social change and the rapid mobilization of new groups into politics coupled with the lack of development of political institutions behind the social and economic change" (Huntington, 1968:4). According to Huntington, "the political essence of revolution is the rapid expansion

of political consciousness and the rapid mobilization of new groups into politics at a speed which makes it impossible for existing institutions to assimilate them. Revolution is the extreme case of explosion of political participation" (Huntington, 1968:266).

Huntington focuses on the process of modernization in developing countries and argues that "it is not the absence of modernity but the effort to achieve it which provides political disorder" (Huntington, 1968:41). Revolution is viewed as "... unfortunate concomitant of the modernization process" (Aya, 1979:76). He argues that revolutions occur when there is a combination of urban opposition with rural opposition. This is a major departure from the Marxist view about the nature of revolutionary process. Marx argued that the peasantry cannot be revolutionary: "Their mode of production isolates them from one another instead of bringing them into mutual intercourse... They are consequently incapable of enforcing their interest in their own..., they must be represented. Their representative must at the same time appear as their master" (Marx, 1963:123-124).

Another major departure from Marx's historical view is the proposition that revolution is most unlikely to occur in capitalist and industrialized democracies. Revolution is more likely to occur in developing societies where socio-economic development is rapid, political institutionalization is low, and political participation is irrelevant to the outcomes of political process. Huntington argued that: social and economic change--urbanization, increase in literacy and education,

industrialization, mass media expansion--extend political consciousness, multiply political demands and broaden political participation. These changes undermine traditional sources of political authority and traditional political institutions. The rates of social mobilization and the expansion of political participation are high; the rate of political organization and institutionalization are low. The result is political instability and disorder (Huntington, 1968:5).

Huntington's theoretical analysis focuses on modernization as the primary cause of revolutionary upheavals in the developing societies. "It is not the absence of modernization but the effort to achieve it which produces political disorder" (Huntington, 1968:41). Modernization is essential in fostering revolutionary situations because it brings awakening and consequently antagonism of peasants toward the political authorities in the society. The process inevitably facilitates the shift of power from rural elites to the emerging bourgeoisie in the cities who articulate a new set of values and ideas. "Its [modernization] initial impact is to worsen the objective conditions of peasant work and welfare.... The peasant comes to realize not only that he is suffering but that something can be done about this suffering. Nothing is more revolutionary than this awareness" (Huntington, 1968:296-297).

Assessment of Huntington's Theory of Revolution

Huntington's historical and sequential model (phase one through phase five) could be best summarized as follows:

1. Revolution occurs due to the mobilization and introduction of people from the countryside into the political process.
2. Revolution occurs due to the failure of traditional institutions to assimilate the mobilized social classes.
3. Revolution occurs due to the expansion of political consciousness of the mobilized social classes.
4. Revolution occurs due to the lack of capacity of the traditional institutions to absorb and respond to the new demands expressed by the mobilized social classes during the process of mobilization.
5. Revolution occurs due to the low level of institutionalization in the developing countries.

Huntington's assessment regarding the peasantry as the true revolutionaries depends on his view of the secondary importance of the intellectuals, the industrial working class, and urban people as the source of opposition in developing societies. This is the greatest failure of his model in evaluating revolutionary potentials of different social classes in regard to the insignificant role the peasants played in shaping revolution in Iran. Despite this theoretical flaw, the model is helpful in analyzing the sources of revolution in developing societies where agriculture is a major source of capital formation and where peasants are a major social force.

Huntington's theory suffers from a number of serious shortcomings (Sigelman, 1979:205-228). First, mobilization is not treated as an international phenomenon. This is why Huntington ignores the role and impact of Western penetration on the Third World. Moreover, Huntington assumes that all processes of modernization are similar, and thus he ignores the nature of such processes and the classes they affect.

Second, Huntington's sequential model doesn't set a clear line between the

three stages of development: traditional, transitional (modernizing), and modern. Moreover, the dynamics within those stages are not clearly understood as they vary from one country to another. This may suggest why many countries in the same phase of development experience different levels of political instability.

It is also difficult to measure the intensity of group conflict, making it almost impossible to predict at what point revolution will occur. Important factors such as culture, systemic impact, nature of ruling elite, and the state's coercive capabilities are also de-emphasized.

Natural History Theory of Revolution

In contrast to Huntington, who theorizes that revolution is a side effect of modernization by focusing on the revolutionary potential of peasants; i.e., "He who controls the countryside controls the country" (Huntington, 1968:292), proponents of the natural history approach view the alienation of the intellectual class as an essential source of revolutionary upheavals. This approach, which lacks theoretical and methodological sophistication, has a descriptive orientation that focuses on the various stages and symptoms of revolution.

Revolutions don't happen overnight; rather, they progress slowly and go through different stages. "A revolution is as natural a growth as an oak. It comes out of the past. Its foundations are laid far back" (Ruiz, 1980:406). George Pettee theorizes that the pre-revolutionary period which is riddled with institutional decay, ideological cramp, economic cramp, political cramp, and the elite's

corruption and intellectual alienation set the stage for revolution to come. Alienated intellectuals in the society whom Paul Lazarsfeld calls "opinion leaders" (Lazarsfeld, 1955) and Gabriel Almond labels as the "attentive public" (Almond, 1960) who are dissatisfied with the widespread cramps in all aspects of social, political, economic and ideological patterns in the society reject the dominant symbols of power and authority. They demand new patterns of authority and power symbols which represent a new hierarchy in the distribution of power in the society. "A myth or symbol is always an intermediate answer to ultimate questions.... An integrated part of the new myth is its criticism of the existing order. [And another integrated part is the] projected blueprint for the good society" (Pettee, 1971:74).

Intellectuals who function as attentive public or opinion leaders articulate the views of the ordinary people and provide the intellectual foundation for the views of the common man. In the process, they become alienated because the dominant political system prevents them from having access to available outlets in the society in order to present their views, programs, plans and options. Lack of upward social mobility represents the rigidity, inefficiency and inflexibility of the institutional arrangements in the society that prevent the intrinsic elites to have influence in determining the content and direction of the political process. Lack of elite circulation consequently creates a revolutionary situation. Vilfredo Pareto puts it this way:

> Revolution(s) occur because elements of inferior quality accumulate in the upper strata of society, either because of a slowing down of the tempo at

> which the elite circulate, or for some other cause. These elements don't possess the resources capable of maintaining them in power and they avoid the use of force whereas in the lower strata superior elements are developing with the resources needed to govern and desire to use force if need be (Baechler, 1975:132).

Tannenbaum argued that:

> If anything definite can be said about political revolution it is that they don't and cannot take place in countries where political strength is dispersed in a thousand places and where myriads of men personally involved in the continuing problems of self-governing... (Tannenbaum, 1960:169).

Natural history approach advocates stipulate that revolutions go through stages and have to be understood by focusing on the sequential pattern of their occurrence. Hopper identifies four stages in the development of the revolutions:

1. The preliminary stage of mass (individual) excitement and unrest.
2. The popular of stage crowd (collective) excitement and unrest.
3. The formal stage of the formulation of issues and the formation of policies.
4. The institutional stage of legalization and social organization (Hopper, 1950).

Edwards, who is influenced by Tocqueville's analysis of the French Revolution, regarding the increased prosperity "in the period preceding any great revolution", presents a more specific process and identifies nine different stages. The process begings with general unrest and intensifies with the provocation of the intellectuals until it reaches the advance stage of mob dominance (Edwards, 1965).

Brinton, as the major figure among scholars of this approach, who like Edwards are greatly fascinated by Tocqueville's analysis, observes similar stages in the English Revolution of the 1604's, the American Revolution of 1776, the

French Revolution of 1789, and the Russian Revolution of 1917. He found the following rough uniformities:

1. The old regime decays. Administration breaks down.
2. Revolutionary networks are formed, dedicated to over-throwing the old regimes.
3. At first, the moderates take over. They initiate moderate reforms but are not ruthless enough to crush the radicals.
4. The extremists take over. More ruthless and organized groups drive the revolution to a frenzied high point.
5. A 'thermidor' ends the reign of terror. Finally people settle down and a dictator takes over the reign of power (Brinton, 1965).

On the one hand, advocates of this school emphasize the important role the intellectuals play in the articulation of views of the masses and in providing a stable and ever present frame of reference for the masses. They argue that intellectuals, who deal with ideas and are more inclined to ostracize the dominant political system, develop what Billington called a "revolutionary faith" (Billington, 1980). The natural history approach is built upon the proposition that revolution starts first with the fire in the minds of men. On the other hand, they establish a useful topology to comprehend revolutionary processes and to predict the immediate outcome of future revolutions.

Assessment of Natural History Theory of Revolution

The natural history approach is essentially an elitist interpretation of social history. The major and dominant players are intellectuals. The people play a secondary role to opinion leaders and an attentive public. Lack of elite circulation in the society is given more significance than the masses' dissatisfaction in

generating revolutionary upheaval. The Iranian Revolution, in contrast, demonstrates the significant role the masses play in achieving revolutionary goals.

This theory ignores the importance the of organizational capacity of the opposition in mobilizing the revolutionary fever in society. At the same time, the theory is more concerned about uniformities of revolutionary events, rather than the uniqueness of the various revolutions. Historical complexity is sacrificed in order to fit all revolutions into a sequential pattern of developmental process. The revolutions are understood and analyzed by focusing on the sequential pattern of their occurrence rather than their uniqueness and complexity. Finally it has to be emphasized that the main characteristics of this tradition are its lack of precise theoretical and methodological orientation. Focus is often placed on the description of important events, symptoms and stages of revolution.

System Theory of Revolution

The System Theory is one of the major sociological theories of revolution. The value system approach stipulates that revolutions occur when discrepancies arise between a society's values and the objective realities. "Human behavior is a function of the development of socially-acquired attitudes towards culturally-held values" (Hopper, 1950:270). Revolutions occur because of a collapse in the equilibrium between the attitudes of the people and the values of the culture. This line of analysis is built within the framework of Parsonian Structural Functionalisms in which views society as functionally integrated and having

equilibrium among its components. "Revolution is one form of social change in response to the presence of dysfunction in the social system.... Revolution is the acceptance of violence in order to bring about change" (Johnson, 1964:10).

There has to be harmony and parity among all social components in order to sustain social order. Equilibrium is possible when all social, political and economic components--institutions--respond positively to the exogenous and endogenous changes imposed upon the society as a whole. Disharmony or disparity brings about what Johnson refers to as dysfunctional effects. The road to the revolution is paved with the occurrence of social dysfunction in society. Johnson argues that social equilibrium is the product of a "value consensus system" which legitimizes repressive function of the system and unequal distribution of resources in the society. The emphasis is on stability of the social system and enhancement of its legitimacy, and there is not much concern about oppression by the political system as long as a value consensus is sustained.

Collapse of value consensus is not the result of repressive functions of the state; rather, in Johnson's view it is the outcome of exogenous and endogenous developments such as technological advancement, military defeat, and religious innovations. Such developments disturb the equilibrium and bring about a "dysnochronized" and "disequilibrated" system (Johnson, 1964:59-70). It clearly demonstrates that system theory advocates relate objective structural conditions--exogenous or endo-genous--directly to human behavior. However, what does separate this approach from the Marxist theory of revolution is the

injection of the intervening variable of subjective human attitudes. Therefore, what makes revolution possible is the failure of the dominant system to overcome the break down of value consensus.

Lack of ideational coherence leads to revolution. It represents a lack of beliefs about norms and values that govern social interactions and institutional functions. Disruption of value cohesiveness is the ultimate outcome of disparity between environmental changes and society's values. Disequilibration of a system is caused by environmental changes such as:

1. Perceived discrepancy between expectations and value capabilities.
2. Rapid modernization.
3. Rapid uneven industrialization.
4. Dysnochronization between values and division of labor (Johnson, 1964:50-62).

Revolution is not inevitable, regardless of the level of environmental changes, as long as dominant elites strive to make adjustments to the various changes in the society. Occurrence of the revolution depends on the extent of the elites' capability and willingness to absorb social changes. If the ruling class is incapable revolutionary situations will occur. What brings about collapse of the system is its failure to adjust itself to the occurring changes and new conditions. Lack of such adjustive capacitive paves the path toward revolution. These capacities range from the elite ideology, dominant institutions and so on. Revolutionary situations are ignited by three types of what Johnson calls "accelerators":

1. Military weakness or disarray within the incumbent forces.
2. The confidence of the revolutionaries in defeating the elite.

3. The military and strategic actions that the revolutionaries initiate against the elite's army (Johnson, 1964:101).

Johnson theorized that "multiple dysfunction" and "elite intransigence" create revolutionary situations. Multiple dysfunction develops because of multiple sources of change, including:

1. Exogenous value-changing sources
2. Endogenous value-changing sources
3. Exogenous environment-changing sources
4. Endogenous environment-changing sources

Elite intransigence includes:

1. 'Power deflation'
2. 'Loss of authority' (Johnson, 1964:64)

These two conditions are necessary but not sufficient to bring about revolution. Revolutions happen when the revolutionary situation is ignited by what Johnson calls "accelerators of dysfunction", which include:

1. A break in the effectiveness of the armed forces.
2. An ideological belief held by a protesting group that it can for a variety of reasons succeed in overcoming the elite's armed might.
3. Special operations launched against an elite's armed forces by a group of conspirators who are pursuing a revolutionary strategy (e.g., guerrilla warfare) (Johnson, 1964:99).

Johnson's sociological theory of multiple dysfunction in the social system, by utilizing the parsonian theory of homeostatic social system model, clearly distinguishes between preconditions and precipitants of a revolution. Introduction of concepts such as accelerators and elite intransigence help us to understand why individuals react differently to the same social reality. The theory's departing point is the proposition that there is no inherent antagonism among groups in any

society, and legitimacy of the governing elites is maintained as long as they show readjustment capacity. Johnson established a coherent methodological clarity for Smelser's argument that "all systems are governed by the principle of equilibrium" (Smelser, 1959:10).

Assessment of the System Theory of Revolution

One problem with this model is that it is very general and perhaps trivial. The fact that revolutions are likely to occur in societies that are undergoing rapid disharmonized changes where the ruling elite has disharmonized control over the armed forces is not a serious contribution to the theory of revolution. While this type of model presents a sequence of events, it generates more questions than it answers, such as why or when revolutions occur.

Another defect in the model is that is doesn't present a plausible method to measure when society is in equilibrium and when it is not, nor does it indicate at what point in the disequilibrium stage revolution will occur. This last point in especially important in order to be able to distinguish revolutionary from non-revolutionary societies in view of the fact that all societies are experiencing some degree of disharmonized change.

Finally, the approach omits such interesting questions as what sectors of the population will rebel, or how they will be organized or mobilized.

Psychological Theories of Revolution

Human motivations, consciousness, self-esteem and self realization are relevant to the analysis of revolutionary actions. Thinking processes and individual psyches determine human behaviors. To understand a social occurrence--revolution--the focus has to be on the assessment of the state of mind of the individuals. This demonstrates why revolutions are not predictable. "Its [revolution] most important ingredient is the human element--man's behavior is infinitely variable" (Paynton, 1963). The aim is to show that there is a psychological link to collective aggression. Freud viewed aggression as a basic and constant human instinct (Freud, 1962). Dollars linked aggression to the existence of frustration (Dollars, 1939). Aggression manifests itself at political stages through the anti-government and anti-authority behaviors of individuals. This stipulates means that individuals are primary actors in revolutionary situations and their dispositions are essential to collective behavior: "...men have a capacity but not a need for aggression" (Gurr, 1974:IX)

Gurr and Davies are the most qualified representatives of this tradition. Gurr's concern is to empirically detect the origin, extent and nature of violence. For a revolution to occur, it is not enough that the elites suffer from relative deprivation, in which case the most likely outcome is a conspiracy. relative deprivation has to be pervasive among all social classes. In short, Gurr's main contention is that structural changes in society lead to rising expectations which may lead to relative deprivation, which can produce frustration, and which intensify discontent.

Assessment of Psychological Theories of Revolution

Before assessing Gurr's and Davies's theories, it should be emphasized that Gurr's discussion of violence suffers from a fundamental flaw: he fails to include in his discussion violence committed by the state. Gurr's and Davies's theories can be criticized on five levels. The first is the difficulty of collecting non-inferential psychological data about people's perceptions and desires.

Second, it should be pointed out that "frustration-aggression" doesn't always lead to political violence. Aggression caused by frustration may be expressed in varying forms. For example, individuals may direct their aggression inwardly, or find a substitute form of expression.

Third, neither Gurr nor Davies can empirically determine the threshold level where relative deprivation and unmet expectations lead to revolution.

Fourth, Gurr and Davies are unable to show the mechanisms through which frustration on a micro-level produces violence on a macro-level.

Fifth, Gurr and Davies have not given sufficient attention, as Tilly and Oberschall point out, to the organizational and resource capabilities of the lower classes for launching a revolution.

Resource-Mobilizational Theory of Revolution

Tilly offers a socio-political explanation of revolution. He rejects the proposition that modernization or other large scale changes such as urbanization or industrialization by themselves breed revolution, as Huntington, and many other

seem to suggest. He is preoccupied with he mechanical aspects of revolution rather than with the pre conditions. The emphasis on the organizational and mobilizational capabilities of the opposition are critical elements in explaining the mechanism through which the opposition translated structural preconditions of revolution into political action.

Assessment of the Resource-Mobilizational Theory of Revolution

Tilly utilizes a group level of analysis to explain revolution. Revolutionary behavior is perceived as an outcome of conflict between competing groups. He ignores the long-term conditions of revolution. Therefore, he fails to establish a historical perspective in order to analyze revolution. Instead, he focuses on the immediate conditions.

He fails to focus on the preconditions of revolution. Preconditions are essential in determining the critical elements that explain how the opposition translates structural preconditions into revolutionary action.

Structural Theory of Revolution

The structural theory has been advocated by Skocpol in her comprehensive analysis of French, Russian, and Chinese revolutions. Her analysis represents a major departure from dominant theories of revolution. Skocpol questions the explanatory power of the Marxist theory of revolution due to its failure to recognize the importance of constitutional context in shaping the revolutionary

situation. She views the international context as essential in the process of generating revolutionary situations. The international context encompasses world capitalist economic systems and nation-state systems. Uneven economic development around the world and the position of each state in relation to other states shape the international context of revolution. Revolutions occur "only in countries situated in disadvantaged positions within international arenas" (Skocpol, 1980:23). However, in her analysis she acknowledges the significance of a class variable in the analysis of revolution. The structural approach is based on the integration of Marxist theory of class conflict (economic variable) with Weberian theory of bureaucratic expansion of state power (political variable).

Structural approach propositions are in contrast with Johnson's system theory regarding the purpose of revolutions. Skocpol doesn't put much stock in the relevance of value consensus and ideology in arriving at a revolutionary situation. Purposive image suggests that equilibrium depends upon the consensus of the masses. Skocpol argues that the purposive view is wrong about the causes of revolution. "In any such consensual and voluntaristic conception or societal order and disruption or change are quite naive" (Skocpol, 1980:16).

Skocpol also rejects the voluntarist image put forward by advocates of psychological explanations. She argues that revolutions are not made by conscious and purposeful individuals. Masses, to a large extent, are not clear about what they want and what is going to be the ultimate outcome of revolution. Revolutions happen because the driving force in every revolution is the

international environment (level of war and competition) and political crisis (defeat in wars) rather than human motivations. "Revolutionary situations have developed due to the emergence of politics--military crises of state and class domination" (Skocpol, 1980:17).

Skocpol's structural approach identifies political variables rather than economic ones as central to the occurrence of revolution. Political variables are central to revolution at both the national and international level. In this scheme, the state occupies the core position in analysis of revolution. Political factors are necessary for the occurrence of revolution, but the sufficient variable is the peasant revolt against the landed upper class. It demands that attention be focused on agrarian class structure and the nature of local politics in rural areas.

The peasantry plays an essential role in Skocpol's theory of revolution, which means revolution has a peasant-oriented character. The international environment is necessary to create revolutionary situations; and at the same time, to bring about the ultimate outcome, peasantry upheaval is the sufficient factor. This is the reason for the attention that is paid to the nature of agrarian class structure and the nature of local politics in rural areas. For revolution to come about, peasants have to enjoy some level of political and economic autonomy. She says:

> Historically, mass-based social revolutions from below have successfully occurred only if the breakdown of old regime state organizations has happened in an agrarian socio-political context where peasants as the majority producing class possess (or obtain) sufficient local economic and political autonomy to revolt against landlords (Trimberger, 1978:109).

The nature of local politics in the countryside refers to the level of control and domination of landlords in the economic and political life of the village community. In societies where landlord's power is restricted by the central bureaucracy, there is a higher possibility for peasant uprising than in societies where the landlords have uncontrolled and independent power. Where landlords are denied absolute control over the local political decision making process, conditions arise for peasant revolution. According to Skocpol:

> Those agrarian orders most vulnerable to sudden and autonomous peasant revolts were those that not only had class relations favorable to peasant solidarity and autonomy. These vulnerable agrarian orders also had sanctioning machinations that were centrally and bureaucratically controlled even as peasant communities enjoyed considerable local political autonomy (Skocpol, 1980).

Skocpol's approach employs a structural framework to determine the likelihood of revolution by peasants. The framework includes:

1. Level of peasant autonomy from landlords.
2. Level of cooperation and solidarity among peasants.
3. Level of power and control of landed aristocracy at the local level.

It is clear that the focus of analysis is on the components more conducive to revolution. These are the relations between the landed aristocracy and central bureaucracy, the position of the state in the international capitalist system and the level of autonomy of the peasants. She theorizes that the source of major social revolutions rests in the political crises which develop as the result of international situations. When international crises (such as military defeat, military competition by other states and high unequal economic development in an international

economic capitalist market) coincide with peasant upheaval, revolution occurs.

Her analysis combines international socio-economic dynamics and class relations in rural areas with relations between state and landlords in order to explain the process of social revolutions. By linking an international variable (defeat in war) with the nature of agrarian socio-political structures, she shows the combination of political and social processes. Revolution is analyzed by divorcing it from human aspirations and focusing on structural conditions. This creates the possibility to develop shared patterns and the ability to explain variations among revolutions.

Assessment of the Structural Theory of Revolution

Several points may be raised with regard to Skocpol's analysis. She asserts that social revolution will occur only in societies which have an organized peasantry. However, the Iranian Revolution is a clear case where peasants played a minimal role. Also, it can be argued that the Iranian revolution benefitted more from an organized industrial proletariat than the peasantry. Second, Skocpol asserts that exhaustive external wars are crucial in bringing about a revolution, yet there are many counter examples to this assertion. Iran experienced revolution without having been engaged in wars. In fact, Iran became involved in a war soon after the revolution.

Skocpol's analysis also neglects non-structural, organizational, and psychological variables which influence revolutionary behavior and outcome.

Summary

Summmary, this section attempts to set the basic objectives of the research and an attempt to draw a road map in order to analyze the Iranian Revolution. There was also a review of a number of prominent theories which will help us to have a better understanding of the social, economic and political origins of the Iranian Revolution.

As Theda Skocpol notes, present social science theories fail to explain revolutions (Skocpol, 1979: 25). But this does not mean that these theories are not totally invalid. My view is that a combination of some aspects of the theories presented above can help analyze the root causes of revolution. Gurr and his colleagues are mainly interested in the study of violence as the manifestation of anger and frustration of individuals. Chalmers Johnson, on the other hand, deals with the system maintenance and equilibrium. Charles Tilly tries to move away from the root cause of the revolution (i.e., structural transformation of the society) and busies himself with the struggle for power. Tocqueville and Brinton come closer to grasping the roots of revolution, but fail to present a concrete formula because of their misconceptions about the role of the classes involved in the revolution. Marxist theorists put too much emphasis on the role of economics and the modes of production. As a result, their theories are to determanistic.

Students of revolution can learn a considerable amount from the psychological and multiple-sovereignty approaches. The role of violence and destruction in the psychological approach as well as the struggle for the seizure

of power in the multiple sovereignty approach can be utilized to analyze what happens during the process which (usually) ends with the overthrow of the old regime. During the initial stages of revolution until the creation of a new order, the revolutionaries are engaged in destruction of the old order (Tilly, 1978: 7-9, 60-70).

The system theory plays down the role of economic and political crisis, and also the necessity of change in human societies. Despite this, it helps the student of social conflict to take the impact of ideology and values in society into consideration. While these factors should be considered, they should not be overemphasized or abstracted from the socio-economic and political factors. For example, in the Iranian Revolution, it is necessary to look at the changes of value in the society as a factor contributing to the revolution (Abrahamian, 1981: 24). But if we regard changes in the value system as the only or main factor of the revolution, we will be at fault.

The psychological theories have great explanatory power if they are modified and combined with class analysis. They show the impact of economic development on the modes of thought and the consciousness of the people about themselves. That is, the change of economic structure of the society makes the social classes more conscious about their interests. Also, the argument that political liberalization after a long period of repression will result in revolution has certain validity. Political liberalization, however, should not be abstracted from class antagonism and social inequality. It must rather but studied in light of the

crisis of the regime and antagonism within each given society.

Political liberalization and economic crisis by themselves do not result in revolution. For example, liberalization policies in Iran during the 1960-63 period didn't result in revolution. What must be taken into consideration is that repressive states during the economic crisis will resort to liberalization policies in order to achieve some sort of legitimacy and to crush the opposition. Relaxation of repression, however, gives an opportunity to the opposition to organize itself against the regime. If the opposition succeeds in organizing its forces and is armed with an effective leadership and a popular ideology (i.e., an ideology which is shared or at least understood by the majority of people), it has a good chance of overthrowing the old regime and creating a new order.

Taking theories of revolution into consideration, the Islamic Revolution might be summarized as follows. A combination of social, economic, and political factors including mismanaged economy, inflation, decline of oil revenues, opposition of Khomeini, the bazaaris antagonism toward the regime, and bureaucratization of the system resulted in the crisis of the state. By 1978, not only had the situation become intolerable for the masses, but the regime also was incapable of running the state as before.

The effective leadership of Khomeini, the vacillation of the Shah, mass demonstrations and strikes followed by a military showdown between the demoralized army of the Shah on the one hand, and the armed masses and guerilla organizations on the other brought down the monarchy on February 12,

1979. The struggle of the masses against the monarchy resulted in a revolution in which the state power was transferred from the hands of the Shah to a power block composed of traditional bourgeoisie and petty bourgeoisie. The traditional bourgeoisie and petty bourgeoisie were composed of merchants and shopkeepers of Iranian marketplaces (bazaar), were represented by clergy and were thus able to create a theocracy.

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PART II

ECONOMIC ORIGINS OF THE IRANIAN REVOLUTION

Theoretical Framework

The purpose of this chapter is to examine the economic basis of discontent in Iran. It is argued that a revolutionary situation emerged in the late seventies because of a period of rapid expansion, followed by a period of economic contraction. Sudden, rapidly acquired prosperity gave rise to heightened expectations among the masses. By the same token, economic contraction brought about unrealized expectations which resulted in feelings of deprivation--perceived deprivation that the masses felt impelled to remedy. When an emerging and prosperous economic progress goes downhill, the "want/get" equation experiences an imbalance among its components. Such an imbalance gives rise to an aggressive tendency on the part of the masses. *Discontent doesn't necessarily lead to revolution*. However, the anger induced by discontent is a *motivating* factor that often incites the masses to violence. Multitudes of variables influence the behavior of the masses, variables such as economic conditions, beliefs, social environment, and political environment. Economic discontent has revolutionary potential as long as it becomes *politicized* by opposition. Economic discontent in the Iranian context facilitated the emergence of a revolutionary situation, while similar discontent in other prospering oil-producing countries such as Venezuela and Algeria didn't cause a revolutionary situation. This indicates that for revolution to become a reality, in the midst of economic downturn the discontent and resentment must be *focused*. Collective violence is probable in the context of economic disparity,

but it becomes *feasible* in societies where there are certain variables such as viable political opposition, contending ideology, organizational capacity, and contending leaders. That the Iranian Revolution followed a decade of abundance and prosperity is neither surprising nor a novelty in the rich history of revolutions. Tocqueville, the astute observer of the French Revolution, wrote that it was "... in those parts of France where there had been the most improvement that popular discontent ran the highest. This may seem illogical, but history is full of such paradoxes, for "it is not always when things are going from bad to worse that revolution breaks out" (Tocqueville, 1955:176). In an equally perceptive proposition, Hoffer maintains that revolutions do not occur in order to achieve ambitious goals: "It is the drastic change which sets the stage for revolution. The revolutionary temper is generated in the irritation and difficulties inherent in the realization of a dramatic change" (Hoffer, 1952:4-5).

The goal of this chapter is to examine the economic trends which may have contributed to the development of popular discontent and the revolutionary atmosphere in Iran. Its author's aim is to analyze events and conditions that induced discontent in Iran prior to the revolution. This chapter focuses on the structural characteristics of a rapidly changing society. Attention is directed toward the general economic situation in Iran and toward specially aggregated statistics in the area of inflation. The presence of a viable contending political framework made the revolution feasible in the midst of economic discontent. Theories of revolution are usually concerned with

specifying a relationship between some set of preconditions and the occurrence of a revolution. Economic discontent is one of these preconditions. People who feel sharply deprived by the economic circumstances in which they live are strongly susceptible to ideological conversion. This means that discontent is necessary, but it cannot lead to revolution as long other elements and political components are not there. A special attempt will be made to test the validity of the J-curve hypothesis, using the annual rate of growth in Gross National Product (GNP) during the 1960s and 1970s. The J-curve hypothesis is the view that "revolutions are most likely to occur when a prolonged period of economic and social development is followed by a short period of sharp reversal" (Davies, 1962: 6). A swift decline in economic growth can cause frustration that ultimately leads to revolution. In order to present a more comprehensive picture of the economic conditions, this chapter will also examine major trends in income distribution, employment, inflation, imports and exports, and government revenues and expenditures during the 1960s and 1970s. This chapter is divided into three parts: part one elaborates the three theoretical aspects of popular discontent, part two examines the role of oil in the Iranian economy and thus deals with questions of growth in the GNP, income distribution, employment, inflation, governmental budget and its revenues and expenditures, and part three is an economic summary.

Popular Discontent

Among various studies of revolution, social-psychological theories have been strongly influential. A psychological interpretation of revolutionary behavior provides us with a causal model which shows the significance of the political weight of the independent variables. Revolution is the outcome of a causal relation in which there is a linear relation between the dependent variable, discontent, and the independent variable, level of economic growth. In such a model, the economic component plays a necessary function in order to generate a suitable environment for revolutionary behavior. Discontent is essential for the occurrence of violence, but in order for a revolution to occur, discontented individuals and groups must be mobilized, which gives *primary* weight to the presence of the political components--ideology, leadership, organization. Mobilizing ability and capacity against the dominant regime becomes the pivotal factor. Discontent can be tempered as long as there are avenues for free expression of political views and political activities and as long as there is no viable contending power structure. Theorists such as Gurr, Davies, and the Feierabends begin with the premise that "discontent" is the root cause of violence and revolution.[1]

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[1]The principal theoretical statements by those theorists are Ted Robert Gurr, *Why Men Rebel*, Princeton: Princeton University Press, 1970; James C. Davies, "Toward a Theory of Revolution," *American Sociological Review 27* (February 1962): 5-19; James C. Davies, "The J-Curve of Rising and Declining Satisfaction," in *Violence in America: Historical and Comparative Perspectives*, eds. Hugh Davis Graham and Ted Robert Gurr, Washington, D.C.: Government Printing Office, 1969: Ivo K. Feierabend and Rosalind L. Feierabend, "Aggressive Behavior Within Politics, 1948-1962: A Cross National Study," *Journal of Conflict Resolution* 10 (September 1966): 249-71; and the Feierabends and Betty A. Nesvold, "Social Change and Political Violence: Cross-National Patterns," in Anger, Violence, and Politics, eds., The Feierabends and Ted Robert Gurr (Englewood Cliffs, N.J.: Prentice Hall, 1972), pp 107-18.

Dissenting behavior is believed to be based on economic discontent and is indicative of frustration in individuals. Frustration and discontent develop if there is a marked discrepancy between an individual's perception of his value expectation and his value position. Economic-based discontent by itself doesn't lead to revolutionary upheavals. Discontent brings about revolution only when it occurs in a political context. The hypothesis that discontent leads to revolution is *probabilistic* not *deterministic*. In order for revolution to occur, a political framework (ideology, leadership, organization) is necessary. Discontent creates an unstructured potential for collective violence. In order for revolution to become a reality, discontent must be activated, which means the focus has to be shifted to the social origins of the Iranian Revolution. The political environment, which is the essence of mobilization theory, will be discussed in Chapter Three.

Gurr assumes that the potential for collective violence in a society varies with the intensity and scope of socially-induced discontent among its members. Moreover, Crozier suggests that "[it] is scarcely surprising that disappointed hope should prove a stronger stimulus to rebellion than no hope at all" (Crozier, 1960:104). This basic and fundamental assumption is essentially an extension of the frustration-anger-aggression principle from the individual to the social level. Other theorists such as Davies and the Feierabends elaborate on essentially the same basic assumption by specifying what kind of social conditions and processes of change increase social discontent to the threshold

of revolutionary conflict. Two leading theories concerned with patterns that create a potential for violence and revolution are theories of rising expectations and relative deprivation.

Rising Expectations and Discontent

A number of well-known theorists of revolution have attempted to establish a relationship between economic conditions and revolution. However, they have differed almost diametrically in their interpretations. The "misery theory," often regarded as one element of the Marxist view, for example, holds that people will rebel when they have "nothing to loose but their chains." We may extract from Marx the proposition that "as a group experiences a worsening of its conditions of life, it will become increasingly dissatisfied until it eventually rebels" (Geschwender, 1964). A number of empirical studies have attempted to test this type of proposition. Russett, for example, in his cross-national study, demonstrated through correlation analysis that as the inequitable distribution of land increased, the number of violent political deaths also increased (Russett, 1964).

Contrary to the proposition that worsening conditions of life are responsible for revolution, scholars such as Edwards and Brinton, following an argument already developed by Tocqueville, have related "improvement" in conditions of life to dissatisfaction and rebellion: "As a group experiences an improvement in its conditions of life, it will also experience a rise in its level of desires. The latter will rise more rapidly than the former, leading to

dissatisfaction and rebellion" (Edwards, 1970).

Davies finds that both Marx's and Tocqueville's notions have explanatory and possibly predictive value if they are put together into the proper time sequence: "Revolutions are most likely to occur when a prolonged period of objective economic and social development is followed by a short period of sharp reversal" (Davies, 1962:6). Davies thus combines a long-term Tocquevillian improvement followed by a short-term Marxian deterioration. He expects revolutions to occur in social systems in which socioeconomic development has continued for an extended period of time, resulting in the rise of expectations among the population, followed by a sharp reversal in social fortunes, creating an intolerable discrepancy between achievement and expectation. The social discontent and turmoil felt by such a society is demonstrated by Davies in the form of a "J-curve." Rising economic expectations don't by themselves lead to revolution unless there is a necessary catalyst. People must be subjectively aware of their impoverishment before they become susceptible to revolutionary activities. James Orwell demonstrated the significance of mobilization by saying that, "talking once with a miner I asked him when the housing shortage first became acute in his district, he answered 'when we were told about it'" (Orwell, 1973:69). Economic discomfort must be channeled into political action by giving focus to shortcomings and making the masses cognizant of it. Trotsky put it this way: "the mere existence of privations is not enough to cause an insurrection, if it

were, the masses would be always in revolt. It is necessary that the bankruptcy of the social regime, being conclusively revealed, should make these privations intolerable and the new conditions and new ideas should open the prospect of a revolutionary way out" (Trotsky, 1957:37). Expectations cannot arise in a vacuum. People have to be directed to compare their situation with that of a more affluent reference group before they become antagonistic and resentful towards the system. The basic frustration/aggression proposition is that the greater the frustration, the greater the quantity of aggression against the source of frustration. Unfulfilled expectations pave the path to aggression when opposing groups *relate economic expectations to the political environment.* People must first become conscientized to their ability to achieve economic parity before they will challenge the status quo: "...revolutionary behavior...was...released when elements of weakness appeared in the image of the regime and elements of strength bulked larger in one's own self image" (Kecskemeti, 1961:57). Hence, it is essential to understand that *it is not the quantity of expectation which leads to revolution, rather it is the ability of the opposition to politicize the rising expectations of the masses.* Rising economic *expectations have revolutionary potential* as long as there is a viable *alternative political ideology, an alternative political leadership, and an alternative political organization*. As soon as government attempts to mobilize citizens to participate in the economy, it increases expectations and needs. When these needs and expectation are not met and when there is a viable contending

source of power, revolution becomes a probability. Tanter and Midlarsky, while in general agreement with Davies, have attempted to modify and refine his theory by arguing that "a revolution generally occurs after a period of instability, and...that the form of a revolution is dependent on the degree of political instability which exists prior to the occurrence" (Tanter and Midlarsky, 1967:269). The suggestion that a revolution occurs after a period of instability represents no great contribution to our general understanding of the subject. What Tanter and Midlarsky do suggest, however, is a refinement of Davies's notion. What they are suggesting is that the wider the gap between extended and actual need satisfaction, the more extensive the revolution is likely to be (Tanter and Midlarsky, 1967:271).

Davies's J-curve specifically and the theory of rising expectations generally, have been widely accepted in the field. While problems such as operalization of expected and actual need satisfactions exist, the J-curve, as Stone points out, "...is an analytical tool that historians can usefully bear in mind as they probe the violent social upheavals in the past" (Stone, 1972:16).

Relative Deprivation and Discontent

Relative deprivation in its most basic sense means the gap between what people get and what they think they should get. More elaborately, it is "a perceived discrepancy between men's [or women's] value expectations and their capabilities. Value expecta-tions are the goods and conditions of life to

which people believe they are rightfully entitled. Value capabilities are the goods and conditions which they think they are capable of attaining or maintaining ..." (Gurr, 1970:13). Social discontent is, therefore, a function of the scope and intensity of relative deprivation among various strata and groups of the population. Social discontent as a function of relative deprivation is a *necessary precondition* for an occurrence of revolutionary activities but not a sufficient one. It must be noted that in order for revolution to occur in the condition of relative deprivation, the following circumstances must be present. First, people's frustration must be focused on the dominant system. Hence, the dominant political system must be viewed by the people as the primary source of shortcomings before the regime is challenged. Second, the institutional framework of society must be weak and therefore incapable of providing avenues to remedy the masses' frustration. Third, political opposition must have access to an organizational network in order to be able to mobilize the masses who are frustrated with their economic status. Fourth, there must be a viable contending leadership present in the society to give expression or potency to the complaints of the masses. The effective leadership provides the discontented with a sense that the collapse of the regime is inevitable. The inevitability of victory is essential in mobilizing the masses, regardless of their social differences, toward common goals. To translate their frustration into violence, the masses need to be convinced that there is a normative justification. Hence, it is the function of ideology to provide a normative

justification that mobilizes the masses. Positing itself in oppositional terms, this normative vision suggests both "good" values and "bad" values. To remedy economic hardship, "the bad", - or dominant, values must be eliminated in favor of the good: the contending ideology. It is necessary to note that normative justification is essential in orders to enhance discontent *cohesiveness* and reduce the effect of regime coercion. Normative justification is also essential in order to frame the people's expectations as viable and right. However, there must be an utilitarian justification to motivate frustrated masses to utilize violence as a means to remedy their needs. The discontented ought to see the *relative utility of violence* as a means for value attainment. That is, the masses must have a sense of gain in order for them to engage in violent action. At the same time, there must be justification for a set of values and norms that view violence as a just way to get rid of the dominant system and establish a new pattern of values and behavior.

From ancient thinkers like Aristotle to modern scholars such as Lasswall and Kaplan, this sort of deprivation has been identified in theoretical analysis as a major precondition of revolution. Aristotle believed that the principal cause of revolution is the desire for economic and political equality on the part of the masses who lack it, and the desire of oligarchy for greater inequality than they have, a discrepancy in both instances between what people have relative to what they think is justly theirs (Weldon, 1905:338). Some twenty-three centuries after Aristotle, Lasswell and Kaplan attributed political instability to

the discrepancy between expectations and "the degree of realization of value for the mass" (Lasswell and Kaplan, 1950:264). Similarly, Lerner contends that the gap between what people want and what they get is frustrating, which begets revolutionary consequences (Lerner, 1963). The Feierabends and Nesvold accept the fundamental thesis that frustration breeds aggression which may lead to political violence. However, they are more interested in "systematic frustration" than individual acts of violence. Their unit of analysis is, therefore, the nation-state, and they define systematic frustration as a ratio between aspiration (measured by gross national product per capita, the number of radios, newspapers, telephones, and physicians per capita) and achievement. Thus, the Feierabends and Nesvold (Feierabends, 1972:144) as well as Gurr and others, see revolution as an aggregation caused by widespread discontent. Hence, their hypothesis centers around the proposition that the revolutionary situation of 1979 emerged because of a period of rapid economic expansion--which in itself was the direct consequence of the sudden quadrupling of oil prices in the early seventies--followed by a period of economic contraction which coincided with the widespread discontent due to the perceived discrepancy between people's value expectations and their capabilities perception of deprivation comes about when improvement of one gtroup does not keep pace with the other groups in the society, which lead to discontent. It has to be emphasized that rising expectations and relative deprivation create the potential for violence, but in order for revolution to occur discontent must

be politicized. Psychological potential for collective violence as the reflection of the intensity of the relative deprivation and rising expectations represents the necessary importance of the *secondary variables*. Discontent as a function of rising expectations and relative deprivation leads to revolution only when it becomes politicized by the primary variables that shape the mobilization process. *Primary variables* such as alternative ideology, alternative leadership, and organizational capacity were discussed in the chapter dealing with social mobilization theory. Discontent as a function of relative deprivation and rising expectation must be politicized in order for it to have *political consequences*--revolution. Revolution is the political manifestation of discontent. Hence, discontent has political consequences to the extent that the discontented perceive that political action will lead to; 1) an enhancement in their value position in society--utilitarian justification; 2) an enhancement in the status of their normative views and patterns of their value system - normative justification; 3) the presence of an organizational network which brings together and links the various groups in society who have similar goals--organizational capacity; and 4) the presence of strong leaders who symbolize the needs and demands of the discontented masses and who give focus to the unconnected demands of various groups. Leadership provides a point of reference in the process of mobilization of the masses. Leadership organizes and mobilizes applicable resources in the society in order to facilitate the revolutionary actions. This is the basic function of revolutionary leadership.

The Political Economy of the Petrodollar

Although oil, bitumen, and natural gas were known to the Persians in antiquity, the actual exploitation of oil and gas Iran began in 1909 when the Anglo-Persian oil company (APOC) was formed.[2] Oil revenues began to mount, along with production, although Iran didn't receive a fair share of its oil. By the late 1940s and early 1950s, the Iranians were gradually showing their dissatisfaction with the British exploitation of their oil industry. Therefore, Dr. Mohammad Mosaddegh, the Prime Minister, submitted a draft project for the nationalization of the Iranian Oil industry. Within a few days, the nationalization bill was approved by the Majles, the Senate, and the Shah who didn't have the power to veto at the time. The Western oil embargo continued until Mossaddegh was removed from office in a CIA-sponsored coup, after which a consortium of the major American and European oil companies concluded an agreement with the new regime in 1954 (Fatemi, 1954:339-364; Fesharaki, 1976:47-55). The agreement gave the Iranians, as Stocking put it, "The shadows of what they sought, while retaining for the British the substance of what they had" (Stocking, 1971:157).

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[2]For the development and politics of Iranian oil, see Nasrollah Saifpour Fatemi. 1954. *Oil Diplomacy.* New York: Whittier Books; Jahangir, Amuzegar and Ali Fekrat. 1971. *Iran, Economic Development Under Dualistic Conditions.* Chicago: University of Chicago Press; Richard F. Nyrop, ed. 1978. *Iran: A Country Study.* Washington, D.C.: American University; and Peter R. Odell. 1986. *Oil and World Power.* New York: Penguin Books.

Even though a pro-Western regime was installed in Iran, the struggle for higher oil revenue and greater control of the oil industry by Iran was enthusiastically pursued by the Shah's regime (Rouhani, 1974). In the late fifties, the posted price of a barrel of oil was 75.6 cents. By the late sixties, it had only increased to 85.8 cents, a substantial reduction in the real price of oil when adjusted to the high rate of inflation.

Because the real price of crude oil did not increase significantly in the sixties, Iran's modernization also continued to be financed by resources extracted from internal sources. In 1960, taxes contributed 61 percent and oil revenue 39 percent of the total state revenue (Cook, 1970). However, it has to be noted that oil revenues became a major source of revenues for governmental developments plans. Oil revenues during the First Seven Year Plan (1949-55) mounted to 37.1 percent of total revenues. The Second Seven Year Plan (1955-62) was funded up to 56 percent from the oil revenues. Sixty-seven percent of the revenue source of the Third Seven Year Plan (1962-1967) came from oil. The Fourth Seven Year Plan (1968-1973) had a 63 percent contribution from oil revenues. The Fifth Seven Year Plan (1973-77) witnessed the allocation of 1,993.7 billion rials by the government, of which 47.2 percent came from oil (Mofid, 1987, Bharier, 1971). As if low prices were not enough, on at least two occasions, the major oil companies decided unilaterally to curtail the posted price of petroleum, thus sending shock waves to the budgets of the oil producing nations. None of the oil producers,

however, dared challenge the major oil companies single-handedly. The Seven Sister's position in international markets and complete military and political support often received from their respective governments had made them apparently invincible (Sampson, 1975).[3] The most significant and perhaps the only method of dealing with the oil majors was the creation of an oil producing cartel. In September of 1960, Iran, Iraq, Saudi Arabia, and Venezuela met in Baghdad in order to coordinate their oil policies and to put an end to the policy of price fixing and price reduction by the major oil companies. The oil companies vehemantly opposed the creation of an oil producing cartel. From that historic meeting, the Organization of Petroleum Exporting Countries (OPEC) was born (Mungo, 1976). In the sixties, the international oil market remained calm, and OPEC was ineffective in imposing any major price increase. Higher oil revenue for Iran became possible by increasing production by the late 1960s (Table 1.1). As a result of increased oil production, oil income became the major source of revenue to finance the massive developmental plans. Hence, there was less dependence on taxes during the seventies (Table 1.2). As oil prices and Iran's production level went up, oil became the most vital component of the state budget,

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[3]Seven Sister is a commonly used name for the MAJORS. Reputedly the expression was coined by Enrico Mattei, the creator of ENI, the Italian State Oil Company. A general term used to describe the seven largest oil companies that have dominated hte international oil industry during the present centry. They are BP, Exxon, Gulf, Mobil, Shell, Socal and Texaco.

constituting 84 percent of the total state revenues in 1974. That year, total government expenditures as a percent of the GNP reached 41 percent (Table 1.3). It is clear that the contribution of oil to the Iranian economy and the government's reliance on oil revenues had been steadily increasing since the late 1960s. While oil represented 17 percent of the GNP in 1967-68, it rose to 38 percent in 1977-78. From 1971 to 1976, the percentage of government revenues from oil increased from 56.5 to 76.7 (Table 1.4). The emergence of OPEC as a price--setting cartel meant that the price of crude oil continued to rise, which culminated in a massive transfer of wealth from oil consumers to the oil producing countries such as Iran (Hollwood, 1981; Edens, 1979). Iran, as the world's second largest exporter of oil, was also the recipient of the largest transfer of wealth in history. Oil became the main pillar of government finances and especially of public sector investment. How the infusion of the petrodollar affected Iran's economy and its developmental plans and contributed to intensification of discontent is the subject of the following.

From Expansion to Contraction

The unexpected infusion of the Petrodollar into Iran created a "crisis of wealth" in the seventies. Whereas in the sixties, Iran, like the overwhelming majority of third world countries, was suffering from "scarcity of capital" and was dependent on the mercy of the industrialized West for various forms of aid, in the middle part of the seventies, Iran it was confronted with the problem of "surplus capital." On the one hand, the new oil wealth decreased the regime's

Table 1.1: Dramatic Increase in Oil Production and Revenue

Year	Average Barrels per Day (in Thousands)	Oil Revenues (Million Dollars)
1955	329.2	90.2
1956	538.8	150.9
1957	721.8	212.8
1958	825.8	247.2
1959	927.3	262.4
1960	1,052.9	285.0
1961	1,178.3	291.2
1962	1,114.2	343.2
1963	1,465.8	380.0
1964	1,690.1	482.2
1965	1,885.4	514.1
1966	2,113.3	608.2
1967	2,596.6	751.6
1968	2,847.6	853.4
1969	3,374.9	922.8
1970	3,828.6	1,109.3
1971	4,539.6	1,851.1
1972	5,024.1	2,396.0
1973	5,861.1	4,399.2
1974	6,021.7	21,443.2
1975	5,279.0	19,074.0
1976	6,019.0	20,671.0
1977	5,585.0	20,926.0
1978	4,978.2	20,110.0
1979	3,168.0	19,190.0

Source: Compiled from U.S Department of Energy Monthly Review, April, 1990 and OPEC Annual Statistical Bulletin

Table 1.2: Relative and Absolute Contribution of Oil Revenues and Taxes to Total Consolidated Revenues of the Iranian State: 1970-1979 (in Billions of Rials)

Year	Total Revunes	Oil Revenues	Oil as Percent of Total Revenues	Tax Revenues	Taxes as Percent of Total Revenues
1970	188	86	45	81	43
1971	275	155	56	95	34
1972	323	178	55	118	37
1973	491	311	63	154	31
1974	1427	1205	84	187	13
1975	1627	1246	77	315	19
1976	1896	1422	77	397	21
1977	2100	1498	71	519	20
1978	1736	1013	59	608	34
1979	1771	1220	67	464	28

Notes: 75.6 Rials = 1 U.S Dollar, All figures are rounded.
Source: Government Statistical Yearbook. International Monetary Fund. V. VI, 1982.

Table 1.3: Total Government Expenditures as Percent of the GNP for Selected Years: 1963-1977

Year	Government Expenditures as Percent of GNP
1963	15.3
1964	16.9
1970	30.2
1971	31.6
1972	30.7
1973	27.6
1974	40.9
1975	45.0
1976	41.2
1977	45.9

Source: *Annual Reports*. Bank Markazi. Iran. Various Issues.

dependence on the western nations and elevated Iran to a position of prominence in the international community as an aid-giver to 34 nations, including Great Britain and Italy. On the other hand, it made the state less dependent on international sources of revenue extraction, and thus increased its relative autonomy and made the state less dependent on internal sources of revenue extraction, thereby increasing its relative autonomy and capacity to move against the perceived or real interests of the traditional and pre-capitalist groups and interests (Vali, 1993).

The oil boom exacerbated all the latent contradictions and cleavages of a society already experiencing the tumultuous consequences of modernization described above. As enormous amounts of wealth were transferred to Iran in a brief period, the question of distribution of wealth became a significant political, economic, and social issue. If the goal of politics is to allocate resources, then in reviewing the pattern of state expenditures, one may find the source of discontent against the Shah regime. As various groups in the society sought to maximize their share of the pie, the Iranian state was torn in contradictory directions. Not accustomed to the management of such enormous wealth, devoid of adequate institutions for its efficient distribution, guilty of unrealistic spending, lacking the necessary infrastructural requirements to implement policy objectives which were often too ambitious and ambiguous, and confronted with declining oil prices, the Iranian state and the economy were finally plunged into economic crises in the second half of the seventies.

How and why did this happen?

Rising Expectations and Relative Deprivation

Following the increased oil revenues, the Shah's regime began a massive propagandistic campaign on the international front. It sought to portray the monarch as a progressive reformer who was diligently using the petrodollar to push Iran into an era of "Great Civilization." Iran's economic accomplishment was often cited as an illustration of such far-sighted leadership. For domestic and international consumption, the regime also seemed over anxious to "prove" its independence from the western nations and oil companies (Walker, 1981:342-393). Despite the insistence of the Shah that his oil policy in OPEC served the long term interests of the western and oil producing nations, this propaganda war backfired, and his regime was identified as one of the main sources of the West's economic stagflation.

The implications of the regime's domestic propaganda war were even more devastating and self-defeating. Adept in political chicanery and hoping to disarm critics, the regime announced ideas which were alien to the majority of the population. The ostentatious 2500th anniversary of the monarchy was an example of the reckless and agitational brand of propaganda. The Shah had grandiose plans for Iran: "...in the next 25 years... we shall rank among the five biggest powers ... in the coming 12 to 13 years, we shall find an infrastructure in every field which will put Iran on the level of progress reached by Europe

Table 1.4: Relative Contributions of Oil to the Iranian Economy

	Percentage of Governmental Revenues	Percentage of Foreign Exchange Receipts
1971-1972	56.5	77.3
1972-1973	54.7	76.0
1973-1974	63.1	81.4
1974-1975	84.3	89.4
1975-1976	76.7	87.3

Source: Jahangir, Amuzegar, 1977. *Iran: An Economic Profile.* Washington, D.C.: The Middle East Institute. p. 63.

Table 1.5: Fixed Investment by Sectors, 1973-1977, Original and Revised Fifth Plan (billion rials)

Sectors	Original	Revised
Industry	552.2	845.8
Agriculture	180.2	309.2
Transport	188.3	492.1
Housing	402.3	924.8
Oil and Gas	461.0	791.1
Others	702.7	1334.5
Total	2486.7	4697.5

Source: *Plan and Budget Organization, Iran's Fifth Development Plan 1973-1978*, Revised.

today ... then in the following 12 years, we shall be one of the five great non-atomic countries of the world" (Karanjia, 1977:243). At issue is not Iran's potentiality for realizing these objectives; rather, the point is that such ideas raised the expectations of the massive majority and politically articulate minority much faster than the Shah's regime, or perhaps any other regime, could have possibly met them. The regime did, however, deliver something which was inconceivable in the sixties: free education and a daily free meal for all children from kindergarten to eighth grade, free nutrition for infants up to the age of two, lucrative scholarships for students, and hundreds of other programs. In short, the regimemade the egregious error of promising too much and not delivering what it promised, especially when oil revenues began dwindling. Relative deprivation and unmet expectations, however, were not the cause of the revolution. These only made the job of offensive mobilization by an organized opposition easier. Inflationary Pressures and the State Theories of Inflation Rampant inflation, a relatively new phenomenon in the 1970s, had a devastating impact on the political system in Iran. It impacted the lives of ordinary people by creating an environment of insecurity and economic injustice. The inflationary pressures, together with the government's inability to stabilize price levels, were the major economic causes of the revolution. Inflation always has a variety of causes. A brief description of the more significant theories of inflation follows. Demand-pull theory defines the problem of inflation in terms of excess monetary demand. The constant growth

of credits and money supply increases demand at a much higher rate than can be accommodated by domestic production. Advocates of this theory tend to view the economy as one where aggregate demand is determined by monetary policies. A second theory of inflation, the cost-push model, suggests that inflation is the direct result of increasing labor costs. Wages contribute in extraordinary proportion to the general rise in production costs. The expanding economy is usually accompanied by expansion in employment. A third theory of inflation is the structural model. Advocates of this theory argue that inflation is caused by factors inherent in the institutional, sociopolitical, and economical organization of a country. Inflation is the outcome of structural limitations, structural constraints, limited resource mobility, and inelastic supplies of raw materials and goods. The essential position of the structuralists is that inflation could not be attributed to the market demand and/or price conditions, but instead is the direct result of structural constraints. Structuralists direct our attention to the disequilibrium between growth and absorbing capacity as the fundamental inflationary process.

The Big-Push Strategy and Planned Inflation

The historic rise in financial resources by late 1973 gave rise to a refined strategy of development. It was the Big-Push type industrialization, financed by oil revenues. Big-Push development strategy significantly shaped the expenditure patterns without the ability to resolve infrastructural or human

constraints. The development strategy pursued by the Shah's regime created inflation and excess demand as output lagged behind expectations. This in turn suggests that Iran's difficulties were structural rather than financial. The Big Push development strategy was adopted following the sudden rise in oil revenues, and it necessitated a revision of the Fifth Developmental Plan designed to run from 1973 until 1978. This meant a quantum leap in domestic spending without careful consideration of the absorbing capacity in the system. Fixed investment was pushed from more than 2486 billion rials to 4697 billion rials, mindless of inflationary pressures (Table 1.5). In July 1974, the planning division of the plan and budget organization warned against the dangers of inflation and argued in favor of a minimum increase in domestic expenditure because Iran lacked absorptive capacity. Two major bottlenecks--human capital and port capacity--were presented in scenarios as the binding constraints to the different options, as well as to the trade-offs between growth and inflation. Iran could in no way engage in a public-investment program over and above 2,031.8 billion rials without subjecting itself to inflation, distortions, waste, and inefficiency. But cabinet ministers advocated a maximalist approach, which pushed for a maximum increase in development expenditure. The Shah rejected the cautious view of planners and supported the maximalist view of the cabinet. Hence, the Shah acted as if money were the binding constraint on Iran's development, when in fact human capital and infrastructural resources should have guided the allocation of investment (Razavi, 1984:72). The Shah

Table 1.6: Annual Rate of Growth of Inflation, 1960-1978

Year	Rate of Increase (Percent)
1960	3.41
1961	1.13
1962	1.45
1963	6.13
1964	2.59
1965	1.20
1966	0.25
1967	0.63
1968	2.10
1969	2.47
1970	2.17
1971	9.68
1972	7.64
1973	11.11
1974	19.18
1975	----
1976	15.8
1977	25.1
1978	27.3

Sources: *Annual Reports*. Bank Markazi. Iran. Various Issues.

responded to criticism of Iran's absorptive capacity by saying that if manpower was short, it would be imported; if ports could not handle the projected inflow of goods, then a massive program to improve the situation should be instituted immediately; and if inflation were to pick up, then Iran would deal with it in an innovative fashion.

Inflationary Pressures and the State Theories of Inflation

During the 1960s, economic development was accompanied by remarkable price stability. The average annual rate of inflation rose about 1.6 percent between the years 1960 and 1970 (Table 1.6). Contributing to the low rate of inflation were the following factors. First, the state policy of keeping the price of essential goods artificially low, even at a loss. The second factor was Iran's ability to meet its rising international demand by resorting to imported goods, whose prices were often lower than the domestically--produced goods since the rate of inflation in the West was quite low. In the seventies, this situation was basically altered. The general index of domestically--produced goods increased substantially during the 1970s. Because of a high rate of inflation in the West, the general price index of imported goods also rose substantially in the 1970s. Moreover, the phenomenal rise in the prices of land and rent, rising demand, and expansion of the money supply led to one of the highest recorded inflation rates in the recent history of Iran. The general index of consumer goods jumped from 77.9

Table 1.7 Actual Budget Price Receipts and Expenditures (billion rials)

Item	Revenues	Expenditures	Deficit/Surplus
1973/74	459.0	479.3	-20.3
1974/75	1390.5	1140.8	249.7
1975/76	2214.7	2214.7	--
1976/77	2840.5	3019.3	-178.8
1977/78	3201.6	3319.0	-117.4

Source: *Plan and Budget Organization, Iran's Fifth Development Plan 1973-1978,* Revised.

in 1972 to 196.3 in 1979. The Shah's regime failed to appreciate the perils of trying to do too much in too short a time. Iran was thrown off the smooth growth path of the 1960s due to the spending biases of the development strategy of the 1970s. The strategy was an over--inflated budget, designed with total disregard for the structural foundation of the domestic economy, and a strong blueprint for underwriting inflation. The data of Table 1.7, which show the actual expenditures and revenues, reflect the inflationary nature of the economic plan during the 1970s. The data show a massive increase in actual expenditures which outpaced the available revenues. It becomes clear that an almost 140 percent annual increase in government expenditures could only be a blueprint for inflation. It has to be noted that in 1974/75 there was a fiscal surplus (Table 1.7) and therefore no apparent need for the moneysupply to increase.

An unprecedented increase in public expenditures and money supply resulted in an increase in retail and wholesale prices in 1974. During this period, the highest price increases were recorded for building materials and consumed goods, which suggests that inflation was due mostly to structural rigidities, rather than to imported inflation. Vakil suggests that "most studies on the subject indicate no more than a 25 percent contribution of international inflation, thus leaving a substantial portion to be accounted for by domestic factors" (Vakil, 1975:10). Infrastructural bottlenecks remained the fundamental obstacles to economic growth and therefore instrumental to

inflationary pressures: "Largely because of shortages linked to the underdevelopment of the nation's infrastructure, Iranian industry was working about 60 percent of capacity in 1977 (61 percent for textile, 46 percent in bricks, 96 percent in cement, 90 percent in sugar, 51 percent in automobiles, and 32 percent for tractors). Blackouts, inadequate transport facilities, and shortages of building materials (particularly cement) all contributed to this situation" (Graham, 1977:15).

The seriousness of Iran's economic problems can be understood better by noting that Iran, which in 1974/75 had 249.7 billion rials surplus in its budget (Table 1.7), showed a 178.8 billion rial budget deficit in 1976/77. There are two reasons for such an outcome. First, Iran's total expenditures were rising at an increasingly rapid rate. Second, Iran's oil revenues were not rising at the anticipated rate. With the shortfall in the anticipated oil revenues, while total expenditure was rising and the state budget was in deficit, the government had to turn to international money markets for survival. In 1975/76, Iran borrowed 5.4 billion rials. This increased to 109.4 in 1976/77 and 143.8 billion rials in 1977/78. Moreover, financing the deficit not only resulted in a 25.1 increase in retail prices (Table 1.6), but it also resulted in an increase in public expenditure and a nearly 30 percent increase in money supply between 1976 and 1977 (Table 1.8).

These figures, as well as the previously mentioned factors, clearly demonstrate that inflation in Iran was due to governmental policies and

structural rigidities, rather than to imported inflation. As far as wage-increases are concerned, it is fairly safe to conclude that wage cost-push pressures didn't dominate the inflationary process during the 1970s. Indeed, although wage increases contributed to the cost of production, other costs were rising equally or more rapidly (Looney, 1982:159).

Some scholars have argued that one element of cost-push inflation during the seventies is food prices. As the data show (Table 1.9), between 1973 and 1977 the price of food increased by an average of 13.3 percent per year. The highest price increases during this period were recorded for meat products. Arising from this data are the following obvious questions: (1) was there any shortage of supply? and (2) were there any infrastructural rigidities that caused the price increases? To find a clear answer, it is helpful to note the trends in population growth between 1973 and 1979. Population grew at an annual rate of 2.7 percent. It increased from 31,136,000 in 1973 to 31,925,000 in 1974, 32,712,000 in 1975, 33,612,000 in 1976, and 34,634,00 in 1977. The total popula-tion in 1978 was 35,509,000.

During the same period, food production grew faster than the population (Table 1.10). During 1974 and 1975, the total and per capita food production increased by 4.1 and 0.9 percent respectively. The total population grew by 2.4 percent during the same two years. However, by 1976/77, the total and per capita food production had dropped to -3.5 and -6.3 percent respectively. The figures for 1977/78 were 5.6 and 2.4 respectively. The population had

grown by 2.9 and 2.5 percent respectively between 1976/77 and 1977/78. In all, in 1974/78 the total food production on average grew by 2.9 percent per year, while per capita food production declined by 0.05 percent. The population during the same period, on average, grew at 2.7 percent per annum. Agricultural production and imports had increased much faster than the rate of population growth. Therefore, it is safe to conclude that inflationary pressures were not caused by the lack of agricultural producs, but by the lack of transportation and manpower. These were two major bottlenecks which deteriorated the distribution of the food supply.

Following the oil price increases, there was a significant internal migration from rural to urban areas. During the 1970s, the rural exodus reached an average 250,000 per annum (Graham, 1980: 117). The rapid migration to the cities made the migrants dependent on the market, which was highly stretched already for food (Hemmassi, 1976). Having come to the cities, this previously rural population became customers for food, rather than its producers. The sudden and rapid increase in urban food demand, accompanied by structural inefficiencies in distribution, virtually assured that demand could not be met by supply. As Robert Graham has suggested, a great quantity of agricultural products were wasted each year: the waste estimated to be about $2 billion during the period between 1974 and 1978 (Graham, 1980:117). These data and observations suggest that the food price inflation was mostly due to structural inefficiencies. Food was produced but large amounts of it

were wasted. Food was imported, but large amounts of it didn't reach the market. In general, there was much dissatisfaction amongst the population, due in part to their rising expectations encouraged by the Shah who had proclaimed "We don't expect Iranians to tighten their belts, eat less, and labor away for the promised heaven which is put off by a year every day. We try to offer the nation the welfare and care we have promised today" (Graham, 1980:103).

Hence, it becomes clear that the 1973 Big-Push development strategy was inflationary and that inflation was mostly demand-pull and structural, rather than imported or cost-push. By 1975, the economy was indeed out of control. These realities forced the Shah to attempt to dampen the rising expectations of the masses. Grimly he predicted that "Things will now change. Everyone should work harder and be prepared for sacrifices in the service of the nation's progress" (Graham, 1980:103). However, having observed the disturbing effects of inflation and the widening gap between supply and demand, the regime employed an inappropriate response to remedy the inflationary pressures. The regime ignored structural and demand-pull causes of inflation and started a frontal attack on cost push inflation.

Price Stabilization

As early as 1975, the Shah's government began a program of price stabilization and a campaign against profiteering in order to control inflation.

Table 1.8 Money Supply, 1972-1978 (in Billions of Rials)

Year	Amount	Growth
1972	158.7	27.8
1973	202.7	61.0
1974	327.2	36.4
1975	446.5	37.0
1976	611.2	29.4
1977	790.5	56.4
1978	1236.5	--

Source: *Annual Reports. Bank Markazi.* Iran. Various Issues.

Table 1.9 Annual Average Changes in the Consumer Price Index for Main Agricultural Products

Commodity	Food	Dairy Products	Bread and Rice	Meat, Poultry, and Fish	Fresh Fruit
1973	8.3	-0.1	5.1	22.3	3.5
1974	19.2	16.6	24.1	25.8	25.9
1975	5.6	6.2	1.9	6.2	10.4
1976	12.9	8.9	14.2	14.3	19.9
1977	20.6	13.7	22.0	21.6	24.9
1973-77	13.3	9.1	13.5	18.5	16.9

Source: *Annual Reports. Bank Markazi.* Iran. Various Issues.

Table 1.10 Annual Average Growth Rates of Total and Per Capita Food Production

Years	Total Food Production	Per Capita Food Production
1970-74	4.8	1.7
1974-75	4.1	0.9
1975-76	5.5	2.8
1976-77	-3.5	-6.3
1977-78	5.6	2.4
Average/Year	2.9	-0.05

Source: *Handbook of International Trade and Development Statistics*, 1979 and 1983.

A number of measures were invoked by the government to combat inflation. The cost of borrowing money, for example, was increased; imports were increased; subsidies were increased on basic goods to keep their prices down; the rate of government expenditures was lowered; and a serious price control program was mounted by the government. A committee of consumers was created in order to supervise price controls. Moreover, the young zealots of the Resurgence Party were sent to the bazaar and to shopping areas to find price gougers. Higher taxes were levied on bazaaris, and bank loans to shopkeepers were cut back (Ettelaat, August 23 and 29, 1977). Toward the end of 1977, the state further extended its control over the bazaar by making the shopkeepers' operating licenses contingent on two conditions: first, that merchant guilds guarantee that licenses would not violate the law; and second, that the landlords who rented space to shopkeepers write a formal letter of consent to the government on their behalf. These restrictions severely constrained license-seekers, for the guilds were unwilling to police their membership. Furthermore, license-seekers who had disagreements with landlords over rents or other matters were automatically at a severe disadvantage. The passage of this law sharply reduced the number of licenses issued (Ettelaat, December 3, 1977).

In August of 1975, in pursuing the anti--profiteering campaign, prices of sixteen thousand items officially reverted to their January levels. The government set the profit rate at 14 percent even though inflation, according

to the regime's own reports, was at least twice that figure. Prices were fixed at the retail market level where merchants and shopkeepers operated, but no serious controls were imposed on the factories that produced and priced commodities, nor were restrictions placed on the small number of large importers.

The impact of price controls on bazaaris, however, was staggering. In the first few days of the campaign, 7,750 shopkeepers were arrested (Kayhan, August 8, 1975). By October of 1977, approximately 109,800 Tehran shopkeepers out of a total of 200,00 had been investigated for price control violations (Ettelaat, October 27, 1977). In the month of April 1977 alone, the government imposed 600 million rials in fines for profiteering, mostly against shopkeepers in the bazaar (Bashiriyeh, 1984:103). According to the ministry of the interior, 20,000 shopkeepers had been jailed by the end of 1977. The manner in which the regime carried out its campaign was especially humiliating. When special courts handed down a guilty verdict, the individual's shop was shut down, a fine levied, and the owner was subject to arrest or exile. A large banner was hung from the doorway of the shop, proclaiming that the store would remain closed for a period of time because the owner had been fined for profiteering. The names and locations of these shopkeepers who were arrested or fined were published daily in the national newspapers.

The government's policies radically changed the situation for bazaaris beginning in August 1977. Several months of widespread arrests and

sanctions generated conditions for unprecedented conflict between the bazaar and the government. Never before had so many bazaaris experienced so many fines and arrests. By the end of the summer of 1977, Tehran's bazaar merchants had met at least twice with officials of the Rastakhiz Party, the country's only legal political party, to express their dissatisfaction with the Chamber of Guilds, the government's credit policy, and the newer taxation scheme (Ettelaat, August 23 and 29, 1977). The regime's refusal to satisfy at least some of the bazaar's demands eliminated the option of compromise, leaving the door open for conflict and confrontation.

By 1978, widespread economic problems such as high inflation, a housing shortage, declining oil revenues, high taxes, declining government expenditures, and so on were among the major economic sources of discontent for the majority of the population.

Dynamics of Economic Expansion

The central government's budget in Iran is the primary tool for influencing the economy. Although it doesn't contain all the financing of provinces, districts, municipalities, and villages, a large portion of local funding is included because it comes from central government expenditures. The budget also contains revenues and expenditures for a large number of political, commercial, and industrial enterprises, as well as funds for a number welfare, cultural, and charitable nonprofit organizations, such as universities. Budgeting procedures in Iran have changed frequently since 1947 (Nyrop,

1978:268-269). In 1973, a new budgeting system was adopted which was considered by fiscal experts as an improvement over previous systems. A new system was established to consolidate development and ordinary budgets into a single document.

From the time of the return of the Shah to power, government revenues demon-strated a gradual upswing. Government revenues increased significantly from the early 1960s to the mid-1970s. They increased from 35 billion rials in 1962 to 302 billion rials in 1972, an average increase of 19 percent per year. A still more dramatic increase occurred between 1972 and 1977, when government revenues increased about 48 per-cent per year (Nyrop, 1978:269).

During the 1960s, oil revenues and non-oil revenues increased more or less evenly, each contributing about one-half of the annual government revenues. Due to the oil boom, however, the share of oil revenues increased significantly in the 1970s. The flow of oil revenues freed government officials from developing a comprehensive tax system. The tax base was narrow, focused on consumers, generally, and the urban salaried middle class specifically. Generally speaking, import duties and excise taxes on such items as vehicles, alcoholic beverages and soft drinks, telephones, and petroleum products provided the basic source of non-oil revenues, and the directed tax burden was relatively light. However, as the share of oil revenues declined in the 1976-77 period, the share of tax revenues, specifically direct taxes, significantly increased. As a result of raises in the rate of taxation, the share

of government tax revenues went up from 14 percent in 1974 to 30 percent in 1977 (Zangeneh, 1992).

Before the oil prices increase of 1973, Iran's Planning Organization publicized its detailed recommendations for the Fifth Developmental Plan (1973-78). Total revenue was projected at $49 billion. After 1973, the planning organization revised its estimated revenues to exceed $123 billion.

Total revenues in the first three years of the seventies amounted to 1.288 billion rials ($ 17.0 billion) (Table 1.11). In 1974, state revenues jumped to a whopping 1.427 billion rials ($18.9 billion), more than the three previous years combined. Expenditures grew even faster than revenues because of increased taxes, import duties, and foreign borrowing. From 1970 to 1977, expenditures rose by 914 percent, from 242 billion rials to 2,455 billion rials ($32.5 billion) (Table 1.12). Altogether, state expenditures in the Fifth Development Plan surpassed 145 billion and 22 billion rials more than the original and revised estimates, respectively.

Cognizant that oil wells would eventually be depleted, the regime pursued a policy of rapid industrialization and military modernization, hoping to create a powerful military, oil independent, diversified and industrialized economy. Thus, a significant portion of the petrodollar was allocated to realization of these objectives.

A phenomenal expansion in the money supply, an easy credit policy and massive state and private investments in developing projects led to an

Table 1.11: Total Revenues, Expenditures of the Iranian State, and the Overall Deficit Surplus as the Percent of Total Expenditures 1970-1979 (Current Prices, in Billions of Rials)

Year	Revenue Reported	Total Expenditures	Surplus/ Deficit	As Percent of Expenditure
1970	189	242	-54	22
1971	275	306	-31	10
1972	323	380	-57	15
1973	491	504	-13	3
1974	1427	1287	140	11
1975	1627	1615	12	1
1976	1896	1933	-38	2
1977	2100	2455	-355	14
1978	1736	2286	-550	24
1979	1772	2104	-333	6

Notes: 75.6 Rials = 10.5 U.S. dollars, numbers are rounded

Source: *Government Finance Statistical Yearbook*, International Monetary Fund, V.VI, 1982

Table 1.12: Total Expenditures of the Iranian State by Function and as Percent of Total Expenditure (Current Prices, in Billions of Rials)

Year	Total	Defense	Education	Health	Social	Economic	Miscellaneous
		as % of Exp.	as % of Exp.	as % of Exp.	Security as % of Exp.	Affairs as % of Exp.	Exp.
1970	242	58	24	9	9	92	17
		24	10	4	4	34	
71	306	64	31	11	12	104	42
		23	10	4	4	34	
72	380	92	40	14	14	116	53
		24	10	4	4	31	
73	504	137	53	18	19	133	79
		27	11	4	4	21	
74	1287	385	91	40	34	303	136
		29	7	3	3	24	
75	1615	479	126	51	51	463	167
		30	8	3	3	29	
76	1933	569	167	56	60	558	169
		30	9	3	3	29	
77	2455	562	220	73	81	845	170
		23	9	3	3	34	
78	2286	592	278	80	164	792	139
		26	12	4	7	30	

Notes: 75.6 Rials = 10.5 U.S. dollars, numbers are rounded
Source: Government Finance Statistical Yearbook, International Monetary Fund, V.VI, 1982

unprecedented increase in internal aggregate demand. Increased aggregate demand refueled the accelerated economic growth by increasing internal production and employment. Internal demand rose so quickly that internal production alone was insufficient, and consequently, the volume of imports multiplied (Table 1.13). According to Mofid:

> The share of total non-defense imports in GDP (including oil) on average per year during 1962 to 1967 was 13.6 percent and in GDP (excluding oil) was 16.9 percent. The highest shares were recorded during the Fifth Plan period (1973-1977) where they reached 18 and 29.1 percent respectively (Mofid, 1990:159).

This in turn increased trade and state revenues which contributed to economic growth. These chain reactions culminated in stupendous economic growth. A major portion of the petrodollar was devoted to economic affairs, and a small, but still significant fragment of it was channeled to the private sector through easy credit and liberal loan policies. State expenditures for economic affairs jumped from 92 billion rials ($1.2 million) in 1970 to 845 billion rials ($11.2 billion) in 1977, constituting 34 percent of total state expenditures. State expenditures per capita for economic affairs increased from $43 million in 1979 to $323 in 1978 (Table 1.14). The state's contribution to the total gross fixed capital formation (machinery and construction) jumped from 212 billion rials ($2.8 billion) in 1972 to 646 billion rials ($8.8 billion) in 1977. Over sixty percent of all industrial projects were financed by the state (especially in such areas as steel, petrochemicals, and car-assemblage). This increased involvement by the state consolidated its role

as the country's main investor, banker, and employer. By 1976, for example, over 19 percent of the labor force belonged to the public sector (Hakimian, 1990). Whereas in the early twentieth century, the state's total expenditure constituted only 2 percent of the GNP, it now constituted about 46 percent of the GNP (Table 1.3). In 1978, there were over 250 relatively large industrial and manufacturing state-owned enterprises. As a result of these developments, a vast portion of the active population became directly dependent upon the demands of the state (Looney, 1982). The government played a dominant role in guiding, inventing, and shaping decisions in the marketplace. It did this through controls, numerous incentives, and its fiscal and monetary policies. The direct participation by the regime in the business operations that provided infrastructure support was one of the most powerful sources of growth in Iran. As industrialization made headway, the traditional responsibilities of government were steadily augmented by the tasks of providing development financing, increasing the electric power supply, managing the transport sector, and undertaking the domestic production of certain basic products, notably steel. To encourage the participation of the private sector, total loans and credits extended to that sector rose from 361 billion rials ($4.8 billion) in 1972 to 1,862 billion rials ($24.7 billion) in 1977. This led to a quick expansion of the private sector: the number of registered industrial and trade companies increased from 535 in 1971 to 1787 in 1975 *(Salname-e Amari-e Kashvar. The Statistical*

Table 1.13: Iran's Share of Non-Military Imports in GDP, 1962-1977 (Current Prices in Billions of Rials)

Year	Total Non-Military Imports	GNP Including Oil	Import/GDP Ratio	GDP Excluding Oil	Import/GDP Ratio
1962	42	346	12.1	282	14.9
1963	39	370	10.5	299	13.0
1964	56	409	13.7	336	16.6
1965	68	457	14.9	374	18.2
1966	73	498	14.8	402	18.1
1967	90	555	16.2	442	20.4
1968	106	629	16.8	499	21.2
1969	117	704	16.6	554	21.1
1970	127	786	16.1	612	20.7
1971	157	960	16.3	790	20.1
1972	195	1,190	16.4	926	20.1
1973	248	1,780	14.0	1196	21.0
1974	442	3,072	14.4	1630	27.1
1975	782	3,479	22.5	2103	37.2
1976	875	4,480	19.5	2802	31.2
1977	1022	5,207	19.6	3545	28.8
Average Share Per Annum					
1962-1967			13.6		16.9
1968-1977			16.4		20.6
1973-1977			18.0		29.1

Source: Kamran, Mofid. 1987. Development Planning in Iran. Cambridgeshire: Middle East and North African Studies Press. pg. 160.

Table 1.14: Government Expenditures Per Capita by Function (in Billions of Rials)

Year	Total Expenditure	Defense	Education	Health	Social Security Affairs	Economic
1970	112	27	11	4	4	43
1971	135	31	14	5	5	46
1972	165	40	17	6	6	51
1973	214	57	22	8	8	56
1974	523	152	37	16	16	123
1975	641	190	50	20	20	220
1976	761	223	65	22	24	322
1977	941	215	84	28	31	323
1978	853	220	103	30	61	250

Source: *Government Finance Statistics Yearbook*, International Monetary Fund, V.VI, 1982 and *International Finance Statistics Yearbook*, International Monetary Fund, 1981.

Yearbook of the Country, 1979:457).

Contributing to the expansion of private investment was the influx of foreign private loans and capital. In 1972, the total foreign loan and credit entering Iran was $17 million. By 1977, this figure had increased to about $87 million. This contributed to higher investments by private and public sectors, since at least fifty-one percent of all foreign investments had to come from Iranian sources (Daftari 1981:6-35).

Concomitant with the growth of foreign capital was the growth in foreign national employment in Iran. In 1965, the number of foreigners employed did not exceed 4000. But by July of 1975, over 20,000 work permits had been issued to foreign nationals. Moreover, a breakdown of the 1975 statistics reveals that 23 percent of the foreigners were employed by the manufacturing sector, that 50.6 percent of the non-Iranians performed professional and technical jobs, and that 13.5 percent were managers and administrators (Johnson, 1980:16). Amirhamadi notes that "The salary payments to legal workers amounted to $3.8 billion in 1977 alone" (Amirhamadi, 1990:181).

This influx of foreign capital and workers coincided with an increase in the importation of foreign products, which jumped from $55 million in 1938 to 10,372 $ million in 1978 (Mofid, 1987:162). These drastic changes also extended the economy beyond its material, human, institutional, and infrastructural capacities. Amirhamadi observes that: "In 1975, the government paid over $1 billion to ships waiting to be unloaded. Attempts to

use more expensive means for faster delivery of imports to customers only increased import costs (Amirhamadi, 1990:19) (Table 1.15). Because of increased internal production and large increases in the volume of imports, the wholesale and retail sectors also prospered from the oil boom. The amount of domestic trade increased, in constant prices, from 124 billion rials ($1.6 million) in 1972 to 229 billion rials ($3.1 billion) in 1978. In summary, industrialization and economic expansion were the long-standing objectives of the Shah's development ambitions, his symbol of progress, and it was considered by many in the government as the only way of assuming prosperity status once oil production began to dwindle. The infusion of oil revenue and the accompanying self-confidence led the Shah to give a flurry of promises to Iranians. These pronouncements were to create a high level of expectations among the population for an immediate improvement in their standard of living. However, the problem of the roles played by the state became a major problem. The task of distributing the country's oil wealth took the Shah's regime deeper and deeper into the productive sector with the corresponding danger of declining initiative on the part of the private sector. With the additional uncertainty over government policies aroused by rising inflation, there was an increasing dissatisfaction and consequently an increasing tendency for a process of capital flight and falling investment.

Increased Aggregate Demand and Employment

Increased investment, easy credit and loan policies, and the trickle-down

Table 1.15: Commodity Composition of Iran's Imports, Classified by their use (excludes military input) (%)

Year	Intermediate Goods	Capital Goods	Consumer Goods	Total
1973	60.3	24.8	14.9	100.0
1974	65.2	20.3	15.5	100.0
1975	53.2	29.8	17.0	100.0
1976	52.5	29.8	17.7	100.0
1977	53.9	26.5	19.6	100.0
1978	51.5	28.0	20.5	100.0
Average 1973-78	57.0	26.2	16.8	100.0

Source: Kamran Mofid. 1987. *Development Planning in Iran*. Cambridgeshire: Middle East and North African Studies Press. p. 164.

effects of the petrodollar boom were accompanied by incredible increases in aggregate demand and in demand for labor. The liquidity of the private sector, for example, (the money supply, money in circulation plus deposits with banks, quasi-money supplies, saving deposits, time deposits, etc.) jumped from 400 billion rials ($5.3 billion) in 1972 to 2,140 billion rials ($28.3 billion) in 1977. Private consumption rose from 880 billion rials ($11.7 billion) in 1972 to 1423 billion rials ($18.8 billion) in 1977. Perhaps the most revealing indicator of this new wealth and rising expectation was the increase in the number of Iranian tourists. In 1971, 205, 413 student and 106, 079 regular exit visas were issued. By 1976-77, before the outbreak of the revolutionary movement, more than 716,282 student and 661,143 regular exit visas were issued (Salnam-e, 1979:965).

The demand for skilled and unskilled labor jumped so rapidly that unemployment became almost non-existent and wages went up. Overall, employment in industry expanded at a rate of 5.8 percent per year from 1965 to 1968. During the 1970s, it increased by 7 percent per year from 1969 to 1975 (Johnson, 1980:115).

The efforts made to reduce unemployment in the late 1960s and early 1970s were fairly successful. In the mid 1970s, Iran was regarded as a full-employment economy. There was, however, a great deal of under-employment, particularly in the rural sector. In the agricultural sector, many landless farmers worked less than 100 days per year, and an estimated

400,000 Iranians, principally in agriculture and in construction, were seasonally unemployed in the early seventies. Overall, an estimated 37 percent of the working force in the agricultural sector was unemployed (Nyrop, 1978: 81). The rates of unemployment and underemployment were significantly reduced, however, by the mid-1970s due to the rapid pace of industrialization and urbanization. The demand for labor pushed up the general index of wages (1975 = 100) from 35.5 in 1972 to 351 in 1978. It was this high demand for labor and high wages which contributed significantly to the migration of millions from rural to urban areas. The institution of Iran's first nationwide land reform program in 1962 led to the release of considerable supplies of agricultural labor. According to Hakimian:

> The net result of the land reform was to limit employment opportunities in the agricultural sector. With no visible improvements elsewhere in the rural sector, the road was paved for massive rural-to-urban migration in this decade. With this, "major outlets" were opened which released substantial supplies of rural labor to towns (Hakimian, 1990:101).

Unskilled labor came mostly from Pakistan, Afghanistan, and the Philippines. Skilled labor was imported from Western and to a lesser degree from Eastern European nations. The Shah estimated that there were about one million foreign workers in Iran in the 1970s. This massive inflow had profound implications, creating housing shortages and fomenting racial and cultural confrontations between the xenophobic Iranians and foreigners. Moreover, higher salaries were paid to European and American workers than to their Iranian counterparts. This exacerbated cultural problems.

Limits to Productive Capacity: Increased Imports and Land Speculation

Increased Imports

Aggregate demand, however, was growing much faster than the inefficient, primitive, highly protected and oligarchic structure of the industrial and manufacturing sectors could possibly meet. There was, of course, a paid expansion in the industrial and manufacturing sectors during most of the seventies: their share in the GDP increased from 8.6 percent in 1972 to 13.4 percent in 1977 (Table 1.16). Despite such impressive growth and increased internal production, even the most efficient and advanced industrial sectors could not meet internal demand. The Iranian automobile industry is a case in point. The number of automobiles assembled in Iran increased from 352,000 in 1973 to 1,136,000 in 1979. Despite increased internal production, the value of import vehicles jumped from $234 million in 1972 to $1,340 million in 1977 (*United Nations Statistical Yearbook*, 179-80). To meet internal demands, Iran, therefore, had to increase imports. In 1972, the total volume of imports was $2.57 billion. Sixty-two percent of all imports were for primary products and intermediate goods. Almost 25 and 13 percent was spent on capital goods and consumer goods, respectively. By 1977, total imports rose about $14.2 billion. Increased imports changed the structure of importation in one significant way: the consumer goods sector's share of total imports jumped from 13 percent in 1972 to 19 percent in 1977. In the same period, the share of primary and intermediate goods was reduced by 8 percent, while

that of the capital goods increased by 2 percent (Mofid, 1989). Increased imports, among other things, also reduced the significance of the bazaar. Most of the imported luxury goods were sold in shops outside of the bazaar. (The new upper and middle classes could afford these items.) As Zangeneh suggests, "...a new stratum of 'nouveaux riches' was born within the 'outward looking' status group with close economic connections to the imperial court of the upper middle and middle classes with the bazaar was significantly reduced. The threatened status groups the traditional bazaar merchants, shopkeepers, and the ulama, who shared a similar culture and stock of knowledge, were drawn together in a permanent alliance which later proved the cardinal reason for their survival" (Zangeneh, 1992: 13).

Land Speculation

The inability of the economy to turn the petrodollar into productive capital also manifested itself in the expansion of the construction industry and land speculation. The expansion of the construction sector was partly due to the lack of incentive for the private sector to invest in long-term industrial and commercial projects, and partly due to the exceptionally high and quick rate of return on land speculation and construction produced by a period of acute housing shortages created in the major cities as millions migrated from the rural areas, and as thousands of foreigners came in order to benefit from the "oil rush." Thus, construction's contribution to the GDP, in constant prices,

Table 1.16: Sectoral Contribution to Iran's Gross Domestic Product for Selected Years, 1963-1977.

Year	Agriculture	Mining & Quarrying	Manufacturing	Community Soc/ Personal Serv.	Construction	Wholesale & Retail Trade	Gross Domestic Product
1960	24.5	36.5	7.3	9.2	5.1	6.6	737
1965	18.0	45.0	7.6	9.8	5.5	5.4	1140
1970	13.4	53.4	8.2	10.1	4.0	4.9	1979
1972	10.4	51.2	8.6	10.4	3.4	4.8	2604
1974	9.7	46.0	10.0	12.3	3.1	5.1	3137
1976	9.6	38.8	11.8	13.0	4.9	6.0	3571
1977	9.7	36.7	13.4	14.9	5.1	6.5	3498

Source: *Yearbook of National Accounts Statistics,* Individual Country Data, V. 1, Part 1, 1980. United Nations Publications, 1982.

increased from 3.4 percent in 1972 to 5.1 percent in 1977. Private investment in construction, in constant prices, rose from 103 billion rials ($1.4 billion) in 1972 to 233 billion rials ($3.1 billion) in 1977. The number of construction workers increased from 509,778 in 1966 to 1,188,720 in 1978, the fastest rate of growth experienced by any major occupational group in two decades (Hakimian, 1990).

Economic Growth and the GNP

Despite the diversion of a massive amount of resources away from productive activities to non-productive activities, the oil boom of the early seventies led to rapid economic expansion. Non-productive activities mainly refer to military-related activities. From 1963 on, expenditures on weapons imports increased from 2.4 percent of trade receipts to approximately 8.8 percent in 1978 (Schulz, 1989:78). The gross domestic product, at constant prices, rose from 2.567 billion rials ($34 billion) in 1972 to 3.589 billion rials ($47.5 billion) in 1978, an increase of 27 percent in only six years. The average rate of GNP growth exceeded 11 percent per annum from 1971 to 1977. The non-oil GDP at constant prices also increased from 1,234 billion rials ($16.3 billion) in 1972 to 2,304 billion rials ($30.5 billion) in 1977 (Mofid, 1987). Every major sector of the economy grew at an accelerated rate (Table 1.17).

Iran's growth in both the GNP and per capita income in the 1960s and

1970s, even before the upsurge charged by the drastic rise in oil prices, was among the fastest in the world. Robert Looney wrote that Iran's economic performance was "matched by relatively few countries, even among the industrialized countries" (Looney, 1977:1). According to the International Bank for Reconstruction and Development, Iran's annual growth in GNP in the period between 1970 and 1972 was exceeded only by Libya and Taiwan, and equaled by Japan (International Bank for Reconstruction and Development, World Atlas, 1974). The rate of growth was still higher later in the seventies due to the rise in oil prices. During the period between 1970 and 1976, Iran's per capita GNP growth rate of 12.1 percent was the highest in the world. The Republic of Korea with an 8.7 percent growth rate and Tunisia with a 7.5 percent rate ranked second and third (Grant, 1978).

Davies hypothesized that revolutions are most likely to occur when a prolonged period of socio-economic improvement is followed by a sudden reversal, making the masses fearful that their gains will be quickly lost. In other words, a long term rate of achievement and aspirations, followed by a sharp reversal (expectations), is likely to result in dissatisfaction and rebellion. Guided by Tanter and Midlarsky, I am defining the rate of achievement as a rate of change of the GNP (Welch, 1972: 168). During the period between 1960 and 1972, the GNP increased at an average rate of 9.7 percent annually with constant prices. With relative price stability during this period, the bulk of the increase in the GNP represented real growth, allowed for an annual population

growth of nearly 3 percent. The rate of annual increase in real per capita income stood at a high of 6.7 percent. It went up from $195 in 1961 to $810 in 1973 and $2,200 in 1978 (Amuzegar, 1977: 20, 248; Nyrop, 1978: 246-247). Under the impact of the sharp increases in oil prices, the rate of growth in the GNP rose to 34.2 percent in 1973 and 43 percent in 1974. However, as a result of the fall in demand for oil in the market and the resulting shortfall in revenues, the rate of growth decelerated to 15 percent in 1975, 13.1 percent in 1978, and the unbelievably low rate of 2.8 percent in 1977 (Table 1.18). A careful examination of Table 1.18 reveals that a high rate of growth in the GNP during the 1960s and the early 1970s was followed by a reversal, creating a significant "revolutionary gap" suggested by Davies's J-curve hypothesis.

The Economic Slowdown

By 1975, the ominous signs of the coming bleak days were on the horizon. Because of the decline in oil demand in international markets--the effective energy conservation measures taken by Western governments and a glut in the oil supply--were among the major reasons for the decline: the price of oil began decreasing in real terms. Iran's oil exports diminished from 1,927 million barrels in 1976 to 1,262 million barrels in 1978. Reduction in the price of oil and declining production was immediately felt by Iran's "oil addicted" economy, and the period of contraction began (Zangeneh, 1992).

Table 1.17: Average Annual Rates of Growth of Gross Domestic Product (at constant prices) by type of Economic Activity (in percent) for Selected Years, 1965-1977

Year	GDP	Agriculture	Manufacturing	Wholesale	Industry
1965	8.8	2.2	9.6	4.9	12.1
1968	10.0	3.8	11.8	7.8	13.1
1970	10.6	4.2	12.0	8.3	13.9
1971	10.8	4.0	12.3	8.5	14.0
1973	11.4	4.0	12.9	9.9	14.0
1974	11.4	4.0	13.3	9.5	13.8
1975	11.3	4.1	13.8	9.9	12.9
1976	11.2	4.2	13.8	10.2	12.4
1977	10.8	4.2	13.9	10.4	11.7

Source: *Yearbook National Accounts Statistics*, Individual Data, V.I, Part 1, United Nations Publication, 1982.

Table 1.18: Annual Rate of Growth in GNP (in constant 1972 prices)

Year	Rate of Growth (Percent)
1960	5.3
1961	3.2
1962	5.1
1963	5.6
1964	9.7
1965	11.1
1966	10.6
1967	11.3
1968	19.8
1969	9.2
1970	11.0
1971	10.1
1972	14.2
1973	34.2
1974	43.0
1975	15.0
1976	13.1
1977	2.8

Source: Annual Reports. Bank Markazi, Iran. Various Issues

It is said that France's financial support for the United States' War of Independence contributed to the emergence of that country's financial crisis. This in turn paved the way for the "coming of the French Revolution."
It can also be suggested that the astronomical cost of industrialization and military modernization were major factors in creating difficulties for the Iranian state and economy, which in turn contributed to the outbreak of the Iranian revolution. By 1976, it had become abundantly clear that the state's conception of the petrodollar as an elixir capable of ameliorating all ills was tragically misleading. The economic boom turned so quickly into an economic contraction that it contributed to the revolutionary movement.

Continuing the Shah's policy of winning the support of the lower classes, the state took a populist turn, and in September of 1975, announced the "public and private ownership extension scheme," which required the sale of 99 percent of public and 49 percent of private firms to workers. Although the program could not be implemented adequately and only a relatively small percentage of workers participated in it, the action was adamantly opposed, for obvious reasons, by the private sector. But the public and private ownership scheme only marked the beginning of policies which ran against the perceived interests of the upper class bourgeoisie, for soon such provisions as price control and wage increases were also imposed by the state. As long as the economic boom was in full force, the bourgeoisie could afford to ignore these intrusions and be satisfied with the exceptionally high rate of return on their

investments. But deteriorating economic conditions and the selection of Amuzegar as the new prime minister deepened the hiatus between the Shah's regime and the middle class.

Amuzegar and the Austerity Program

On August 7, 1977, the Shah decided to replace Amir Abbas Hoveyda, the longest serving prime minister in recent Iranian history, with Jamshid Amuzegar, an American trained technocrat. The decision seems to have been made because of the combination of American pressure and internal considerations. From the day he became American Ambassador to Iran, William Sullivan expressed serious doubts about the success of Iran's industrialization program. Sullivan decided to discuss his reservations with the Shah (Sullivan, 1981: 71). Of his meeting with the Shah, Sullivan wrote:

> "As I laid out the general observations and reservations I had about the program, he [the Shah] became quite defensive. He listened very intently and then responded rather querulously.... Knowing what I now know about his mental processes, I am sure that deep inside he was asking himself with the usual Iranian morbid suspicion just why it was that the United States was seeking to frustrate his industrial independence."

Sullivan observes that after the meeting "there was a long gap in which the Shah didn't initiate any contact with [him]." In this period, however, the Shah called his senior economic advisors and requested a "complete review" of Iran's industrialization program. It was then decided that Amuzegar should be named prime minister. Sullivan's conclusion is revealing as it demonstrates the

psychological dependance of the monarch on American advice and support, a dependency which proved fatal during the height of the revolutionary movement. Sullivan recalls:

> I didn't know exactly what cause and effect there was between my conversation with the Shah and the actions he subsequently took to revise economic programs. It was suggested that the Shah had no really well articulated economic program and that a brief word of concern from a friendly outsider could alter significantly the course of the nation's economic future (Sullivan, 1981:72).

The main economic objective of the new administration was to improve the falling economic conditions. Amuzegar decided to accomplish this by lowering the inflation rate and engineering a recession. He immediately imposed an austerity program that shared many common features with the program implemented in early 1963. The thrust of his policy was the trimming of the state budget.

Financial Difficulties of the State and Expenditure Reduction

When Amuzegar took over, the Iranian state was already plunged into financial difficulties. As oil revenues began declining in real terms in the mid seventies, the Shah's regime refused, at first, to slow down the rate of economic development or delay the expensive modernization of the armed forces. Continuation of these policies was possible either by squeezing more revenues from internal sources, such as taxes, or resorting to borrowing. Amuzegar opted for the latter alternative as it was feared that higher taxes

might intensify opposition against the regime and slow economic develop-ment. Thus, from 1976 to 1978 about $943 million rials were borrowed. This resulted in large deficits. By 1975, Iran's surplus of 140 billion rials began shrinking (Table 1.19). In 1976, according to data later made available by the Islamic Republic, that surplus was turned into a whopping 458 billion rial deficit--about 19 percent of the total expenditures. The IMF data show large deficits: in 1977, the deficit amounted to 355 billion rials ($4.7 billion) and reached a staggering 50 billion rials ($7.3 billion) or 24 percent of total expenditures. This was a record in Iran's contemporary history.

As deficits were increasing, so were the overall foreign assets of Iran (Table 1.19). The total foreign assets of Iran exceeded 627.75 rials in 1975 ($8.3 billion). In the same year, the foreign liabilities of the central bank and commercial banks were significantly more than 85 billion rials ($1.1 billion). By 1975, Iran's total liabilities were reduced to 60 billion rials ($79 million), while Iran's foreign assets increased to 1,1018.6 billion rials ($14.7 billion). The point of contention here is that, despite high deficits, the overall financial standing of the state was stronger than it was in the early sixties or during the constitution movement. At issue, therefore, was not the ability of the state to pay its domestic and foreign debt obligations as is often the case with prerevolutionary states. The situation in Iran was unique in that the state had a great deal of financial resources (Petrodollar) at its disposal and could follow various methods for adjusting itself to the economic difficulties. The point is

that Amuzegar showed little perspicacity in his austerity program, as it proved to be self-defeating. Trimming of the state budget was accomplished with a great deal of insensitivity.

Because of the inaccessibility of all pertinent data concerning expenditure reductions, there exists a barrage of unsubstantiated and simplistic assertions about the consequences of Amuzegar's fiscal conservatism. For example, it is said that a major contributing factor to the Ulama's opposition against the Shah's regime was Amuzegar's injudicious decision to substantially lower all allocation of "secret" funds from which the *Ulama* received lucrative stipends. The Shah, however, suggested that many of the *Ulama* were on the state payroll and that in 1977 "due to the exigencies of [the] economy, the prime minister was forced to eliminate such payments" (Pahlavi, 1980:155).

The trimming of the state budget beginning in 1977-1978--the first time since the early 1960s--had drastic consequences for the economy and for all classes that were dependent on the state. In the absence of a Parliamentary democracy where various pressure groups could at least have some input on what and how much expenditures would be cut, the Amuzegar administration arbitrarily decided who should carry the greatest burden of the budgetary reductions. Consequently, the weakest segments of the society were the ones called on to sacrifice the most. It should be recognized that the one obstacle to the success of the regime's entire modernization program was the failure of the state to implement its policy objectives. The successful implementation of

Table 1.19 Total Foreign Assets and Liabilities of the Imperial Government of Iran (in billions of rials) 1975-1979

Year	Gold (million ounces)	Foreign Assets	Foreign Liabilities/ Cent. Banks	Foreign Liabilities/ Comm. Assets	Total Net Banks
1975	3.74	627.75	11.21	74.00	586.60
1976	3.74	660.21	11.64	100.20	589.50
1977	3.78	902.70	12.19	128.90	805.00
1978	NA	NA	NA	NA	NA
1979	3.90	1,108.60	14.45	46.01	1,147.50

Source: ***International Finance Statistical Yearbook*, V.36, 1982**

the Shah's program would have demanded the population's support. This in turn demands sensitivity and insight on the part of policy advocates and administrative personnel. Many of the western educated planners were completely insensitive to such matters. So when the regime's program ran into crisis, very few of the people who did prosper in the Shah's regime attempted to save it from collapse.

According to I.M.F. data, total expenditures began falling in 1977-78. In 1978, expenditures were 170 million rials ($2.3 billion) lower than in 1977. In 1979, expenditures were reduced by another 182 billion rials (Table 1.5). If the 1977 state expenditure level is assigned as the base year, total reduction in 1978 and

1979 amounted to 521 billion rials ($6.9 billion). Many projects and programs were adversely affected by these cuts. At first, the Shah refused to lower the defense budget. In fact, defense expenditures were increased in 1978. The shah finally succumbed to pressure and drastically lowered the defense budget from 592 million rials in 1978 to 316 billion in 1979 (*Government Finance Statistical Yearbook*, 1982: 44). But this was too late to contribute to any improvement in the economic class created by declining oil revenues.

Lower Investment and Tight Credit Policy

Among the major consequences of the state's budget trimming was a slowdown in the state's economic activities, housing, and construction projects, and a reduction in the amount of credit granted to the private sector. According to IMF data, in 1978 the single largest reduction in occurred in economic affairs, followed by housing projects. Total fixed capital formation by the public sector (at current prices) decreased from 922 billion rials ($12.2 billion) in 1977 to 572 billion rials ($7.6 billion) in 1978 (*Government Finance Statistical Yearbook*, V.VI, 1982: 344). Many areas were directly influenced by the drastic cut: construction, manufacturing, electricity, water and gas, transportation, and credit allocation to the private sector. These reductions had an immediate and tangible impact on the lives of many Iranians. For example, allocation for gas, electricity and water was decreased by 40 percent in 1979 (*International Finance Statistics*, 1981: 247). As a result of these reductions, and because of the increasing use of power by the

industrial and manufacturing units, electricity and gas shortages had become a common feature of life in the late 1970s. This problem, added to the housing shortages and high rents, paints a grim picture of the quality of life in the post-boom period.

The conservative credit and loan policy practiced by the state not only intensified the borrowers' dissatisfaction, but also contributed to the economic recession. Industrial credit was lowered from 29 billion rials ($400 million) in 1974 to 750 million rials ($400 million) in 1977-79. Because of the lack of institutional mechanisms for checking the abuse of the authorities, favoritism, nepotism, and corruption became the guiding principles for the distribution of oil surplus to the private sector. Actually, to a large extent everything in the country was somehow related, owned, leased, or run by the Shah's family (Abrahamian, 1982: 437-8). The Shah ventured to say that, "lies, extortion, and embezzlement had for so long been the practice that they had become literally endemic to Iran's bureaucracy." (Amuzegar, 1991: 69). James Bill concluded that, "the biggest and most influential contractors, for example, are either members of the royal family or they are closely related to it" (Bill, 1972: 11). In this process, the lucky recipients lost the little respect they had for the system as they witnessed the decadence of the authorities, for they knew well that without connections or bribery, loan and credit could not be obtained. The group with the connection to the court was the Iranian nouveaux riche, or in Persian *"no-kisegan"* (an economic term) and *"tazeh be-doran reside-ha"* (a cultural definition). The Iranian parvenus, contrary to their counterparts in the

west, were a product of a consuming society without the quality Weber attributed to the western parvenus which was associated with the development of "the spirit of capitalism." According to Weber, they expressed "a certain aesthetic tendency and avoidance of ostentation and unnecessary expenditure" (Weber, 1958: 71). It was little wonder that they were the first to leave Iran as the revolutionary volcano began erupting. Those frustrated ones who had no access to the centers of power and could not receive low interest loans became increasingly disenchanted with the regime as they observed the prosperity of those with connections to the state authorities. In the end, the Shah could not depend on the support of either group. Loyalty, the Shah learned, cannot be purchased.

Summary

The economic explanation of the Iranian revolution is based on the assumption that economic well being rather than poverty was a fundamental; motive for upheaval. The process of economic growth facilitated the revolution "...when the incomes of the mass of the people are increasing, it doesn't follow that their standard of living is increasing" (Olson, 1963: 541). The rapid increases of oil revenue led to a state of euphoria among the masses. This "lyrical illusion" and rising expectations were reinforced by the Shah's regime. The Shah gave a flurry of promises to Iranians which created a high level of expectations among the population for an immediate improvement in their standard of living. In 1974, he described the Iran of 1984:

> In the cities, electric cars would replace the gas engines and mass transportation systems would be switched to electricity, monorail over the ground, or electric buses. And, furthermore, in the great era of civilization that lies ahead of our people, there will be at least two or three holidays a week. (*Washington Post*, February 3, 1974, p. c5.)

Again and again, in virtually every interview with journalists and every speech to Iranian audiences, the Shah repeated the boast. In 1976, he told Egyptian Journalist Heikal, "I want the standard of living in Iran in ten years' time to be exactly on a level with that in Europe today. In twenty years' time we shall be ahead of the United States." (Heikal, 1981: 31). The Shah put forward a set of lofty objectives without consideration of the level of availability of human capital and infrastructural resources. The Shah argued that "The Great Civilization we promise you is not a Utopia either. We will reach it much sooner than we thought" (Graham, 1980: 80). The Shah's promises gave hope to the masses that they would have a better life as comfortable as the life of the masses in the Western societies. In Iran the masses were more susceptible to false hopes that the people in the democratic societies due to the lack of alternative sources of information and free exchange of views and ideas. The Shah was projected as the omnipotent power in the society by the mass media. There was not any level of personal interaction between the masses and the Shah, therefore, the masses, in general, had to rely on official propaganda to form their views about the system. The regime was portrayed as the only entity capable of leading the nation toward prosperity. The Shah was perceived by the masses as the supreme ruler of the country. The

decision making process was perceived as a relatively simple process: The Shah decides on all major issues and the government employees implement those decisions. He was viewed as a man with enough expertise which, if combined with his power as a supreme ruler, is sufficient to deliver all his promises. The Shah believed in the idea of "high argument." He was elevated into a living moral force, capable of inspiring the people with his recognition of the needs and aspirations of the people.

The overspending of financial resources in the face of non financial bottlenecks represented the major implication of unfulfilled expectations. The socioeconomic equilibrium of years past was disturbed by factors such as inflationary pressures, human constraints, lack of proper absorbing capacity and unrestrained supply of money. The failure of the system to satisfy the expectations of the masses due to infrastructural problems, organizational constraints, and institutional rigidities fundamentally weakened the previous equilibrium in society. The worsening of economic shortcomings provided an unsettling environment.

Prevailing economic discontent could not lead to revolution as long as the primary variables were not present. Discontent, as a secondary precondition, has revolutionary potential; collective violence is probable in the context of economic disparity. Hence, economic discontent is a necessary precondition for revolution. However, economic discontent has to be politicized in order for it to become a vehicle for revolution. Politicization depends upon the existence of a viable alternative political context. Political context in this sense is composed of an

alternative ideology, an alternative organizational network, and alternative leadership. In the Iranian context, frustration led to revolution because there was a viable alternative political framework to mobilize and energize the masses. Moreover, the leadership's desire to tumble the existing political hierarchy was viewed as responsible given the economic context. Hence, the revolution that the Shah's economic policies and planning unleashed must be viewed in the context of Iran's political environment and in view of the opposition's ability to frame the discontent of the masses in political terms. That is, the opposition was successful precisely because it was able to make the Regime's failed policies the focal point of the discontent and unrealized hopes of the masses. Thus, misguided economic policies of the Regime played a pivotal role in creating an environment conducive to revolution.

Increased oil revenues in the early 1970s led to massive state and public investments in a phenomenal expansion of the money supply and easy credit for the private sector. This coincided with expanding aggregate demand, which in turn boosted internal production and thus accelerated economic growth. The inability of the internal production system to meet demands resulted in an astronomical increase in the volume of imports which refueled economic expansion. These chain reactions created in the first part of the seventies one of the most remarkable patterns of economic growth experienced anywhere in the world. In this expansion, the prosperity of many groups became dependent on the state.

In the second part of the seventies, however, the economic boom of the oil

rush period came to a halt. As the real price of oil declined, the Shah's regime at first perniciously refused to slow down economic growth or military modernization. Instead, it resorted to foreign borrowing and pursued impetuous economic policy. By the middle of the seventies, the pernicious consequences of the oil rush and limitations of Iran's absolute capacity had become visible in proliferate spending, an unfavorable balance of trade, massive expansion of unproductive activities, rapacious rates of inflation, record government deficits and foreign borrowing, ubiquitous corruption, and serious infrastructural bottlenecks such as a dearth of skilled workers. These exacerbated all the latent contractions and cleavages of a society already experiencing the tumultuous consequences of modernization from above.

To deal with the economic problems, the Shah's government began an austerity plan, the thrust of which was to control inflation and engineer a recession. To accomplish these objectives, state budgets were drastically curtailed. Credit and loans to the private sector became more difficult to obtain. Price control was imposed. An anti-profiteering campaign was begun. A wage and salary freeze was advocated. As a result of these measures, and because of declining oil revenues, from 1977 to 1979 the annual average rate of growth of most sectors declined. The economic contraction adversely affected the salaried middle class, the shopkeepers, and the construction workers.

Recognizing these economic problems is not tantamount to suggesting that the Iranian revolution came about because of poverty. Far from it. All of the

available data substantiate the claim that an overwhelming majority of the population benefitted from the oil boom, although not equally. The general standard of living of most Iranians was higher even during the economic contraction of the late seventies than in the sixties. The point of contention is that the economic expansion - which usually is concomitant with rising expectation - followed by the period of economic contraction, intensified discontent among many groups, especially those dependent on the state. This by itself did not create the Revolution. It only made opposition's job of mobilizing the disenchanted population easier. Had it not been for the coincidence of economic discontent compounded by the presence of a viable alternative political framework, the Shah's regime would have been financially capable of weathering the storm.

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PART III

POLITICAL ORIGINS OF THE IRANIAN REVOLUTION

Framework of Analysis

This chapter will try to explain the political origins of the pre-revolutionary situation that evolved in Iran. The primary objective of this chapter is to show that the revolutionary movement emerged as the result of the dictatorial concentration of power. The pre-revolutionary society evolved according to the Shah's dictatorial needs, which were based on the separation of the political structure from the economic base. Concentration of power paved the path toward the implementation of the modernizing policies of the Shah. These reform policies served primarily political objectives of the Shah's regime. Political factors imposed themselves, rather than the merits of the policies, on the Shah's decisions. The Shah's reform programs, which started in early 1960s were essentially based on the political calculation of enhancing the Shah's power. The emergence of the bourgeois class, the expansion of bureaucracy, and the development of the military's role in society all occurred in a **political context**. The Shah, in order to consolidate his power and to enhance his political standing, had to create a viable middle class to replace the traditional middle class, unlike Marxist perspectives, which emphasized the origins of the state and the state's dependency upon a social class. The Shah's regime was autonomous from any dominant class because of the bureaucratic and militarized nature of his regime. The regime became the primary agent of modernization, and simultaneously an autonomous entity. The regime initiated modernization policies and oil revenues

exempted the Shah's regime of recourse to political legitimation and dependence upon any social class for matters of taxation. "In 1960, 41% of the total government revenues came from oil, this percentage rose to 84.3% in 1975" (Amuzegar, 1977: 63). The Shah's dictatorial power took precedence over the requirements of social, political, and economic development. The changes that occured under the Shah's dictatorial power from above were not the result of the conflicting interests of emerging social forces, such as the modern bourgeoisie, or contradictions inherent in a society divided by classes that are controlled and suppressed under a dictatorship. It will be argued that the Shah's dictatorship consolidated its power, in the first instance by subordinating all classes to a social order that it defined and enforced from above through a degree of coercion and repression sufficient to supersede the normal dynamics of class relations. The bourgeois class that grows and develops under such conditions is qualitatively different from the bourgeoisie in its classical form, defined by Marx as an historically revolutionary class that subordinates society as a whole to its laws of development. Functioning under the Shah's rule did not provide the bourgeois class with sufficient and lasting security and the incentive to develop an independent economic base. To administer and enforce his rule, the Shah expanded bureaucratic apparatus and modernized the military structure. There were ever-expanding military and civil bureaucratic machineries. The question is why, under a dictatorial order, the ruling ideas are not the ideas of the economically dominant class--the bourgeoisie. Why is the society not subject to

bourgeois rule, but to an order that is imposed and maintained from above?

In order to understand the historical development and political structure of Iran under the Shah, a distinct concept of power structure is necessary. Such a concept is ultimately concerned with the quality of historical development and the totality of social relations evolved through the ideologically-coercive and institutional hegemony of dictatorship. Under such circumstances, the structure of power not only conditions the development of objective material conditions and subordinates it to the internal dynamism of the structure, but it also determines the character of the population and its capacity to achieve liberation from exploitation and oppression. The modernizing dictatorship of the Shah didn't merely reflect the class character of the society as such nor the internal class antagonism based on material interests. The Marxist view of the state as solely the instrument of dominant classes without any autonomy itself is not compatible with the realities of the modernizing dictatorship in Iran. Skocpol and Trimberger clearly articulated the theory that:

> States are greatly constrained by economic conditions and partly shaped and influenced by class forces, nevertheless, state structures and activities also have an underlying *integrity and a logic of their own*, and these are keyed to the dynamics of international military rivalries and to the geopolitical as well as world economic circumstances in which given states find themselves. (Skocpol, 1977:107).

The state's mediation of society was pursued with total force. The aim was centralization and concentration of political power. This was supplemented by economic power based on monopoly control of the oil resources. The

consolidation and centralization of political power made possible the relative autonomy of the Shah's regime from the society on which it nevertheless depended. The aim of the Shah was to mediate socio-historical development by restructuring society and the political system. The need for integration and centralization was portrayed as the only feasible route toward modernization. As the Shah proclaimed: "Iran needs a deep and fundamental revolution that could, at the same time, put an end to all the social inequality and exploitation, and all aspects of reaction which impeded progress and kept our society backward" (Moaddel, 1993:63).

The development of the Shah's modernizing dictatorship occurred when a low level of economic development, in the context of foreign influence, was the dominant feature of society. It began with a seizure of power that was not based on a particular class interest, even though it might have been accompanied by the support of certain classes. Its initial legitimacy depended on its ability to claim that it represented the whole and aimed to restore peace and order and to resolve the economic and political crises under which it arose. Thus, its immediate move to suspend conflict among classes and groups by establishing its exclusive control over the means of coercion was part of its legitimacy. To eliminate all obstacles that could undermine its legitimacy, the Shah developed an extensive and self-expanding apparatus of control and coercion. The internal security service know by the acronym SAVAK was set up in 1957. "One part of SAVAK was involved in the jailings, beatings, and tortures that became notorious in the years

before the revolution" (Keddie, 1981:44).

The methods that Shah's modernizing dictatorship used to establish unity inevitably alienated it from society. Ultimately, it became only an entity-for-itself, unable to tolerate any process that might hold its policies up to public judgement. At that point, its externality to the society it depended upon was complete. In his interview with Oriana Fallaci, and Shah stated: "To get things done, one needs power, and to hold to power one must not ask anyone's permission or advice. One must not discuss decisions with anyone" (Halliday, 1979:58). The expansion and concentration of power was a dynamic built into the structure of the Shah's dictatorship. This implied that the process by which the Shah's dictatorship achieved autonomy was inevitably accompanied by a greater unity of repression and a greater division of society into ruled and ruler. Its attempts to eliminate resistance and subordinate thought and reason to its own requirements developed a culture of dependency that, in turn, reinforced the traditional value system and the religious beliefs that provided the foundation for such a culture. Nevertheless, the dictatorship appeared as society, objectively as well as subjectively. (Mehraban, 1982).

It is an intrinsic contradiction of dictatorial structure of power that its destruction results from contradictions from within. Mehdi Bazargan, the first Prime Minister following the demise of monarchy, articulated the irony of the concentration of power, stating that "In a negative sense, the Shah was the leader of the revolution" (Bazargan, 1984:51).

It is, however, clear that no power structure can be maintained only on the basis of repression. By means of socioeconomic reforms that can only be initiated from above in the form of a modernization that appeared to represent the needs of the Shah's modernizing dictatorship. He responded, as it must, to the imperatives of more general social changes. It appeared to respond to the needs of the most oppressed and exploited section of society, the peasants, by agrarian reforms, supplemented by an industrialization that was necessarily financed by both internal and external sources, developing as dependent classes a bourgeois class and an industrial working class. On the other hand, by virtue of its function as a primary agent of social change, the Shah's dictatorship appeared to carry the historical task of the bourgeoisie. But the application of restructuring reforms that changed the economy was, in reality, a part of the consolidation of the Shah's dictatorship rather than a part of the development of a bourgeois order aimed at private accumulation of capitalist wealth. That is to say, modernizing reform by the Shah served primarily political objectives, and appearances of classes and class-like functions were only an illusion of modernizing the economy. In this context, "political forces often imposed themselves on the economic plan, reinforcing the natural tendency of the economic forces toward greater polarization of the society" (Afkhami, 1985:35).

Marx stipulated that the Western bourgeois class developed in Western societies through a series of revolutions in the method of production. But, "each step in the development of the bourgeoisie", Marx stated "was accompanied by

a corresponding political advance of that class" (Marx, 1980:34). Such a development, however, can not occur when a dictatorial structure of power dominates society as a whole. A bourgeois class can only develop in that situation as a result of economic reformation from above. Therefore, it is subordinated to dictatorial authority rather than to an independent economic and political force in a dynamic and contradictory relation with an authentic proletariat. In Europe, the process of bourgeois development took place as an organic unity, not as the result of an external intervention from above. Under a modernizing dictatorship, the bourgeois class doesn't develop according to its own ideals through a process of class struggle against perishing feudalism and a rising working class, but according to the requirements of the dictatorship. Therefore, unlike the European bourgeoisie, this class under a dictatorship merely contributes to the self-expansion of dictatorial domination and reinforces foreign influence.

In a Marxist theoretical construct, a bourgeois class exists objectively in relation to the means of production. But when it is subordinated to a dictatorial political structure it has no autonomous subjectivity and does not serve its Marxian historical function as an agency of social change. Under a modernizing dictatorial order, the ruling ideas are not the ideas of the economically dominant class. Therefore, society is not directly subject to bourgeois rule, but to an order that is imposed and maintained from above. The process has been viewed as the underdevelopment of the political superstructure relative to the economic base.

In particular, the Iranian Revolution has been explained in terms of a political structure which lagged behind economic modernization (Abrahamian, 1982).

Under modernizing dictatorial conditions, the question is not whether the dictatorial superstructure lags behind the economic base, but in which direction--from economy to polity or the reverse--a lag can be identified. The modernization program of the dictatorship was a systematic economic intervention intended both to regulate development and to reduce the threat of revolution from below. This sort of appears to be consistent with the classical bourgeois transformation of society. But, on the contrary, it institutes the basic economy as a reflection of the power structure. There is a differentiation between the classical bourgeois order and the dependent bourgeois under a dictatorship.

> In twentieth-century Iran, the centralizing state had atomized society to a considerable degree. It had detached the tribal chiefs and dissolved the landowning class, and it had created an intelligentsia, a bureaucratic class, a body of army officers and, last, an industrial/entrepreneurial group, all of whom were unattached to any solitary social community, be it a tribe, an estate, or a corporation. However, in partial contradiction to eighteenth century France, the atomization of Iranian society was not complete, three elements of the old civil society escaped it: (1) the Shi'ite clerical estate, (2) the bazaar and traditional bourgeoisie, and (3) urban communities in certain older city quarters that were dominated by previous group. To these one should add: (4) new urban communities created by chained migration from rural areas and small towns into the larger cities. Given this background, it is not surprising that the atomized new middle class proved to be the proverbial Marxian sack of potatoes!! (Arjomand, 1988:195)

The representation of bourgeois interest under the Shah's dictatorship cannot be identified with the classical use of the state to regulate, as Marx points out, ways to force them within the limits suitable for accumulation of surplus

value: "to lengthen the working day and to keep the laborer himself in the normal degree of dependence" (Marx, 1979:737). The rising bourgeois class normally subordinates the state to its interests under the concrete historical conditions of what Marx calls "primitive accumulation." According to Marx, "The organization of the capitalist process of production once fully developed breaks down the resistance" (Marx, 1979:737).

The process was different under the Shah's dictatorship. There, all independence was broken in response to the need for consolidating the dictatorial structure of power. There was no capitalist transformation as such of the mode of production even though the elements of modernization appeared to be the same as what would occur under a classical capitalist transformation. It is certainly true that the adoption of bourgeois measures by the Shah's dictatorial authority intensified the polarization of society into these with accumulated wealth, the working class, and the new middle classes who had nothing to sell but their labor power. "As modernization progresses, the middle class and other groups in the city emerge as political actors challenging the existing system" (Huntington, 1968:292). But under the Shah's dictatorship, the intensification of resistance could not be overcome by acquired autonomy. In fact, the low level of development that was inevitable under this circumstance deprived the mode of production of its capacity to function as an independent mechanism of control based on a developed decision of labor and scientific and technological progress. It was not the organization of capitalist production that created a repressive

apparatus, but the Shah's dictatorship itself that established its own hegemony by taking exclusive control of productive forces. This process reflects the reality that "the winning of hegemony is a social struggle which aims to transform the relation of forces in a given situation" (Mouffe, 1979:67).

The clear difference between the classical capitalist transformation and the transformation under the Shah was the reflection of the social process. Marx stipulated that the advance of capitalist production develops a working class, which by education, tradition, and habit looks upon the conditions of that mode of production as self-evident laws of nature" (Lukacs, 1971:737). But, when education, tradition, and habit are reflections of the power structure and are determined by it, the mode of production is looked upon by the whole of society as self-evident laws of the social order of the dictatorship. Applying historical materialism to pre-capitalist societies, Lukacs points out that "in such societies economic life didn't yet possess that independence, that cohesion and immanence, nor did it have the sense of setting its own goals and being its own master that we associate with capitalist society" (Lukacs, 1971:238).

Modernization under the Shah's dictatorship essentially led to the massive militarization of society and bureaucratization of its functions which required external support. To satisfy its most essential needs, the nation became dependent on the advanced industrial countries through its dependency on the dictatorship. Its key modern industries were owned by the state and operated based on borrowed technology, science, and services. By virtue of its

monopolistic control of all socioeconomic resources, the Shah's dictatorship provided employment for the vast majority of the population with diverse class origin, and a wide range of technical abilities, virtually eliminating the distinction between the state and society.

Nevertheless, it produced on one hand a ruling apparatus composed of a new bureaucratic bourgeoisie defined primarily by organizational status and only secondarily by its relation to the means of production, and on the other, vast civil and military functionaries who had neither power nor sufficient income. The bureaucratic and military machinery by which the Shah's dictatorship alone could manage and administer its affairs operated based on the principles of centralization developed to an unprecedented level. "The Iranian bureaucracy was structurally centralized elitist in character, behaviorally formalistic, and functionally political. These characteristics were interrelated and collectively tended to make it culturally and socio-economically hegemonical. Extreme centralization and politicization, however, appear as the dominant factors" (Afkhami, 1985:58).

Despite its universalistic and rational character, the Shah's dictatorial bureaucratic apparatus was dominated by personal relationships and diffusion of power and functions, which resulted from subordination and submission to the central authority. It follows that the distinctive features of the Shah's dictatorial bureaucratic apparatus were corruption and inefficiency as well as the implementation of coersion, and the reinforcement of dictatorial values. In this

process, the Shah's dictatorship reproduced itself, reflecting the irrationality inherent in its nature.

By becoming the sole modernizing agency, the Shah's dictatorial order expanded its authority, strengthened its control, restricted the sphere of everyday life, and suppressed all attempts at self-determination. All legal and institutional mechanisms were transformed into instruments of the Shah's dictatorship, thereby providing its authority with greater sanction.

It is possible to theorize that the Shah's modernizing dictatorship had its own laws of development that subordinated capitalist development to its own requirements, derived from its need to expand and consolidate power. The consolidation expressed the interests of the regime rather than the capitalist class. The regime determined the development of classes and used them as a vehicle to change society according to its own needs for the continuing expansion and consolidation of power. This expressed itself in increased relative independence of the regime and correspondingly, in the further alienation and separation of the Shah's modernizing dictatorship from society as a whole. At the political level, the Shah's dictatorship contained within itself simultaneously modern, rational and efficient tendencies and tendencies that were archaic, irrational and inefficient. This contradiction is not inherent in the history of society in general, but a feature of this underdeveloped society.

Modernization and the Process of Consolidation

The Shah's policies after his return to power in 1953 were characterized by the escalation of efforts to consolidate power in order to implement the modernizing policies. Attempts at consolidation were accompanied by the increased level of state intervention in the accumulation and formation of capital. Iran as a typical developing society was a single product economy (oil) under the Shah. Total government revenues in 1978 were 1,955.7 billion rials. The amount of revenues generated by export of oil was 1,314.2 billion rials in 1978. This shows that more than two thirds of total revenues were generated by one single commodity--oil (Mofid, 1987:117). Table 1.1 clearly shows the significance of oil in the Iranian economy.

Consequently, Iran was highly dependent on the world economic market and vulnerable to economic crises (Elm, 1992). This situation provided the opportunity for the Shah to embark on consolidating his power. (Table 1.2).

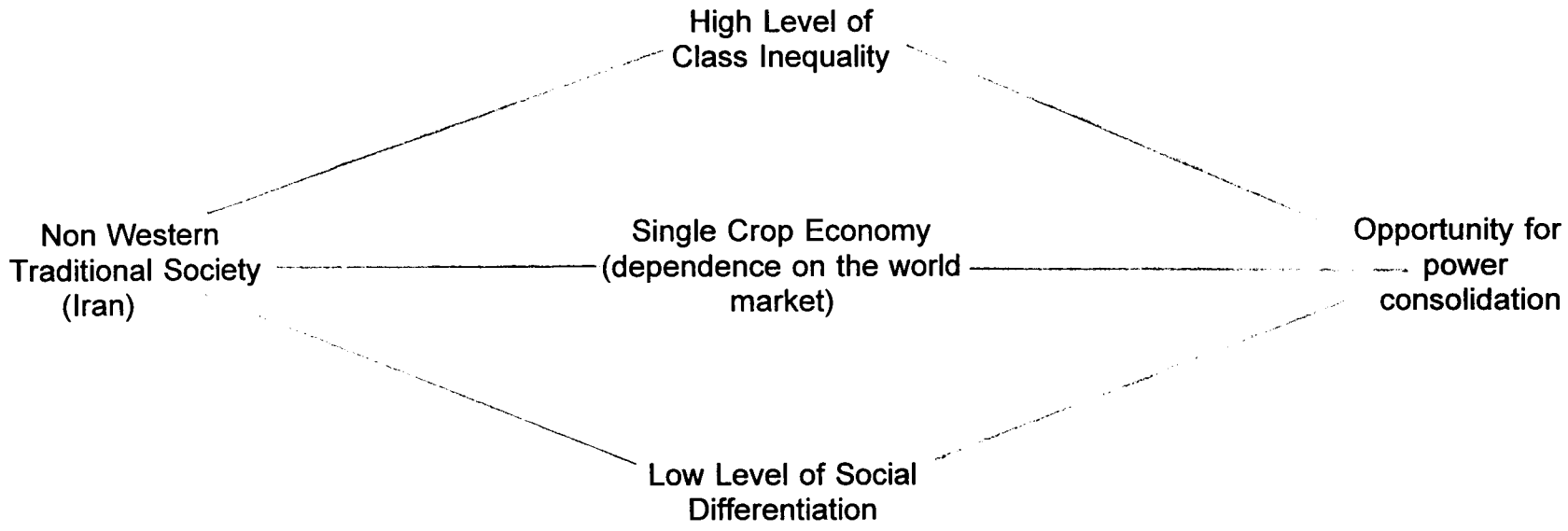
The process of centralization of power in the hands of the Shah was achieved through the reorganization of the military, expansion and bureaucracy. The Shah understood that in order to establish the two major pillars of his dominance--the military and the bureaucracy--certain preconditions were necessary: (1) To eliminate the independent sources of power in the countryside; and (2) To create a new bourgeoisie with its connection to the state at the expense of the indigenous bourgeoisie. He disguised himself as a *mashruteh-khah* (democratic monarchist) for the purpose of consolidation of dictatorial power.

Table 1.1 Percentage Share of Oil Revenues and Taxes in Total Government Budget for Three Periods

Source	1963-67	1968-72	1973-77
Oil Revenues	48.1	55.2	77.7
Taxes	35.2	36.5	18.4
Others	16.7	8.3	3.9
Total	100.0	100.0	100.0

SOURCE: Moaddel, Mansoor. 1993. Class, Politics, and ideology in the Iranian Revolution. New York: Columbia University Press.

Table 1.2 Relationships Between the Level of Development and the Level of Power Consolidation



A written constitution existed which was the outcome of the revolution of 1906. There was a legislature and a judiciary, each according to the constitution, relatively independent and equal in power under the monarchy. The constitution gave the illusion of rational universalistic authority, of what Max Weber called "legal domination" (Bendix, 1962) to the dictatorship.

Expansion of Power Through Land Reform

Following his return to power in August of 1953, the Shah appointed General Zahedi as Premier. The stage was set to destroy the Marxist-oriented Tudeh party organization and to wipe out its members. By 1955, the Nationalist Front and the Tudeh Party were almost completely crushed. Consequently, the conditions that emerged inside the country afforded the Shah the opportunity to concentrate on building a strong state and on solidifying his personal rule. By installing himself at the top and by making all other institutions such as the expanding bureaucracy and the military dependent on his court, the Shah became an integral part of the state. The 1953 coup and return of the Shah to power "seemed to have removed the last vestiges of opposition to political absolutism, namely liberal nationalists loyal to the 1906 constitution" (Cottam, 1979:288).

As the Shah gradually strengthened his hold on power in the 1950s he began to implement a series of reforms in the 1960s. The desire for reforms was a preemptive move to prevent unrest among the masses while solidifying his power. He stated in one of his interviews that, "If we don't implement reforms

from above, we will face a revolution from below" The 1960 elections for the Twentieth *Majlis* (Parliament) were set forward to pack *Majlis* with his people. These elections were originally a contest orchestrated between the two parties the Shah had created: the *Melliyum* (nationalist) Party and the *Mardom* (People's Party). The Shah hand-picked all candidates of both parties and both parties freely admitted that they competed to please the Shah (Abrahamian, 1982:492).

Amid widespread accusations of election fraud, the Shah stopped the elections and held new ones. In the second elections for the Twentieth *Majlis*, independent candidates were allowed to run under U.S. pressure. The Shah appointed Sharif Imami prime minister to replace Manuchir Iqbal. Imami was affiliated with no political party and had close ties to the religious leaders, but he failed to push any reform through Majlis. Social discontent erupted in the form of various disturbances during 1960.

In May 1961, Ali Amini, who had negotiated the oil contract and served as ambassador to Washington, was appointed prime minister to push the land reform, because the continuous dominance of the landowning class in the rural areas was not in the Shah's interests. For centuries, landownership had been a major source of political power in Iran (Lambton, 1969:259-294). So the major objective of the reform was to deprive the landlords of their source of power. Table 1.3 shows the concentration of landed property prior to the land reform. According to this table, 65 percent of the lands were owned by large landlords as compared to the 15 percent that owned by the peasants. The amount of land

controlled by religious institutions was 15 percent of the total, while the state lands and crown estates combined made up 5 percent. According to a government estimate, between 400 and 450 large landlords owned 57 percent of all the Iranian villages (Keddie, 1973:165). Some of this group were reported to have owned as many as 300 villages. It has been estimated that thirty-seven families alone owned 19,000 villages (i.e. around 38 percent of the total), while another group of landlords, those having from one to five villages, altogether owned roughly 7,000 villages (or about 14 percent of the total) (Moaddel, 1993:72).

The Shah was aware that landlords exercised virtually absolute political power in rural areas. For the large landlords, possessing land was a means of acquiring social, political and even economic advantages. They judged social position upon the actual number of villages owned; profitability of villages was a secondary consideration (Lambton, 1964:262). Accordingly, the Shah believed that large landowners constituted a major obstacle to the extension of government control into the countryside, where at least 90 percent of the total village population was landless. A program aimed at redistributing the holdings of these large landlords would erode their power. The land reform program was implemented in three stages. The implementation of the January 9, 1962 law is known as the first phase of land reform. Agriculture Minister Dr. Arsajani's intention was to complete this phase within one year, then initiate a new program for the unaffected villages belonging to small landowners (Warriner, 1969:119).

Table 1.3 Land Ownership Prior to Land Reform

	Number of Villages	Total Area (in Hectares)	Percentage
Large private estates	32,500	10,400	65
Peasant Ownership	7,500	2,400	15
Endorsed Land Owned by Religious Institutions	7,500	2,400	15
State Lands and Crown Estates	2,500	800	5
TOTAL	50,000	16,000	100

Source: Bahman Nirumand. 1967. *Iran: The New Imperialism in Action.* New York. Month Review Press, p. 126.

In the first stage, the state bought holdings of large landowners in excess of one village, evaluated them based on the agricultural tax payable within ten years, with six percent interest. The first stage was the most radical stage of land reform. However, the departure of Arsanjani in 1963 and the subsequent takeover of the reform by the Shah showed that there was conflict within the ruling class regarding the extent, scope and the nature of the reform (Keddie, 1981:162). The defects of the first stage were due to the legal loopholes that were advantageous to the old land owners. They could use their influence to transfer their property legally to their relatives and turn some of their land into mechanized land exempted from the reform law. The span of time between the declaration of land reform in 1961 and its actual implementation provided an opportunity for the large land owners to avoid a significant cut in their property holdings (Halliday, 1979:114). Consequently, the conflict about the speed of implementation inside the cabinet led to the replacement of Dr. Amini by Asadullah Alm, who facilitated the resignation of the agricultural minister. The replacement showed that the Shah was not interested in destroying the landlords as a class, rather, the primary concern was the elimination of their power in the villages. So Dr. Arsanjani's resignation demonstrated the basic objective of the existing land tenure system (Keddie, 1973:392).

The second stage involved the redistribution of the landed property of small feudal landowners holding one village. These feudal landowners were given several options: To rent the land based on a thirty-year lease whose terms were

subject to change every five years, to sell it, to divide it based on an evaluation of its income, or to form joint stock corporations with peasants. This stage as a moderate phase basically was designed to retain the old land ownership with a new tenancy. It replaced labor rent and rent in kind with money rent, itself a capitalist development and hence an advance. The defects of this stage, according to Halliday, were that far fewer peasants received land and those who did received portions too small even for subsistence farming. Thus, this stage seems to have been responsible for a rapid increase in peasant migration to urban areas (Halliday, 1979:114).

The third stage attempted to remedy problems created during the former two phases, especially the problems of tenancy and the increasing peasant resistance to it, and declining agricultural production due to inefficient parcelization of land which had created more landlessness among peasants who were, as a result, thrown into the pool of free labor.

The parcelization of land following the land reform caused changes in the pattern of ownership and increased peasant migration into the cities by instituting money rent in place of labor rent and rent in kind. Ervand Abrahamian stipulated that elimination of the traditional tenancy led to the emergence of three distinct classes in the countryside in the 1970s:

(1) Absentee farmers with large holdings from 100 hectares to more than 300, including royal family, religious foundations, feudal type landlords and agro-businesses multinational corporations.

(2) Independent farmers, including the old and new landed peasantry of whom the majority owned less than five hectares.

(3) Rural wage earners (Abrahamian, 1982:249).

Thus, despite land reform, land distribution remained highly unequal (Table 1.4). The last agrarian survey by the Shah's regime, carried out in 1975, indicates that one percent of all landowners, or approximately twenty-five thousand persons, owned more than twenty percent of the land. In contrast, more than sixty-five percent of landowners held only fifteen percent of the land. Finally, eighty-two percent of landowners owned less than thirty-four percent of the land.

The Shah co-opted Amini's land reform, in a much-modified version, and incorporated it into his White Revolution. The White Revolution--later re-named the Revolution of the Shah and the People--considered a series of socioeconomic reforms and welfare measures intended to provide "the minimum needs of every citizen" and to bring Iran into the "circle of dynamics and free nations." Its nineteen "principles" included such measures as naturalization of natural resources, worker's stock ownership and profit sharing, women's rights, administration modernization, and the creation of an educational stratum to combat illiteracy in the countryside. However, the government itself neglected to provide the villages with the technical aid they needed to improve their condition (Creg, 1978).

Thus, the land reform instituted within the framework of the White Revolution was intended to achieve first of all a political objective (Ashraf, 1982:6-49). It was, in the first instance, aimed at providing legitimacy for the consolidation and expansion of the dictatorship. Its economic results were of

Table 1.4 Land Distribution in Iran, 1975

Size in Hectares	Percentage of Owners
Less than 1	31.11
1-1.99	13.84
2-4.99	20.41
5-9.99	16.84
10-49.99	16.75
50-99.99	.63
100 or more	.36

Sources: Misgah Parsa. 1989. *Social Origins of the Iranian Revolution.* New Brunswick. Rutgers University Press. p. 73.

secondary importance.

> White Revolution led to two interrelated processes. By breaking down the traditional parochial loyalties while increasing the mobility of the population, it facilitated the political atomization of the society, rendering a far greater number of people accessible to the authority and command of the central government. By focusing political attention on the Shah, it gradually eroded the authority of other central sources of power, leading to a concentration of power in the hands of the monarch (Afkhami, 1985:40-41).

The old social relations of production over which the Shah presided had become a major threat to the structure of the dictatorship itself. Reforms were not designed to promote capitalism. Instead, they were adopted, in the first instance to legitimize the consolidation of power and expansion of the dictatorial structure of power, and in the second to remedy the threat of a radical transformation of the basic economic structure by overthrowing the feudal system and the political structure that supported it. It was not a product of capitalist attitude or an attempt to narrow the gap between the ruled and the ruler. Reform in the process of modernization was applied from above by the Shah to remove the causes of change from below and to consolidate the power of the dictatorial structure. The Shah adopted certain reform measures as a response to the imperatives of social development, while subordinating social development to the regime's needs.

The land reforms and other facets of the White Revolution were aggressively opposed by groups from one end of the political spectrum to the other. These groups realized that an essential component of the reform measures was to enhance the power of the Shah as a modernizing dictator rather than to change the foundations of power relations in the society or to bring about

economic prosperity. The focus of the reform was to remove the landlord as an intermediary between the peasants and the state. The National Front's slogan was "Reform Yes, Dictatorship No" (Ovanesyan, 1962:72-73). Marxist groups attacked land reform because they were aware that reforms were intended to create a sizeable peasant-dominated base of support for the regime. *Mullahs* opposed land reform because they viewed the act as a means to deprive them from their major source of income (Davani, 1981).

The *Ulama,* almost to a man, opposed the Shah's land reform program. The *ulama* viewed land reform as part of many attempts to change (modernize) the traditional fabric of Iranian Society. "In his economics, the Ayatollah was equally a source of hope for many. The bazaaris, the traditional bourgeoisie, landlords, and people of means found him a protector of private property, a guardian of ownership rights, and an enemy of socialistic interventions" (Amuzagar, 1991:261). At the time of the land reform of the Shah, all the *Ulama*, the *hojjatal--Islams* (the high ayatollahs) and the lower level propagators of the holy law all preached from the pulpits, wrote and said that land distribution is forbidden, is equivalent to struggle against the Imam of the Age (Ramazani, 1990:45). Khomeini, in contrast with other religious leaders, employed a different strategy. Instead of attacking land reform, he focused on popular issues, including the regime's corruption and disregard for constitutional principles. In June 1963, Khomeini sparked riots in Iran's major cities, denouncing the Shah's "mistakes." The Shah re-asserted his control over the country, and with the help

of the military, put down the uprising. Khomeini was exiled and royal dictatorship returned to normal (Ghods, 1989:194). Despite the re-assertion of power by the Shah, the assassination of the Prime Minister Hassan Mansur in 1964 by Moslem *Fedayis* demonstrated the presence of a potential threat to the system.

Expansion of Dictatorship and the Growth of the Middle Class

Land reform introduced some features of modern capitalism into the countryside and eliminated the old feudal-peasant relationship to a certain degree by modifying the basis of land ownership. In so far as the transformation of agricultural products is concerned, the impact of these changes were, however, limited by the relatively low rate of the development of urban industrial sectors, the increasing centralization of the state bureaucracy, and the persistence of old habits, traditions and attitudes in the market place. Although the land reform enabled the large feudal landowners to produce on a scale large enough to ensure profit by investing in modern machinery imported from abroad, it did not require a capitalist attitude. They become bourgeois by dictatorial legislation rather than through the historical maturational process of capitalist development through competition and class conflict over surplus value. That bourgeoisie, the overnight product of a dictatorship, possessed characteristics quite different from those of the bourgeoisie that emerged historically as a product of material conditions.

This clearly shows that the sociological concept of class and its political

significance advanced by Marx is not relevant to the relationship between the modernizing dictatorship of the Shah and the emerging modern Iranian bourgeoisie.

> Much of what he [Marx] said and implied then will not stand with regard to---Eastern agriculturally oriented Muslim societies---for it restricts and constricts the concept and making it less applicable to societies where other power bases or relations are more vital. In the Middle East, political influence, personal manipulation, saintly ancestry, and traditional education generally supersede wealth in their impact upon social structure (Bill, 1972:419-20).

The Shah achieved autonomy and independence through processes of domination and the expansion of power that tend to separate the dictatorial authority from the society it rules. The Shah's dictatorship established itself by subordinating all classes to a social order that he defined and enforced from above and wassufficient to supersede the normal dynamics of class relations. Therefore, the political system established by the Shah suppressed the manifestation of class struggle in the political environment of the Iranian society. In these circumstances, the Shah's regime became the fundamental social agency representing the whole of society by becoming an entity for itself. This provided the opportunity for the Shah's regime to intervene and supersede the internal political dynamics in Iran until the latter part of the 1970s.

The bourgeois class that grew and developed under the Shah was qualitatively different from the bourgeoisie in its classical form, defined by Marx as an historically revolutionary class that subordinates society as a whole to its own laws of development. The bourgeois class developed to a large extent to

contribute to the self expansion of the dictatorial domination. In Europe the bourgeois class existed and evolved objectively in relation to the means of production. In Iran, it evolved according to the needs of the dictatorial political structure. It failed to serve its classical historical function as an agency of social change. Under the Shah's dictatorial power, in contrast, the growth and the development of the bourgeois class depended upon the control exercised by the Shah. By intervening in the economic process, land reform, and political process, disregard for the constitutional arrangements, the Shah created and developed a new and modern breed of bourgeoisie out of the landowner class and indigenous commercial and industrial bourgeoisie who had considerable wealth but neither modern means of production nor a capitalist attitude. Under the Shah, the modern bourgeoisie accumulated capital without engaging in competition in a free market. Functioning under the modernizing dictatorship of the Shah, the modern bourgeois class failed to achieve sufficient and lasting security and the incentive to develop an independent economic system. Thereby, it became a vehicle for implementing the modernizing programs of the Shah and therefore for the consolidation of dictatorial control.

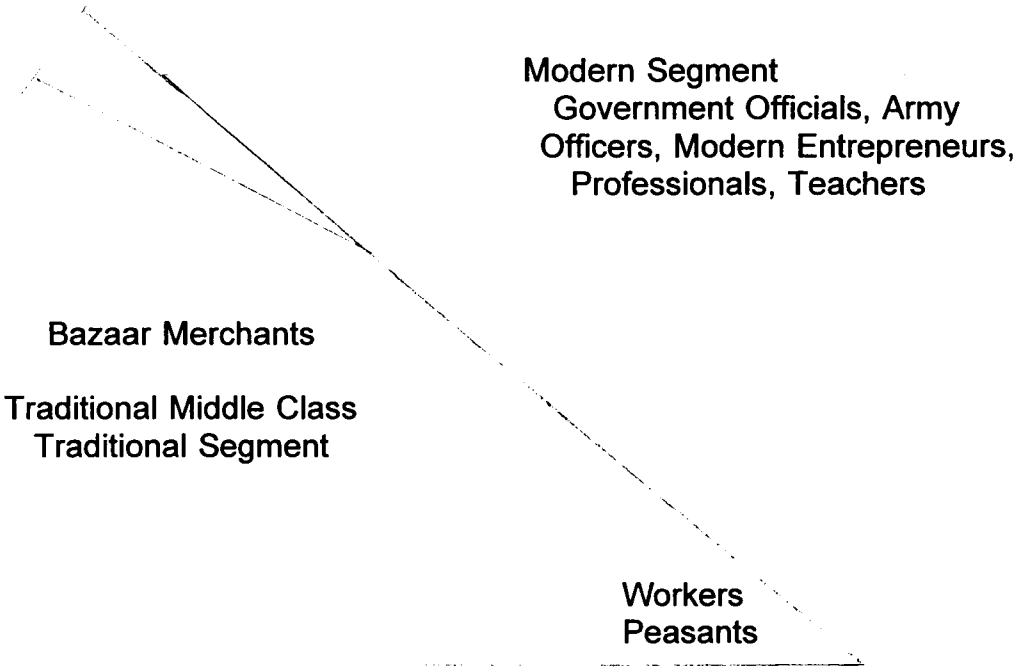
The process of consolidation of the Shah's power divided the society into two segments, one modern and one traditional. In the dual society of Iran, the modern segment included the modern emerging dependent bourgeois class and supporters of the Shah's regime. But the majority of the people who adhered to traditional Islamic culture continued to be part of the traditional segment of the

society and were not touched by the internal dynamics of the modern bourgeois class (Table 1.5). The process of development of the bourgeois class and its dependence caused the Shah and his allies to become more separated psychologically from the traditional and religious masses.

> The resulting class structure was marked from its birth by a dualistic course of development, i.e., the emergence and sustained growth of modernizing social forces that developed side by side with the survival and reproduction of traditional strata. The newly emerging strata were composed of the patrimonial-bureaucratic staff, the mercantile and industrial entrepreneurs, and the industrial working class. The traditional strata comprised peasants and tribesmen in the rural and tribal communities and the clergy and members of the bazaar community in the urban areas (Halpern, 1963:51-53).

The contradictions among various levels of the modern segment were an indication of lack of absolute support of the Shah's policies. Some elements were deeply committed to nationalism and were concerned with social issues, while others, with neither deep convictions nor understanding, usually remained politically and socially passive. The Shah's policies also generated massive antagonism from traditional social groups especially bazaar merchants and religious groups and individuals. Religious hierarchy animosity reached its boiling point by the enactment of the land reform program. Ayatollah Khomeini led the massive protests against the Shah's land reform policies in 1963 as the first major opposition to his rule following the 1953 coup. The implementation of land reforms in of the 1960s changed the character of the relationship between the Shah and the various sections of the economically dominant classes in Iran.

Table 1.5 Iran's Dual Society



Source: Adapted from H. Chahabi. 1990. *Iranian Politics and Religious Modernism*. Ithaca. Cornell University Press. p. 22.

This reinforced "the natural tendency of the economic forces toward greater polarization of the society" (Afkhami, 1985:35). Prior to the reforms, the Shah appeared to function as the guardian of the existing social order and relied primarily on instruments which reinforced obedience to the rules. After the reform, the modernization program itself served as a vehicle for the reconsolidation of dictatorship. This expansion of the Shah's authority and its imposition onto a larger terrain of social and economic life established a new relationship with the various social classes, especially with the bourgeoisie. In the pre-reform period, the dominant classes were able to conduct their political, social, and economic activities with a relative degree of freedom as long as their loyalty to the institution of monarchy was not suspect. After the reform, modernization was no longer a process of rationalizing bourgeois dominance but a process of developing the hegemony of the Shah above the social development. This in turn was possible because the large and powerful landowning classes that had existed prior to the period of reform had no choice but to accept the premises of land reform since it was essential to the reconsolidation and the stabilization of the dictatorial order on which their own security had come to depend. These landowners were the vestiges of an earlier feudal class which in the changed circumstances, owed its survival to the establishment and consolidation of a dictatorial order. Thus, they were forced into an alliance with the Shah that seemed to represent the dominant classes but could in fact only represent the modernizing dictatorship of the Shah.

The development of the bourgeois class in Iran was a manifestation of the nature of the process of the consolidation and expansion of the dictatorial power. As Fred Halliday explains, the emerging bourgeois, as a part of the modern segment of Iranian society, "is therefore in many respects dependent on the state and has no intention, or interest, in becoming dependent of it." (Halliday, 1979:47). The development of the bourgeois class as part of the modern segment of the Iranian society became the obvious and clear consequence of the expansionist and consolidating nature of the modernizing dictatorship of the Shah.

The Shah's reform policies, on the one hand, helped the development of the bourgeois class, which never wholeheartedly supported his rule and dominance. His policies, on the other hand, were responsible for a rapid increase in peasant migration to urban areas who, as part of the traditional segment of the society, became more exposed to agitations by their religious leaders. There are scholars who emphasize the "urban pull" as the real cause of migration (Manyin, 1967). The argue that the possibilities of employment, the absence of rigid social norms and values and access to education as a formal means of social mobility pulled rural people to the cities. However, other scholars argue that in most of the third world societies, "rural push" is the major cause of migration to the cities (Castells, 1979). The agricultural decomposition in Iran following the land reform displaced peasants from subsistence farming. Since displaced peasants could not find jobs as wage laborers in the countryside, they became part of the massive migration from rural to urban areas (Table 1.6). The rapid urbanization

increased social contact among different levels of the traditional segment of the society and increased the potential for daily contact of the ordinary people with the religious hierarchy in the society. Prior to the land reform, peasants still largely perceived the Shah's authority as legitimate. Their move to the major urban areas following land reform changed the equation. The ruling circles of the regime were all recruited from the modern segment, which shut off the members of the religious community from influencing political, social, and economic decision- making processes. Therefore, the religious leaders viewed the members of the lower level of the traditional segment, because of cultural compatibility, as the main vehicle toward the revolutionary change and overthrow of the modernizing dictatorship of the Shah.

Power Consolidation and the Bureaucracy

To administer and enforce his rule, the Shah developed a breed of bourgeoisie through the expansion of bureaucratic apparatus and the modernization of the military. This class became capitalist by accumulating wealth through its ownership of property and its position in the upper echelons of the power structure. It obtained the largest part of its wealth by means of extortion and bribery, the use of influence and the sale of offices, and through the elaboration of the state bureaucracy. In other words, it institutionalized corruption as a means to create wealth and the instrument of its participation in the system of rule and domination.

Table 1.6 The Population of Rural and Urban Centers and the Average Annual Growth under the Shah in Various Years

Year	Subject	Urban	Rural	Total
1956	Population	5,954,000	13,001,000	18,955,500
	Percentage	31.42	68.58	100.00
1966	Population	9,795,000	15,944,000	25,789,000
	Percentage	37.98	62.20	100.00
1976	Population	15,797,000	17,885,000	33,662,000
	Percentage	46.92	53.08	100.00
Annual Growth Rate for 1956-1966		5.1	2.1	3.1
Annual Growth Rate for 1966-1976		4.9	1.1	2.7

Source: The Iranian National Censuses of 1956, 1966, and 1976.

It is suggested that, although corruption is an integral part of most political systems, Third World countries appear more corrupt because they tend to have larger public sectors than many Western industrialized countries, and public sector corruption is more visible than private sector corruption. Although under the Shah corruption had its roots in traditional patterns of social behavior such as gift-giving and kingship ties, the non-traditional forms of corruption with structural underpinnings were, in fact, more important. This increased the likelihood that individuals would resort to corrupt activities:

> No extra bureaucratic institution is strong enough to enforce either passive obedience to the political rulers or a service orientation toward the citizenry. In the absence of agencies that could enforce performance standards, bureaucratic factions blossom luxuriantly and each division of the apparatus becomes a virtual feudal domain that may parasitically exploit its clientele or the portion of the economy over which it wields power. Such chaotic patterns of corruption are often the hallmark of unchecked bureaucratic politics (Scott, 1972: 15).

The bureaucratic class's economic and political interests depended upon strengthening the Shah's control over the ever-expanding military and civil bureaucratic machineries. The bureaucratic class lacked autonomy as well as class consciousness. It was bourgeois because it accumulated capitalist wealth, but it was bureaucratic in that it failed to accumulate that wealth on its own behalf, as a class. It invested, but it accumulated as an agent. It was an instrument of rule organized as an investment administration whose members advanced less by their private fortune than by their movement within the stratification of positions and the control over the wealth that this movement provided. The growth and

development of the bureaucratic class became the major component of the Shah's regime.

Abrahamian has described the Iranian polity under the Shah as based on "the three Pahlevi pillars: the armed forces, the court patronage network, and the vast state bureaucracy" (Abrahamian, 1982:438). The expansion of the bureaucratic apparatuses of the Shah's dictatorship significantly modified the class composition of the society and led to the development of a new class that served administrative and managerial, as well as executive functions within the machinery of the dictatorship and in regard to the maintenance of its structure. The importance of the bureaucracy to the Shah was paramount. The court, totalitarian and absolutist in nature, was bent on modernizing Iran socially and economically but not politically. In attempting to preserve its traditional center of political authority in a rapidly changing transitional society, and in order to counter the image of despotism and oligarchy that surrounded his court, the Shah tended to put greater emphasis and reliance on the state bureaucracy.

Marvin Zonis characterizes the entire reign of the Shah as "a quarter century in which the civil and military bureaucracies have continually expanded their control over the activities of the population at large while the Shah has more relentlessly expanded his power over bureaucracy" (Zonis, 1991:47). Those who occupied the upper echelons of the military and military apparatuses not only served the function of intensifying control over society as a whole, but also managed and administered its major institutions. Some of the members of the

bureaucratic class were individual members of the old aristocratic families who transferred wealth derived from feudal properties before and after the land reform of the 1960s to commerce and industry, thereby turning into capitalists while retaining their positions in the power structure. Others were high ranking officers, professional bureaucrats, politicians, and technocrats who amassed enormous wealth solely through their positions--through bribery, usurpation of public and private properties, sale of offices and circumventing foreign capital investment. As Mehran Kamrava stated, these facts clearly show that the major source of power of the state that developed under the Shah was its administrative network operated by the bureaucrats (Kamrava, 1992:59).

Through the process of modernization and consolidation of power, it became clear that in closer proximity to the decision-making process and the power structure was the overwhelming state bureaucracy. Virtually all government programs and initiatives were specifically designed to accelerate and give direction to modernization process according to the needs of the Shah's rule. An extensive bureaucratic network was needed, therefore, to develop and implement programs, and additionally, to publicize the intentions of the government and the crown. As such, each government ministry maintained bureaus and agencies even in the most remote cities and towns. "The consequence was the growth of the bureaucracy to an unwieldy size. In 1953, when Mossadeg was in power, there were eleven cabinet level ministerial portfolios. In 1960, when Amini was the prime minister, there were sixteen, and

in 1975 under the forth term of the Hovieda premiership, there were twenty-seven" (Moaddel, 1993:60). This meant enhancement of the power of the Shah, which was narcissistically gratifying for him. "Over the years of his rule there was a steady and continuous amplification of that narcissism and, as Iran's resources increased from oil sales, their ever increasing realization. The development of Iran became a tangible fulfillment of certain of the fantasies of its ruler" (Zonis. 1991:17). In this context, for the first time, the Shah began to refer to his rule as *tammaddon-e bozort* (the great civilization). He told *The New York Times* in early 1974, "In Iran ... what counts is 'the magic word' and the magic word is 'king'" (*The New York Times*, March 39, 1974:3). That message was to be conveyed to the Iranian people in towns and cities in countless ways, especially through the administrative networks.

Despite the fact that the bureaucracy wielded enormous political and economic power, it had neither independence nor a unifying ideology. Bureaucrats were dispensable despite their position within the power structure. Their corruption made them even more vulnerable to scapegoating in crisis situations. In 1960, when economic crisis and social unrest threatened the stability of the dictatorial order, Dr. Ali Amini began his term in office as prime minister with a campaign against corruption. Among the first arrested were five generals who had occupied different cabinet positions at various times. They were charged with corruption, usurpation of public and private properties, embezzlement, and the abuse of power. Within days, another group of seven

state officials were arrested and the same charges were brought against them. Amini's campaign may have contributed to his own downfall a year later, not because of his having offended members of the government, but because it indicated a possible degree of autonomy unacceptable to the Shah's authority.

Describing the system that he inherited from his father, the Shah said: "This King business has given me personally nothing but headaches. During the whole of these 20 years of my reign, I have lived under the strain of my duties" (*The New York Times*, April 14, 1963, p.1). So he had to set up the organization of imperial inspection--as the eyes and ears of the king--to hear complaints of injustice, bureaucratic delays, or irregularities in the use of public funds, from the general public. The royal proclamation of the nineteenth principle of the White Revolution - fight against corruption - in the late 1970s which described the Shah himself as designed to protect society against corruption, influence peddling, selling of favors, and nepotism could be readily construed as an implied admission of a widespread use of unlawful behavior through the bureaucratic structure. The royal signing of a decree in mid 1978 regarding " the ethical conduct of the Imperial family," and the establishment of a three-judge commission to hear complaints about the royal household was another tacit assertion that the Shah's relatives must have been engaged in questionable practices earlier (Pahlavi, 1980). Dr. Ardalan, a new court minister, declared that the entire royal family had been warned not to engage in any sort of influence or intervention in the administrative affairs of the government, dealing with and

sharing in the domestic or foreign corporations and those which were in partnership with the government (Keyhan, Air Mail, 4 October, 1978).

This campaign demonstrates how deeply imbedded corruption was in the machinery of the dictatorship. The "war" against corruption was only a tactical response to social unrest. The members of the bureaucratic structure, due to their inherent corruption and subordinate character, were used as scapegoats to shift the responsibility of the Shah to individuals. The last such action against high-ranking state officials was taken in November 1978 by the military government, when the revolutionary movement had already gained momentum. *The New York Times* reported the arrest of fourteen prominent officials, including the former head of the Internal security Agency and six former cabinet members (*The New York Times*, 8 November 1978). This was followed by the Shah's order to arrest his former prime minister of thirteen years, Amir Abbas Hoveida. Reflecting on his personal experience, the Shah's ambassador to London observed that "fear rather than rationality, fear rather than common sense, fear rather than patriotism, seem the governing forces in the life of an Iranian public servant" (Radji, 1983:51).

The Iranian bureaucracy, while enjoying the services of many highly educated individuals, was always short of adequate technical manpower and managerial talent to cope with its ever-expanding responsibilities. The bureaucracy's deficiency in recruitment forced the regime to devote sizeable human and financial resources to public higher education (Table 1.7). This meant

a larger portion of the GNP was devoted to public higher education, which was constantly increasing (Table 1.8). The constant infusion of resources brought about an explosion in the 1970s in the number of graduates from public higher education (Table 1.9). The Shah's philosophy of education was essentially to create patriotic devotion to the modernized and westernized nation- state that Iran was to become. Put somewhat differently by an observer, this was a philosophy of "free, rapid and unquestioning borrowing of Western methods in the service of nationalism, statism and autocratic centralism" (Banani, 1961:108-109). Education absorbed one of the largest chunks of the state budget. The number of schools and students in 1960 reached twenty-four times the 1922 level and the education budget absorbed nearly one-fifth of regular public expenditure per year. The national student body was nearly ten million in the 1977-78 school year. However, the reality is that the massive growth in student body and increase in the number of educated individuals and classes had a reverse effect on the system and facilitated the collapse of the system. "The Shah wanted a population sufficiently well-trained to man the factories and offices of the so-called great civilization, but not sufficiently smartened up to overthrow him. What he got was the reverse" (Forbis, 1980:181).

Under the Shah's rule, power was concentrated in his hands. The administrative network was a vehicle through which to implement his policies and programs.

Table 1.7 Total Expenditure on Public Higher Education (in Millions of Dollars)

Year	Total Amount	Percent	Capital Amount	Percent	Current Amount	Percent
1965	26.3	100	4.5	17.4	21.8	82.6
1966	35.4	100	10.1	28.8	25.3	71.2
1967	40.8	100	10.4	25.5	30.4	74.5
1968	62.4	100	19.9	32.0	42.4	68.0
1969	69.2	100	15.7	22.7	53.5	77.3
1970	70.5	100	21.9	25.3	52.6	74.7
1971	87.6	100	21.9	25.0	65.7	75.0
1972	101.9	100	29.0	28.5	72.8	71.5
1973	132.3	100	49.2	37.2	83.1	62.8
1974	216.4	100	83.5	38.0	132.8	61.4
1975	286.9	100	124.8	43.5	162.0	56.5

Source: General Bureau of Budget, Plan Organization, The Budget of the Imperial Government of Iran, 1977.

Table 1.8 Public Expenditure on Higher Education in Relation to Total Public Expenditure on Education, Total Government Expenditures and GNP (in Millions of Dollars)

Year	Total Amount of GNP	Total Government Expenditure	Total Public Expenditure on Education	Total Higher Education Expenditure	Expenditure on Public Higher Education as Percentage: GNP	Total Government Expenditure	Total Public Expenditure on Education
1965	5,995.0	2,109.2	197.4	26.3	.441	1.24	13.3
1975	47,317.75	25,951.29	1,792.0	286.9	.606	1.11	16.0

Source: General Bureau of Budget, Plan Organization, The Imperial Government of Iran, 1977.

Table 1.9 Number of Graduates from Higher Education System of Iran by Sex

Year	Female	Male	Male/Female
1964-65	1,051	3,982	5,033
1965-66	1,130	4,142	5,272
1966-67	1,273	3,813	5,086
1967-68	1,799	4,014	5,813
1968-69			8,114
1969-70	3,051	8,718	11,769
1970-71	4,798	12,452	17,250
1971-72	5,314	11,836	17,150
1972-73	5,913	12,036	17,949
1973-74	9,947	16,481	26,328
1974-75	10,663	19,967	30,630
1975-76	10,396	31,180	42,576
TOTAL			192,970

Source: The Ministry of Science and Higher Education, Institute for Research and Planing in Science and Education in Iran, 1977

The very top of the bureaucratic pyramid below the crown consisted of some 500-750 high ranking individuals including cabinet ministers, agency heads, parliamentary deputies and other royal appointees. Among this small bureaucratic elite there were those who regard him as their idol, *Farmandeh* (leader), and ultimate power (Amuzegar, 1991:280). Institutional authority was increasingly diffuse to the extent that a line could not be drawn distinguishing the separate constitutional powers from one another. The functions of the different parts of the bureaucracy were interdependent and interconnected and were determined as such by the Shah himself. Members of the bureaucracy with no political base of their own were dependent on the Shah's grace and patronage. The state bureaucracy and the legislature symbolized the nature of dependence and disregard for the provision of the Constitution of 1906.

The Cabinet

The state bureaucratic apparatus was comprised of ministers and administered by the appointed ministers organized in the cabinet, ostensibly under the leadership of the prime minister. The Shah appointed the prime minister, supervised the selection of cabinet members, and ultimately had the power to approve of or dismiss them. After the seizure of power by the Shah in 1953 and its subsequent consolidation in the 1960s, the conflict between the legislature and central authority had been all but eliminated. As a result, both the executives and the legislature became powerless as independent constitutional authorities, and

became subordinated to the authority of the Shah and his modernization program. The era of servitude and the manifest submission of the premiership and the cabinet began with Hovida's tenure in 1964. His outstanding qualities were loyalty and submissiveness. According to Robert Graham, "his principal asset was his acceptance of this subservient role, and astute interpretation of what the Shah wanted and a canny feel for the political mood of the country" (Graham, 1974:131).

Under the Shah's regime, the prime minister and his cabinet exercised only limited power. Every important decision had to be checked with the Shah in advance. Leonard Binder points out that "generally speaking, the more closely the Shah has been associated with the business of government the less has been the authority of the prime minister and more restricted has been the administrative sphere of the cabinet" (Binder, 1962:98).

The prime minister's and the cabinet's primary functions were to serve as public relations agents for the Shah. They lacked enforceable authority to make any important decisions regarding social, political, economic and military problems. Obviously such a centralized bureaucratic system would have, in addition to its problem of legitimation, serious difficulties in its operation and in specifying tasks according to criteria of efficiency and effectiveness. As Barrington Moore points out, "in contrast to rational bureaucracy, totalitarian rule seeks a full commitment of subordinate's personality to the dictator's objective" (Moore, 1962:21).

By early 1976, the Shah appears to have withdrawn from direct participation in the day-to-day affairs of the country. In 1975, the Shah discovered he had cancer. It is reasonable to conclude that the Shah was devastated by the news of his illness. He informed the French physicians that their findings were to be treated as a state secret. For the first time in the history of his rule, the Shah began to speak of his own mortality. The Shah noted that "no human being is immortal, and I am a human being. While I am talking to you now, there is no reason that I will be here with you tomorrow. Nothing can be predicted because man's life is in the hands of God" (Zonis, 1991: 157). During all of 1976 and 1977, the Shah never attended a cabinet meeting. He made it clear that he cared about only three areas: foreign affairs, the Iranian armed forces, and petroleum. He cared for no other area of governance, not even who became the cabinet minister. Hoveyda, who was replaced by Jamshid Amouzegar in 1977, encouraged this process. No doubt, individual opportunism played an important role in glorifying dictatorial achievements, but even this was encouraged and demanded by the Shah. His concept of democracy was not a government by the people, but for them.

Legislature

Following the 1953 coup, the legislative body was absorbed into and dominated by the executive. All political parties were suppressed and in their place a two-party system was established on the grounds that the absence of the

responsible political parties, as Andrew Westwood points out, was regarded as "a central impediment to representative government in Iran" (Westwood, 1965:155).

Although the two parties were headed by two very close associates and friends of the Shah and were loyal to him, elections were controlled to insure the uniformity of the legislature in its subordination to the central authority. Yet the parliament was dissolved and electoral processes were suspended in 1961 by the Shah on the ground that they were dominated by conservative and aristocratic forces opposed to the land reform program. It was not until 1965 that an electoral process was reinstituted, serving to provide the dictatorship with a semblance of constitutionality. Still the secret police and the interior ministry controlled and organized the electoral process. Therefore it is not surprising for the apologist Iranian scholar, Hassan Najed to admit that "few Iranians take any politician, candidate, or public figure, except the Shah, seriously" (Najed, 1977:103). In 1975, before the dictatorship began its precipitous decline, the electoral process had become too cumbersome and meaningless to the dictatorial order itself as well as to the public. The power structure appeared so secure that it no longer required even a semblance of constitutionality. In an interview with Oriana Fallacci, the Shah stated that "in many aspects, Iran is much more democratic than Europe.... The opposition is so negligible that it cannot get even one seat in Parliament" (Ghads, 1989:97). His confidence led the Shah to view respect for constitutional organs as irrelevant to the survival of his power. He told an

American journalist as late as June 1978: "Nobody can overthrow me. I have the support of 700,000 troops, all the workers and most of the people. I have the power" (*U.S. News and World Report*, 28 June, 1978).

In March of 1975, with no forewarning, the Shah decreed the establishment of a single party political system. All existing parties were banned while a new all-encompassing group, the *Rastakhiz* (resurgence) party was established. Years before, the Shah had declared:

> If I were a dictator rather than a constitutional monarch, then I might be tempted to sponsor a single dominant party such as Hitler organized or such as you find in communist countries. But as constitutional monarch I can afford to encourage large scale party activity free from the strait jacket of one party rule or one party state (Pahlavi, 19651:173).

The Shah's decision to establish the one-party system convinced many Iranians that he had turned his back on constitutional rule and now saw himself as a dictator. He made it clear that all Iranians were to demonstrate their support for the system, that is, for him, by joining the new party. He said that, "A person who doesn't enter the new political party ... is either an individual who belongs to an illegal organization, or is related to the outlaw Tudeh party, or in other words is a traitor. Such an individual belongs in an Iranian prison, or if he desires, he can leave the country tomorrow ... because he is not an Iranian, he has no nation, and his activities are illegal and punishable according to law" (Keyhan International, 3 March 1975:5).

The Rastakhiz Party was supposed to have been a "great political and ideological school able to engender the civic spirit necessary for administrative

reform" (Pahlavi, 1980:124). But the party's rigid and highly centralized organization, coupled with its politically-motivated activities aimed at maximizing the powers of the state, soon revealed the Shah's attempt to further legitimize his regime and to strengthen his traditional political authority in the face of the country's social and economic modernization. Amid failure to attract popular support and much criticism, the Shah dissolved the party in 1978 and later admitted that its creation had been an error (Pahlavi, 1980). Indeed, one of the distinctive characteristics of centralized dictatorial authority is that its relationship with society inevitably becomes simple and transparent. Ultimately, there remains no social connection between the ruler and the ruled. Under the Shah's rule, one was either loyal or disloyal. There was no third category. For example, in his interview with Oriana Fallaci, the Shah stated:

> When there is no monarchy, there is anarchy, or an oligarchy or a dictatorship. Besides, a monarchy is the only possible means to govern Iran. If I have been able to do something, a lot, in fact, for Iran, it is owing to the detail, slight as it may seem, that I am its King. To get things done, one needs power, and to hold one to power one must not ask anyone permission or advice. One must not discuss decisions with anyone (Halliday 1979:58).

When in 1975 the Shah dissolved all the official political parties and declared the establishment of a one-party system, the Rastakhiz party, he demanded a total commitment to his rule:

> Iranians had the choice of supporting or rejecting the three basic principles of monarchy, constitution, and the White Revolution. Supporters now would join the Rastakhiz Party to consolidate and promote these objectives. Opponents could either remain apathetic and be non-participants (in which case they would be denied the fruits of Iran's prosperity, or if they wished to actively oppose these principles, they would

be allowed to leave the country. (Zabih, 1979:9).

Such a regime provides no opportunity for societal reflection, for it lacks the internal dynamism to make itself able to respond to society. The Shah usurped all constitutional authority, and in the process, replaced the will of society with his own. The Shah told one of his biographers:

> You Westerners simply don't understand the philosophy behind my power. The Iranians think of their sovereign as a father. What you call "my celebration" was to them the celebration of Iran's father. The monarchy is the cement of our unity. In celebrating our 2500th anniversary, all I was doing was celebrating the anniversary of my country of which I am the father. Now, if to you a father is inevitably a dictator, that is your problem, not mine (Villiers, 1976: 284).

The Shah's one-time minister of court and earlier prime minister, the most trusted of his officials, Assadollah Alam, had once declared, "in this country, with its 2500 year history of monarchy, the Shah is the father, everything referred to him, and he has got to be aware of the problem" (Forbis, 1981: 69).

The unity of the armed forces and a personality is a characteristic feature of dictatorial power. The expansion of the armed forces and its modernization is therefore an internal demand inherent in the structure of the dictatorial order. The Shah equated national underdevelopment with military backwardness, and regarded a military buildup as indispensable to politics-economic progress. A large and modern army is a structural aspect of dictatorial penetration into social life. The deeper this penetration, the more alien and independent the army becomes from its social basis, reflecting even further the unity with the person of

the dictator. Such a force, detached from society, functions to maintain a rule which has no independent social basis and serves to confront and suppress whatever threatens the security and continuity of this rule. Like all symbols of authority, the army was regarded as oppressive, overbearing, corruption-ridden, and the enemy of the people. There was a traditional mistrust and resentment of the military, who seemed often to enjoy special privileges in the top ranks (Huerwitz, 1969:266). The backbone of the regime was always the military. Commander in chief of the armed forces, according to the constitution and professional soldiers by choice, the Shah had a special place for the military in his heart, soul and pocketbook. The command of the military was a sine qua non of his political control of the country. On the other hand, the association between the Shah and the military was the only institutional pattern which carried the possibility of developing a political system substantially free from military domination. The Shah remained the only potential institution capable of mediating the military's political pressure on the civilian governments. Iran, under the Shah, embodied the curious phenomenon of a militarized regime in which the military establishment itself had surprisingly little power. The Shah relied on the support of the armed forces to help him gain and retain power. The central role accorded the Iranian armed forces by the Shah in protecting regime security was reflected by the priority they were given in terms of budgetary allocations. The military in turn was by and large obedient, loyal and deferential to the monarch (Amuzegar, 1991:157). The Shah was not only the constitutional commander in chief, but the

operational commander in fact. Hhe had supreme, direct, and unchallenged control over the military; officers and enlisted men alike had to swear allegiance to *khoda, Shah, mihan* (God, Shah, country) in that order. With God's blessing, commanders and troops were beholden to him, the Phalavi dynasty, the institution of the monarchy, the regime, and the *mam-e-mihan* (the motherland) in that sequence. All promotions above a certain rank in each service had to be approved by him personally. The Shah's consolidation of power included continual military expansion as a dynamic process that responded to its constant need to renew and defend its domination. This consolidation was the major incentive for channeling a significant part of the human and material resources of the country into the expansion of the military machinery and the modernization of its structure. The militarization of the country was reflected in the increase in both the size of the armed forces (Table 1.10) and the military budget (Table 1.11). The Tehran daily paper *Ayandehgan* reported in January 1979 that military hardware comprised 35 percent of Iran's total 1978 imports, while the government allocated over 30 percent of its total budget for military expenditure (*Ayandegan*, 11 January 1979). At the same period, values of imports of major weapons increased rapidly: these were mainly supplied by the U.S. (Tables 1.12 and 1.13).

The upper echelon of the Iranian armed forces was occupied by high-ranking generals and senior officers, primarily from the wealthy families of the aristocracy and bureaucratic bourgeoisie. They comprised the most powerful and privileged strata of the military and of society as a whole. Their political

influence, particularly that of the generals, was even higher than that of the prime minister since they derived their power directly through their connections to the Shah. Thus, the social benefits they derived by virtue of their power and influence were incomparably greater than the direct material benefits solely attached to the positions they occupied in the military hierarchy. Generals and senior officers were promoted personally by the Shah and could be dismissed only by him. As Robert Graham points out, "not content with being the mere titular commandeer in chief, he is in active control, usually direct personal control, even down to monitoring the appointment of middle ranking officers. They are his soldiers as much as Iran's" (Graham, 1979:169). The generals had no independent constitutional responsibility. Although their loyalty had been proven to the Shah through years of manifest obedience and submissive service, to make sure that they didn't form cliques of personal followers among lower ranking officers, they were constantly rotated to different posts throughout the country. This rotation system was intended to diminish their ability to gain independence from the Shah, and thus eliminate the possibility of military coups. The Shah was considered a lord more than a leader, and the generals acted as though they were his special subjects. They were subservient and submissive in character.

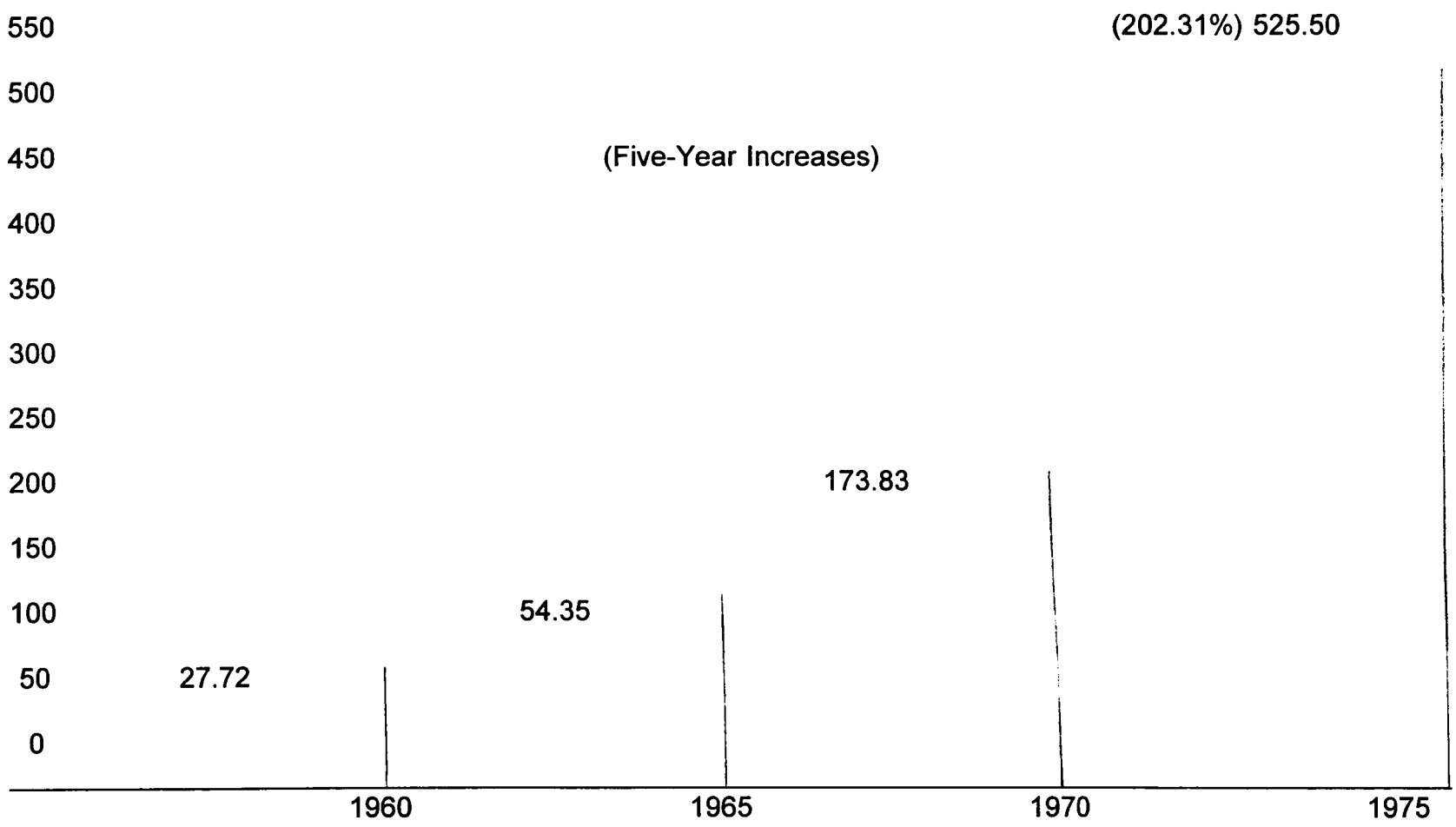
Although the army was organized according to a rational division of labor, dependence on personality characterized its career structure. Because this was a consistent and systematic attribute of the military hierarchy, the entire army

Table 1.10 Size of Iran's Armed Forces, 1955-1978

Year	Total Manpower
1951	151,000
1955	136,000
1959	177,000
1963	300,000
1967	210,000
1971	255,000
1975	285,000
1978	350,000

Source: Ann Tibbits Schultz, 1989. Buying Security: Iran under the Monarchy. Boulder. Westview Press, p. 134.

Table 1.11 The Trend in Military Spending (in Constant 1975 Rials)



Source: Ann Tibbitts Schulz, *Buying Security: Iran Under the Monarchy*. Boulder: Westview Press, 1989. P. 45.

Table 1.12 Values of Imports of Major Weapons to Iran, 1953-1978 (in Millions of Dollars).

Year	Amount
1953	1
1954	4
1955	46
1956	72
1957	58
1958	55
1959	262
1960	31
1961	36
1962	37
1963	35
1964	588
1965	508
1966	437
1967	511
1968	993
1969	598
1970	327
1971	1266
1972	1282
1973	1554
1974	2026
1975	3615
1976	3232
1977	4774
1978	2390

Source: Michael Brzoska and Thomas Ohlson. 1987. Arms Transfer to the Third World. Oxford. Oxford University Press. pp. 332-334.

Table 1.13 U.S. Military Sales to Iran, 1955-1978 (in Thousands of Dollars)

Year	Foreign Military Sales Agreements	Foreign Military Sales Deliveries
1955-68	505,414	145,874
1969	235,821	94,881
1970	134,929	127,717
1971	363,884	75,566
1972	472,611	214,807
1973	2,171,355	248,391
1974	4,325,357	648,641
1975	2,447,140	1,006,131
1976	1,794,487	1,927,860
1977	5,713,769	2,433,040
1978	2,586,890	1,792,892
Total (1955-78)	21,751,656	87,518,10

Source: Foreign Military Sales and Military Assistance Facts (December 1978), U.S. Department of Defense, Security Assistance Agency.

ultimately became dependent on the Shah, both in its functioning and its predominant morality and values. It is clear under such circumstances that the Shah's personal crisis was bound to become a crisis of the army as a whole.

The junior officers formed the professional stratum of the armed forces. They were materially affluent. They enjoyed the special attention of the Shah, received higher salaries and fringe benefits. According to a New York Times report of December 1978, the officers, of whom 80 percent were regulars, lived a life quite different from those occupying the lower ranks: "They were pampered and privileged, with higher salaries, personal servants, free medical care and special low price stores. Most have been military students and professionals since their early teens" The New York Times, 19 December 1978). The road to upward mobility was open to these middle level officers. Within their rank, they could be promoted up to full major.

The rank of corporals formed the second largest stratum of the military. The majority originated from the poorer sections of society: the working class, peasantry, and lower and petty bourgeoisie. The corporals' salaries were hardly sufficient to support a family at a subsistence level. They were considered to be culturally inferior by the higher ranks. Their chance for upward mobility was limited to the rank of sergeant. The military organization was built upon conscription. It was compulsory for every man to serve in the army for two years. The conscripts were located at the very bottom of the military hierarchy. They constituted the manpower of the armed forces and formed their base. A large

majority came from rural areas and had peasant backgrounds. They were the most oppressed sections of the military and subject to the oppression of rank. Most of them were aware of religious views, and therefore susceptible to religious propaganda. Indeed, the army had traditionally encouraged devotion to religion as a reliable hedge against leftist propaganda.

The Iranian armed forces, as has been observed, were organized on the basis of social groups and classes with essentially conflicting interests. Its structure manifested the profound inequality and contradictions of the society as a whole, all of which threatened its stability. Military personnel was a cross-section of the society. While the officer corps was drawn largely from the middle and lower classes, the bulk of the conscripts belonged to the lower classes. Further complications arose from the fact that such an extensive bureaucratic military machinery with inherent contradictions and antagonistic interests depended on the central commander, in whom all decision-making power was concentrated, and had to function ultimately as the expression of the single and personal authority of the monarch, rather than as an agency of society. This overreaching political view is consonant with the conception of leadership, which is a reflection of the Iranian culture. "We need a leader who will tell us what to do ... we will obey him from our hearts and do what he says, be it pleasant or unpleasant" (Attar, 1954:15). The came to believe that he had become God's instrument for the salvation of Iran: "I believe in God and they I have been chosen by God to perform a task. My visions were miracles that saved the country. My

reign has saved the country and it has done so because God was on my side" (Zonis, 1991: 151). The consolidation of power was achieved by stripping the generals and officers of all independent decision-making power. According to the *New York Times*:

> All three services, army, navy, and air force (to these the gendarmerie and police force and secret police should be added) have no intermediate level of command between them and headquarters in Tehran. They maintain liaison through the Shah's command staff, headed by the prime minster. Not only can no important decision be made without clearance from him, but the mere movement of a company from one location to another must be cleared in advance (*The New York Times*. 14 November 1978).

The predominant values of the armed forces under the Shah were those of the dictatorship. Their strict enforcement in military education determined the quality of morals developed under the repressive environment. Absolute loyalty to the monarch was even more important than loyalty to the nation and the country.

> He (the Shah) was the commander-in-chief of the army and blind loyalty to the king has been implanted in soldiers and officers from time immemorial. Moreover, within the army, which is really supposed to defend the country against foreign attack, protection of the king ranks higher than defense of the Fatherland (Mirumand, 1969:93).

The army demonstrated its loyalty to the Shah on several critical occasions. In 1953, a military coup put the Shah back in power. In 1963, the army responded to the Shah's call and within three days violently suppressed a religious uprising that left several thousand people dead. In 1978, the army to a large extent remained loyal to the Shah and attempted to save the throne, even

though the Shah himself as the commander-in-chief left the scene and abdicated his responsibilities.

The military and civil bureaucratic apparatuses are regarded by the overwhelming majority of scholars to have been the two pillars of the Shah's dictatorship. The state bureaucratic apparatus has been said, by virtue of its size and power, to have had great impact on society as a whole with practically nothing remaining outside of its influence. Its functions went far beyond the administration of society, and every socioeconomic activity was subject to its control. It managed the large and complex industrial organizations vital to the material advance of the nation, and penetrated the countryside and even made the lives of small and self-sufficient peasant families dependent on its resources. The apparatus dominated the occupational structure and played a decisive role in the distribution of opportunities. Hundreds of thousands served in the military and civil bureaucracy and tens of thousands more were employed indirectly by the state. "In the towns, the state expanded the point that it hired as many as one out of every two full-time employees" (Abrahamiun, 1982:438).

Despite their apparent universalism, coherence, and rationality, the bureaucratic and military apparatuses were essentially rigid and inefficient. Nor did they operate as rationally as appeared to be the case. There existed no separation of rule from officials, insufficient detachment in enforcement, and arbitrariness inconsistent with the character of effective bureaucracy. Under the modernizing dictatorship of the Shah, all official institutions became an extension

of the Shah himself and functioned according to the personal rule of the dictator. The Shah's vast and highly centralized bureaucratic apparatus seemed to have been put into motion by an individual who was ultimately responsible for its operation and its success and failure. Every decision in this complex bureaucratic organization branched out to all locations. The system worked well only when extra-organizational incentives such as bribes were injected into its veins. This in turn became its crucial dynamism. Favoritism, nepotism, and the use of influence were the major institutionalized characteristics of the bureaucratic and military apparatuses under the modernizing dictatorship of the Shah.

Although the vast bureaucratic apparatus provided a large section of the population with the means of their livelihood, it never succeeded in transforming their indifference and passivity let alone their opposition into active support. Those salaried middle and lower sections, far from being the basis of support for the modernizing dictatorship, were potential sources of threats and discontent, and eventually played a decisive role in the revolution. The socioeconomic rule of the government was ultimately irrelevant to the legitimacy of the dictatorial order. The acceptance of dictatorial authority caused an illusion of power, and the Shah failed to distinguish between loyalty and fear. He asked rhetorically: "How in a nation whose farmers own the land to till, whose workers share not only the profit to the factory in which he works but owns its stock, whose student continues his education free, might individuals deviate from the path of truth, under the influence of imported beliefs and ideologies" (Amuzeyar, 1991:205).

The concentration of power in the monarch's hands had two disastrous consequences which led to revolution. On the one hand, it radicalized the opposition and thus gave it a political import beyond what it was meant to signify. The second effect of the monarch's assumption of personal power proved more catastrophic for the future of Iran. It depoliticized the supporters of the system in a nation yearning for political participation as it underwent an intense process of social mobilization. Consequently, when the revolutionary fuse was lighted, the Shah stood alone in the face of what superficially appeared like a nation rising against him in formidable unity (Afkham, 1985:75-76).

Summary

The Shah's regime had at his disposal a formidable army, a seemingly capable bureaucracy, and a great reservoir of material and human resources. However, the regime lacked a social base. The fragility of the Iranian political system resulted from the contradiction between the pattern of accumulation of political power and the constitutional prerogatives the Shah. The Shah had certain constitutional powers that determined the form and range of responses available to him. The Shah's regime demonstrated a propensity toward centralization and concentration. The Shah undertook to introduce basic changes in the social, economic, and cultural environment. An historically-mandated relationship between social systems of fundamentally unequal economic and technological capabilities thrust the Shah's regime into the forefront of the

developmental process, and thus transformed the traditional mode of relationship between the polity and the society. The Shah's modernizing dictatorship was forced to shoulder the mantle of development, a condition that would separate the future mode of development of the nation from the patterns experienced in the past. It became a conscious mission of the Shah to transform Iran's socio-economic base in order to attain the goals of socio-economic development.

In Iran, the prevailing political culture favored the centralization of the power structure that dealt with the political system's implementation functions. Thus, channels of political action best geared to the requirements of central authority and least resistant to political command tended to flourish. These channels were the military and the public bureaucracy. The Shah argued that in the early stages of socio-economic development, centralized power operating through the intermediary of command-oriented structures was better geared to the accomplishment of the goals of the modernizing dictatorship. By breaking down the traditional parochial loyalties while increasing the mobility of the population, the regime facilitated the political atomization of society, rendering a far greater number of people accessible to the authority and command of the central government. By focusing political attention on the Shah, the regime gradually eroded the authority of other central sources of power, leading to a concentration of power in the hands of the Shah. The realities of Iranian political culture and institutions as well as the lack of a social base rendered the tendency toward centralization and concentration of power inevitable. In the absence of any major

alliance with politically- weighty classes and groups such as clergy, bazaaris, liberals and intelligentsia, consolidation of dictatorial power through the expanding of the bureaucracy and military became the mechanism for the Shah's control of civil society. Bureaucraticization was partly the result of the state's intervention in the economy. The weakness and lack of independence of the domestic bourgeoisie made the regime's intervention in the economy possible. State development policies clearly served particular rather than general societal interests, as claimed by the government. The high level of state intervention in capital allocation and accumulation limited the role the market and rendered the government vulnerable to challenge and attack by the opposition. The state as the most visible actor depended heavily on bureaucratic organs and military power to pursue modernizing policies. In short, the greatest failure of the Shah's regime was its inability to create durable, representative institutions, or to allow their natural formation. It is precisely this lag between economic development and institution building which made the pahlavi Dynasty most vulnerable to agitational zactivities by the oppostion. Modernization of a traditional society demands more than economic development. The political structures and the patterns of relationships between the state and the classes should also be modernized. While the letter and the spirit of the 1906 Constitution were often ignored by the Pahlavis, they also failed to create new bases for social contract. They wanted to rule a "modern society" by relying on absolute and arbitrary power, the most primitive and traditional form of governing. It was this nature of the political

system, coupled with the isolation and lack of reciprocity between the state and the social classes which were the causes for the success of a revolution which was genuinely muilti-class. The state stood on one side while all the classes, with the exception of a small segment of the ruiling elite, were on the other.

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PART IV

SOCIAL ORIGINS OF THE IRANIAN REVOLUTION

Theoretical Framework

This chapter will analyze why a pre-revolutionary society evolved in Iran. This chapter elaborates on the social variables that were necessary in shaping the pre-revolutionary society. The central question is, therefore: How does a dissatisfied population become organized into a force for social change?

The main theme of this chapter is that the revolution in Iran occurred because two necessary conditions existed concurrently. First, a pre-revolutionary society had been created, and, second, a highly organized contending elite, armed with a charismatic leadership and an appealing ideology, and with access to a mass-scale communications network, had evolved with the intention to lead a revolution.

Throughout this chapter and the next chapter, the task will be systematically to identify and analyze those social and cultural components within the Iranian contexts which made the uprising and the alliance under the *Ulama's* leadership possible. Economic changes and political repression, in the context of Shi'ite culture, empowered the *Ulama* to present their case against the corruption and dependence of the Shah's regime very strongly with reference to the basic principles of Shi'ite Islam.

Social mobilization here "refers to the process by which a discontented group gathers and invests resources for the pursuit of group goals." Swift economic growth accelerates the process of urbanization, which in turn leads to higher levels of mass communication and literacy (Menshari, 1992). As a result,

new social forces/groups are created and general levels of political awareness are raised. According to Karl Deutsch (1961), this causes older traditional commitments to break or erode and then be replaced by new ties and attitudes; hence, new groups and new demands are created that need to be accounted for by the state. Samuel Huntington (1975) and David Snow (1992) add that socioeconomic change brings about an intensified demand for political participation by individuals, and that this demand must be channeled directly or through emerging organizations and associations such as labor unions, farmers associations, business establishments, and religious organizations.

However, it is also important to utilize the notions of relative deprivation (Gurr, 1970) and rational behavior (Tarrow, 1992) in the context of social mobilization in order to explain why different groups and classes, many of which emerge as a result of social mobilization, ally and participate in a revolution despite differences in interests, perspectives, and considerations.

Charles Tilly's polity and mobilization models can be very useful in underlining the dynamics of group behavior that made the revolution in Iran possible. Tilly's polity model suggests that within a given population, there is an organization (government) "which controls principal concentrated means of coercion" and where different groups (contenders for power) are continuously trying to influence the government by applying collective resources. Contenders are divided in two general groups: polity members who are currently in control of government, and the challengers who are attempting to join the polity in spite

of resistance by polity members (Tilly, 1984).

Tilly's mobilization model, by trying to "describe the behavior of a single contender," is also relevant to the study of the Iranian revolution. This model emphasizes features such as organization and mobilization, where organization is defined as "that aspect of a group's structure which most directly affects its capacity to act on its interests," and mobilization is defined to as 'the process by which a group acquires collective control over the resources needed for action" (Tilly, 1978:7). Analyzing the structures of organizations and the ability of groups to organize and mobilize collective resources is important in understanding how and why revolutions occur.

In the Iranian revolution, the scenario is that people belonging to specific social categories (ethnic, religious, cultural, or national) had been exposed to serious economic and/or political deprivation for some period of time. The experience of such deprivation (i.e., lack of freedom of speech, freedom of association and the widening gap between rich and poor) led to the accumulation of frustration, tension, and anger on the part of the deprived-working class, clergy, bazaaris, students, and intellegintsia. When these feelings become sufficiently widespread and intense, an explosion of collective animosity toward the social system through the mobilization process occured in the form of violent revolutionary overthrow of government.

Concerned with the problem of structural changes, the resource-mobilization model acknowledges that deprivations and frustrations play

an important role as sources of, or as the initial impetus to, collective action (Oberschall, 1973). Tilly defines mobilization as "the process by which a group goes from being a passive collection of individuals to an active participation in public life" (Tilly, 1978:69). Resources are almost anything, material or non-material, which can be used in the enhancement of social goals. Resources that people accumulate to achieve their objectives may include loyalties, knowledge, wealth, machines, communication lines and any number of other things. In addition, authority, leadership, legitimacy, charisma, ideology and political cultures are examples of non-material resources. Combining the ideas from the works of Tilly and Oberschall are essential to understand the following: (1) Changes in the social structure and development of various groups, (2) Shi'ite Islam's political culture as a background for social change; and, (3) Shi'ite mobilization and leadership of the *Ulama*.

In order to understand why a pre-revolutionary society evolved in Iran it is essential to determine the major actors in the society and then examine why they behaved as they did. Here, the major actors are determined on the basis of groups. Groups can be defined as collectives of people who share and/or are undergoing a common socioeconomic experience within a state and can be distinguished on that basis. However, there can be significant interaction among different groups, particularly when there is an overlap or conflict of interest within a finite system. Groups rather than classes are selected as the unit of analysis because they can be rapidly defined and distinguished as a social force.

Moreover, as is illustrated by the Iranian case, various groups that have been categorized under one class as sharing common interests have, in fact, demonstrated differing and often conflicting interests and motives. When social forces are subdivided into homogeneous groups, their rationale for engaging in a particular type of collective behavior such as revolution can be more clearly assessed. The potential for groups to join the revolutionary movement is greatest after they have experienced a period of relative deprivation followed by the perception among group members that the gain from a successful revolution will outweigh the possible costs.

The Clergy

The Iranian Shi'ite clergy have on numerous occasions engaged in political opposition movements in contemporary Iran. Their role as leaders, organizers, agitators, ideologues, and participants was significant in bringing about the Tobacco Protest in 1890, the Constitution Revolution of 1905-11, the National Front Movement in the early 1950s, and the 1963 anti-government riots. The 1979 Revolution was the pinnacle of their involvement in recent Iranian Political movements.

It is now necessary to explain why the clergy participated in the 1979 Revolution. One reason was that they were experiencing a continuous denigration and drop in status as a consequence of government policies. The Shah's socioeconomic programs had resulted in the formation of new social

forces that were apathetic, if not resentful, toward religious institutions, traditions and the clergy. An expanding middle class as part of an emerging new social force consisting of increasing numbers of professionals, intellectuals, bureaucrats, and army personnel was less willing to abide by religious codes. Directives from Qom, the religious capital of Iran, were often ignored, and a growing number of people participated in activities such as watching Western movies, listening to Western music, removal of veils and acceptance of other cultural aspects of Western civilization that were considered offensive by the clergy and other members of the religious community.

This type of negative secular behavior was particularly conspicuous among the increasing numbers of the educated Westernized younger generation. Many in this category turned to non-traditional views as expressed by intellectuals who were known to be tolerant of leftist groups, and the popular Sorbonne-educated Islamic sociologist Ali Shariati.[1]

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[1] Ali Shariati was a sociologist trained in Iran and France who was highly critical of the direction Iranian society was taking. Shariati return to Iran in 1964 and because of his views toward the Shah's regime was immediately arrested and jailed. After his release, he taught at Mashad University and lectured on the importance of applying Islamic principles to prevent the decay of society. Shariati was often critical of the clergymen for not properly teaching and interpreting Islamic doctrines. He later moved to Tehran and began to lecture at the Hosseiniyeh Ershad Institute where thousands would gather to listen. Shariati's lectures and writings were so inspiring and provocative that finally in 1973 he was once again arrested. SAVAK released him in March, 1975, but prevented him from teaching or publishing. As a result, he went to England where he died in 1977 under dubious circumstances. He is widely published. His blend of socialism and Islam was very appealing to the younger generation Iranians.

Others expressed their abhorrence toward the clerics more directly by ridiculing them in public. For example, some members of the *Ulama*, clerics of higher position, were often categorized by government officials and educated groups as "akhunds;" religious men who have studied the Koran, but who are considered provincial, unsophisticated, and ignorant of progress.

The sense of loss of status among the clergy was becoming especially visible when various officials and politicians traveling throughout the country would refer to them as backward people who were not in tune with modernization and progress (Khomeini, 1981). The author of this paper personally witnessed that the clerics were often the laughing stock of conversations in middle and upper class social gatherings, which often included some of their own westernized relatives. It was becoming increasingly clear that the clergy of all ranks, especially those in urban areas, were witnessing a rapid deterioration in their status within some segments of the Iranian society.

The dissatisfaction became more apparent when an article was published in one of Tehran's leading newspapers, Etela'at, on January 7, 1978 slandering Ayatollah Khomeini, then in exile in Iraq. Many analysts considered the publication of this article as the spark that ignited the Iranian revolution (Arjomand, 1988). This article targeted the Shah's most feared political foe, Ayatollah Khomeini. Khomeini had many followers who respected him for not having compromised with the Shah despite government pressure on numerous occasions to do so. Khomeini was forced into political exile in 1963 for his

obstinate opposition to the Pahlavi dynasty (Moaddel, 1986). The article called Khomeini a backward individual who was opposed to land reform, women's rights, and other aspects of modernization. Furthermore, the article referred to him as an Indian national and a homosexual (Etela'at, January 5, 1978). It charged him with collaboration with the landlords and the communists at the same time.

It is still not certain who wrote and ordered the publication of that article, whether it was from direct SAVAK orders, from the Shah, or from Court Minister Amir Abbas Hoveida, who was anxious to complicate matters for his rival Jamshid Amouzegar who had replaced him as prime minister. Then Minister of Information, Dariush Homayoun, hand delivered the article to the President of Etela'at, Farhad Massoudi, who subsequently warned Homayoun of the potential consequences if the article was to be published. It is reported that Homayoun compelled Etela'at to print the letter. Tehran's other daily, Kayhan refrained from publishing the article.

When copies of Etela'at reached the religious capital, Qom, thousands of Islamic leaders and students rallied to protest the slanderous article. Police responded by firing into the crowd, killing and injuring more than 100 people. This riot set the stage for the subsequent demonstration when thousands gathered to mourn those killed in the Qom rally. According to Islamic practice on the fortieth day after the occurrence of death, mourning ceremonies are held in memory of the deceased.

In addition to a drop in status during the Shah's and his father's regime, the

clerics also began to experience an overall loss of power and influence within the society.

Shi'ism became a major force in Iran when the founder of the Safavid dynasty (1501-1722), Shah Ismaeel proclaimed it the official religion, probably motivated by political consideration to inspire Iranian nationalism against the Ottoman Empire. Shah Ismaeel promoted Shi'ism as a political and religious entity. As a result, the clergy became increasingly involved with political affairs (Donaldson, 1976). The Shi'ite clergy became very influential in urban and rural areas, and experienced a rise in their status and influence beyond the religious circle. Their role as leaders in political movements during the Qajar rule became solidified. Groups and movements threatening their position came under severe attack. One such group, the Baha'is, were persecuted by the Qajar rulers while under pressure from the Shi'ite clergy to do so.[2] With the coming to power of Reza Shah in 1925, founder of the Pahlavi dynasty, a campaign to restrict the power and influence of the Shi'ite clergy was launched. The regime viewed the religion as a major obstacle toward modernization. Ja'fari Shi'ism remained the official state religion in accordance with the constitution, Shi'ite civil laws were upheld, and religious endowments and sources of financial supply (*wafqs*), remained under the supervision of the clerics.

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[2]Baha'is are perceived to be heretics by the Shi'ite leaders. Shi'ite clergy criticized Baha-ullah, the leader of the Baha'i sect for having at one point claimed to be the twelfth Imam. Shi'ites believe the twelfth Imam went into occulation and will reappear as the Mahdi (the Redeemer) sometime in the future. Some Shi'ite clerics also believe Baha'ism was a movement promoted by the British in an attempt to cause division within the Shi'ite institution.

However, firm steps were taken to minimize the political role of the clergy in order to minimize their influence in the society. "Toward the end of the Reza Shah's reign, an attempt was even made to regulate religious training and modernize the general agencies" (Binder, 1962:75).

Following Reza Shah's abdication, various Shi'ite religious groups and individuals began to organize a campaign in order to restore their power and influence within the political system. The temporary power vacuum enabled leading clerics to enter the political arena and assert their influence. Mohammad Reza Shah, then young and inexperienced, allowed a greater role for the clergy. He needed the support of the religious leaders to solidify his rule. In fact, he even appointed several of their leaders to legislative positions.

He also channelled funds toward building and renovating mosques and establishing a religious capital in Qom.

After having consolidated his power and acquiring a higher degree of confidence, Mohammad Reza Shah began to trim the political rights of the clergy. Though Shi'ism remained the official state religion, the Shah imposed secular policies that were considered degrading and insulting to many religious leaders. The Shah introduced a number of policies designed to undermine the status and influence of the clergy and strengthen his own position. The clerical students, known as *tullab*, and teachers at religious educational establishments received monthly stipends from the *Sahm-e Imam*, a clerical fund. These stipends amounted to between 300 and 400 rials per month, although they sometimes ran

as high as 1,000 rials. In 1964, the stipends were abolished and replaced by financial assistance from the newly created *Sazman-e Owghaf* (endow-ments organization). The funds available through this organization were far less than clerical students had formerly received for religious sources, for example, the stipend was only only 228 rials per month (Akhavi, 1980: 140). Religious leaders, especially Ayatollah Khomeini, opposed the regime's attack on Islam and the clergy which led to his exile in 1964.

The pace of the Shah's secular policies began to accelerate in the 1960s. The major policy initiative was the land reform. As a consequence, the clerics began to experience a very tight squeeze on their political power and social influence. The clergy were hurt by the land reform, and when *wagf* lands (religious endowment property) were confiscated, their resentment against the Shah began fto steadily rise. The outbreak of the 1963 riots, following the implementation of the land reform policies, was perhaps a reaction to the intensification of the Shah's secular programs (Floor, 1983).

After the 1960s the Shah began to de-emphasize the implementation of the *shariat* (religious rules and law). Only the clerics who publicly expressed support for the Shah's regime were allowed to express themselves through the media or receive government privileges. On the other hand, clerics who opposed the Shah were imprisoned, placed under house arrest, or deprived of access to public forums. The leading clerics, including the Imam Jomenh who led Friday prayers, were allowed to keep their position if they were apolitical or supportive of the

government. The Shah alluded to the fact that as a consequence of his modernization programs, some members of the clergy felt frustrated by the loss of part of their judicial and educational powers (Pahlavi, 1979:166).

In addition to loss of power and prestige following the Shah's enthusiastic pursuit of modernization policies, leading clerics also experienced personal economic setbacks that originated with the land reform programs (Looney, 1982). From the early 1960s, several prominent clerics including Ayatollah Khomeini, lashed out at the Shah's proposed land reform plans (Akhavi, 1980). Many *Mojtaheds* (learned clergymen) were major land owners and felt land reform was another of the Shah's ploys to weaken their position (Dorraj, 1990). According to one scholar, after the land reform program, "the clergy as a whole has become estranged from the regime" (Zabih, 1979:19).

Just a year before the outbreak of the revolution, the high ranking religious leaders experienced yet another drop in their economic position. It has been reported by several sources that after having been appointed prime minister, Amouzegar, the oil minister, discontinued a substantial allowance the Royal Court had been paying the clerics. The United State Department Working Group on Iran was aware of this fact. The Irani working group revealed that Amouzegar had cut the cleric's allowances from $80 million to $30 million a year (Sale, 1980:83).

It is also noteworthy to mention that the financial strain that was being imposed on the bazaar as a result of the monetary policies of Amouzegar's

administration undermined the economic foundation of the clergy. There has always been a close association between Iran's religious institution and the bazaar such that the clergy relied heavily on the bazaar's financial support. As the economic power of the bazaar declined so did its monetary contributions to the Islamic institutions. This caused the clergy to experience a further erosion of their financial base.

The economic decline that the clerics began to experience following the land reforms in the mid-1960s and intensifying during the late 1970s, as well as their drop in power and status, were major factors that provoked the clerics to participate in the revolution. Because of this feeling of relative deprivation, they calculated that an Islamic revolution could at least restore and probably even expand their financial support (Chehabi, 1990). The process of weakening the position of the clerics could be summarized as follows: In May 1961, the Shah dissolved the Majles (Parliament), which was dominated by landlords, and ordered the government to implement a series of reforms, including land reform. (Many of the religious leaders were major land owners during this period.) In October 1962, the government gave women the right to vote. It did not require voters or candidates to adhere to Islam, nor did it state that elected councillors must take their oath of office on the *Koran* (Bakhasn, 1984:24). Most clerics viewed the law as contrary to Islam. They pointed to the constitution of 1906, which prohibited any law that was against Islam. Most of the clergy opposed the Shah's reforms. They criticized the Shah's dictatorship and his reforms (Akhavi, 1980:101). In the

early 1960s, clerical students, known as *tullab*, and teachers at religious educational establishments received monthly stipends from the *Sahm-e Imam*, a clerical fund. These stipends amounted to between 300 and 400 rials per month, although they sometimes ran as high as 1,000 rials ($1 = 70 Rials). Following bureaucratic reform in 1964, the stipends were abolished and replaced by financial assistance from the newly created Endowments Organization *(Sazman-e owghaf)*. The funds available through this organization were far less than clerical students had formerly received from religious sources; in 1973, for example, the stipend was only 228 rials per month (Akhavi, 1980:104). The Endowments Organization also oversaw the disposition of religious establishments. Land acquired by religious institutions through donations by individuals was placed under the control of the Endowments Organization. For example, a ruined Tehran mosque with no income was turned into a large office building (Fischer, 1980:115). In 1965, according to official figures, there were 20,000 mosques in Iran. Ten years later, the Endowments Organization reported the existence of only 9,015 mosques. Between 1960 and 1975, Tehran lost nine out of a total of thirty-two Madrasehs, or theological schools (Akhavi, 1980:129).

The Shah, in pursuit of his anti-clerical policies in 1971, abolished the traditional Islamic calendar, replacing it with one dating back more than two millennia. The Shah further threatened to undermine traditional practices by creating a Religious Corps in 1971 to propagate Islam. The Religious Corps taught peasants that "true Islam" was distinct from the preaching of so-called

black reactionary mullahs (clerics). The religious leaders charged that the Shah was creating his own brand of Islam and clergy, and that the corps was designed to "nationalize religion" and undermine traditional religious leaders. The clerics also faced the problem of growing secularization and the gradual decline of religious education. As the number of clerical schools declined, the number of students also declined (Menshari, 1992, Fischer, 1980:115).

In summary, the state's reform policies of the 1960s and 1970s undermined the clergy's social, political, and economic position and kindled their opposition to the Shah's regime. The clergy became significant in initiating political mobilization because they controlled the mosques, and the mosques were the only safe places for gathering permitted by the government. Mosques across the country provided an extensive network for communication and mobilization. The mosques became a key rallying place for people to express their political and religious views. This network was used by the clerics to mobilize the resources and to broadcast the Islamic ideas and views.

The Bazaaris

Another group that played a dominant and conclusive role in the 1979 revolution was the bazaaris. This was not the first time the bazaar opposed the central government in contemporary Iranian society. On numerous occasions, it had used its political and economic leverage to pressure the government to alter its policies. Prior to the 1979 revolution, the bazaar played an important role in

launching the 1953 oil nationalization movement.

The Bazaar is not merely a place where goods are bought and sold, but "a multifaceted entity comprising religious, commercial, political, and broadly social elements ... [and] religion is the cement that binds this structure together" (Thaiss, 1971:193). Sociologically speaking, the bazaar connotes a community with a hierarchy of "merchants at the top of the order, the masters of artisans, and shopkeepers of well over 100 guild-like associations at the middle level, and the masses of workers and apprentices at the bottom, with some marginal elements such as peddlers and beggars at the lowest level" (Ashraf, 1981:9). As Weber has pointed out, the social status of merchants and the degree of their commitment to religion has varied greatly across societies and ages (Weber, 1978).

In Islamic societies, traders and merchants have traditionally enjoyed great esteem: the Prophet himself was a merchant. In nineteenth-century Iran, merchants and leaders of the guilds were well-respected members of society. They were closely allied to the *Ulama,* who were the defenders of the traditional commercial view of bazarris. It is worth mentioning that the bazaar is a traditional entity which has its own norms, values, and social relations (Nima, 1983:47). Ideologically, it was dependent on the clergy for guidance. The clergy, on the other hand, were economically dependent on the bazaaris. The bazaaris paid the religious taxes and the cost of the maintenance and management of shrines to the clergy. Halliday notes that the bazaaris contributed more money to the clergy

than what they paid in tax to the government (Halliday, 1979:19). The independence of the clergy and bazaaris from the state, their traditional outlook, and their conservatism created a long lasting alliance between them. The bazaars occupied the centers of cities, an area that also included the mosques and Imadrasahs (Islamic seminaries). Merchants and *Ulama* were thus in daily contact. This close contact helped them in their relations with the government: the *Ulama* needed the bazaaris as a financial source to put pressure on the government, while the bazaaris needed the *Ulama's* protection against the arbitrary government bureaucracy. In addition, the merchants were a prominent source of financial support for the religious institutions and their activities.

The bazaar in Iran consists of "a concentrated complex of craftsmen, retailers, and wholesalers which traditionally was the commercial focus of the city and its hinterland" (Bonine, 1981:203). Nearly half a million people are associated with it. Physically, the bazaar consists of adjacent shops and workshops located in connecting passages. These shops belong to craftsmen and retailers and are generally located in specific areas according to type. There are also large open spaces inside the bazaar where wholesaling takes place.

Within the bazaar, *senfs* (guilds) and a committee of senfs or *heyt-e asnaf* have been established in order to govern the bazaar and solve mutual problems. Senf representatives in the *heyat-e ashaf* have traditionally been respected *ostads*, masters of their trade who have acquired the confidence and trust of senf members. Even though elections are not held, senf and other bazaar leaders

emerge largely from among masters of their trade (ostads) who have been bazaaris for a long time and have acquired widespread reputation as being wise, fair, and religious. The heyat-e asnaf is also responsible for resolving internal conflict within the bazaar. Members of the bazaar use their own form of conflict resolution to prevent the state from getting involved in their business. This also indirectly challenges the legal institutions and secular law.

This enables the bazaar community to maintain a high degree of autonomy and avoid possible sanctions that may result as a consequence of government interference in order to strengthen bonds and social ties. Because "of alternatives available, the recourse to traditional forms of conflict resolution is less expensive and less time-consuming and avoids the corruption and bribery that are often associated with the courts" (Thaiss, 1971:190). Often religious leaders are consulted to judge conflicts and provide insightful advice. Although religious leaders do not have means of legal coercion, their judgement is almost always respected and implemented.

During the Qajar era, the government tried to establish some degree of influence in the bazaar by imposing its representatives on the heyat-e asnaf. Government officials included the *darugheh* or market superintendent, *motasseb*, or market inspector, and *kalantor*, or marshall. The government also required that asnaf (plural of senf) pay taxes; one of the obligations of asnaf leaders was to collect taxes from members based on income distribution.

Government representatives began to work with the heyat-e asnaf in order

to resolve problems concerning pricing policies, the minimum quality and quantity for the production of goods, and permission to open new shops. A certain degree of tension began to build up as a consequence of such government interference in the bazaar's business and economic activities.

It is important to note that far from being merely a collection of shops, as might appear on first sight, or a center for petty business activities, the bazaar may be envisioned as an independent socioeconomic phenomenon consisting of religious, commercial, and political elements. "Until a generation ago the bazaar was the true economic and cultural nerve-center of the Iranian society in urban areas" (Taheri, 1978). The economic dominance of the bazaar stretched to the surrounding rural areas as well. Peasants, farmers, and absentee landlords purchased their necessities from the bazaar and sold their agricultural surplus either directly to bazaar merchants or to other buyers, but through bazaar channels.

The bazaar has also provided financial services such as moneylending. Moneylending has been a multi-million rial ($1 = 7 rials) business within the bazaar. It needs also to be mentioned that traditionally, extremely wealthy merchants, as well as small businessmen, artisans, craftsmen, moneylenders, and a wide range of middlemen have been members of the bazaar. Therefore, the bazaar has constituted the backbone of traditional Iranian bourgeois society.

It is also necessary to underline the relation between the bazaar and Shi'ite Islam in Iran before suggesting why the bazaar participated in the 1979

Revolution. In general, Islam has provided the unifying ideology and structure that links the bazaar. "While it is obvious that the commercial idiom provides the raison d'etre for the existence of the bazaar, it is not so obvious that religion is the cement that binds the structure together" (Thaiss, 1971:193).

Bazarris were one of the victims of industrialization and the growth of the capitalist relations of production. The increasing role of the banks and the emergence of modern supermarkets hurt bazaaris a great deal (Geen, 1982:41-42). The regime's policy was to undermine the economic significance of the bazaar in order to enhance the role of the emerging middle class in economic activities. Despite this, the bazaaris played a crucial role in economic activities of Iran. Graham notes that, "Despite the modernization of the economy, the bazaar still controls over two-thirds of domestic wholesale trade and accounts for 30 percent of all imports" (Graham, 1980:224). The independence of the bazaar from the state made the Shah decide to destroy it and replace it with supermarkets.

Islam provides the ideological, judicial, political, and social framework based on Shariat that enables the bazaar to function as an integrated and autonomous system despite the presence of different guilds, professions, and economic interests. Perhaps because Islam integrates the bazaar and provides a sense of continuity within the system, the bazaaris have been very supportive of and closely allied with the Shi'ite institution.

Prior to the Pahlavi regime, the bazaar strictly emphasized traditional

schooling. Urbanites and children of the bazaaris were sent to *makjabkhanehs*, or religious schools, and later *madressehs*, which were religious schools financed largely by private contributions from members of the bazaar. In madressehs closely associated with the bazaar, more practical forms of education such as the use of the abacus, various weight systems, and basic mathematics were also taught.

Aspects of Western civilization, including foreign language, were not taught. In fact, during the early Pahlavi period, those studying topics related to Western civilization were labeled as infidels by clerics and traditional bazaar members. The *Ulama* feared infidel penetration of Islamic society while the merchants' prosperity was endangered by Western competition (Abrahamian, 1982:58-61). It is often maintained that bazaaris constitute a traditional social group who view Western mores with horror (Keddie, 1981:245).

The bazaar also supported religion by channeling large sums of financial assistance toward such causes as construction and maintenance of mosques and sponsorships of various religious activities. The financial and organizational efforts of the bazaar become particularly visible during the religious festivities that celebrate the birthday anniversary of the Mahdi, the Twelfth Shi'ite Iman who went in occulation every year. During the religious ceremonies, millions or rials were spent by the bazaar to feed the masses who participated in related ceremonies and rituals throughout the country. "Even today the bazaaris finance the network of Islamic schools, most of the budget for theological colleges, and up to 80

percent of the support of all clergy" (Zabih, 1979:27). Bazaars in major cities besides Tehran also perform similar functions, although the bazaar in the capital is the most significant.

Against this background, it can be more clearly explained why the bazaar supported the 1979 Revolution. One reason stemmed from the political consequences of the government's overall policies, such as restrictions of meetings of the *heyat-e asnaf* and other bazaar organizations. These policies caused the bazaar to experience a rapid drop in its political independence and influence. The bazaar community lost most of its influence as the regime gradually severed its ties with society's traditional middle class. At the same time, bazaar merchants had some cause to have a sense of relative deprivation.

The Pahlavi regime, pursuing a coercive campaign to strengthen the central government, attempted to impose restrictions on the freedoms of *senfs* and other bazaar organizations in order to limit the independence of the bazaar. The bazaaris saw the Shah's policies as detrimental to their interests. They felt that the rapid growth of banks would undermine their economic independence. As a result, they decided to organize their resources, build closer ties with the clergy, and support Islamic intellectuals in challenging the Shah. In this regard, the bazaaris did two things: First, they organized Islamic cultural and financial institutions to strengthen their position against the regime, and second, they provided material and moral support to the underground Islamic political organizations.

Cultural institutions created by the bazaaris included *Hosseiniehs, Zainabiehs,* and *Fatemiehs*. While the *Hosseiniehs* (after the name of Immam Hossein) were a cultural institutions which both men and women attended, *Fatemiehs* and *Zainabiehs* (after the names of Fatemeh and Zainab, daughters of Mohammad and Immam Ali respectively), were Women's Islamic Centers. The aim of these cultural institutions was to educate people to Islamic values and norms, oppose Western influence, and create an Islamic ideology to replace Western and royal values. Women were especially asked to wear veils as a symbol of resistance against "decadent" Western culture. Among all of these cultural institutions, Hosseinieh Ershad, founded by Mohammad Homayoun (a bazaari from Tehran), became the most prominent. Ali Shariati, the Islamic sociologist, dominated the activities of the Hosseinieh Ershad.

The financial institutions of the bazaaris included interest-free banks (*Sandough-e Qarz-ol Hasaneh*) and also regular banks to resist the monopolization of banks by the government and industrialists. The *sandough-e Qarz-ol Hasanehs* gave small loans to shopkeepers as well as to non-bazaaris. These banks were very popular among small shopkeepers and low-income families who desperately needed loans but could not get them from the state and private banks. Bazaaris also created the *Bank-e Asnaf* and *Bank-e sanaye* (the guilds and industrials banks respectively). By creatiing banks and organizing their resources, the bazaaris were able to establish charity organizations for the orphans and poor and also Islamic hospitals.

Finally, with the bazaaris' help, underground Islamic political organizations were created or reorganized. With the help of the bazaaris, the *Fadayan-e Islam* (whose members were mostly bazaaris) was reorganized. In 1964, this group assassinated Premier Hassan Ali Mansur, who was responsible for granting diplomatic immunity to the American advisers in Iran. Several Islamic underground political organizations were created following implementation of the Shah's reform programs. Some of these organizations such as *Jamiathay-e Moatalef-e Eslami* (The Coalition of Islamic Societies), *Hezb-e Melal-e Eslami* (The Party of the Islamic Nations), and *Hezb Allah* (the Party of God), were created by bazaari members. The aim of these political organizations was to create an Islamic government based on the tradition of the Prophet and Ali's governments. Among these Islamic institutions and groups, only the Party of God and Shariati gained prominence. The government responded by keeping merchants under strict control and the heyat-e asnaf was not allowed to meet without the presence of government representatives. Reza Shah's regime failed to bring the bazaar totally under the control of the central government. However, much to the dismay of bazaar leaders, he succeeded in significantly curtailing their political autonomy.

Mohammad Reza Shah pursued policies that advanced the government's attempts to suffocate the bazaar's political power, although during the period between 1953 and 1963, the bazaar was able to utilize its existing organizational and financial resources to counter the Shah's challenge. After 1963, the Shah

increased the rule of SAVAK (the Secret Police) in controlling the bazaar. A common feeling shared by the bazaari was that SAVAK agents were being planted throughout the bazaar in order to restrict their freedom and autonomy.

The bazzaris also resented the Shah's policies because, as a result of those policies, they were experiencing a rapid deterioration in their economic position relative to that of other groups, particularly the new industrial class. The Shah personally despised the bazaaris and regarded them as a sign of the backwardness of the society. The Shah's regime, committed to capitalism and having tremendous oil income at its disposal, tended to make these financial resources available to the private sector by distributing generous credits through the modern banking system. These credits were more readily available to modern entrepreneurs who were politically in tune with the regime and who could socialize with the bankers in the company of their wives during cocktail parties, than to traditional bazaar merchants who would not drink (in public) and whose wives lacked westernized social graces (Salehi-Isfahani, 1989).

The decline of the economic power and position of the bazaar became particularly visible after the oil boom in the early 1970s. Despite initial gains from the oil boom, the bazaar experienced a significant drop in its economic power. According to one estimate, "the economic power of the bazaar has plummeted in the last 20 years as the state has taken over more than 80 percent of the GNP" (Zabih, 1979:28).

Government policies adversely affected the interests of bazaaris. In 1960,

the regime imposed a stabilization program that led to a recession which lasted for three years. As part of these programs, the government reduced loans to bazaaris, claiming that they had borrowed money from banks and lent it to others at higher rates. The bazaar's economic position began to deteriorate. Shops and commercial centers brought about by modernization and government policies introduced new domestic and international economic forces such as modern entrepreneurs and foreign owned businesses. "The bazaar's economy was not part of the new large-scale industrialization being established in Iran: (Bonine, 1981:206).

The economic power of the bazaar kept declining because an expanding middle class, that had emerged as a result of the ongoing socioeconomic changes, began to establish rival commercial centers that took away from the bazaar's revenues. Doctors, lawyers, instructors, engineers, technocrats, businessmen and other professionals formed economic activities. The competition became most fierce after the mid-1960 when new businessmen and industrialists created expanding and large-scale capitalist ventures. This emerging class of businessmen penetrated the trade and service centers which were previously under the control of the bazaar. The nouveau-riche businessmen were particularly threatening to the bazaar. They were not only responsible for large-scale industrial and agricultural ventures, but they also organized and expanded the banking centers that bypassed the bazaar. During the 1970s the capacity of the bazaar was undermined. In the years prior to the revolution, the

commercial sector faced a diminishing social status despite its economic significance. In 1966, merchants and shopkeepers represented approximately 16 percent of the urban workforce (Table 1.1). Ten years later, their proportion had declined to roughly 13 percent. Similarly, artisans, defined as self-employed producers of manufactured goods, accounted for 5.62 percent of the urban workforce in 1966, and 4.31 percent in 1976. As a result, the bazaar's money lending institutions and credit system were seriously enfeebled.

The new businessmen and industrialists created the wealthiest group in the Iranian private sector and, although maintaining some ties with the bazaar, established their own economic and social centers. They also threatened the social culture of the bazaar by rejecting its traditions, such as closing the shops at noon to give the employees time to pray.

Another factor that seriously hurt the economic standing of the bazaar was the development of huge government owned and financed industrial units after 1963, such as steel and electricity. This fact, along with the formation of the banking system, served to accelerate the decline of the bazaar's financial institutions.

Yet another cause for the financial decline of the bazaar was the near monopolization of lucrative international trade by the government. Prior to the 1970s, the bazaar dominated the sphere of import and export trade. However, government policies stripped the bazaar of its monopolization in the area of import and export of non-heavy industrial goods and processed foodstuff by giving the

export and import licenses to individuals who were politically and ideologically in tune with the regime (Wilson, 1987:3-4). By the late 1970s, the commercial sector outside the bazaar had grown to several times the size of the bazaar. A new commercial sector dealing in luxury goods had emerged outside of the central bazaar along with import-export firms and department stores, none of which followed the bazaari's politics.

It is important to note that the bazaar's economy was experiencing a conspicuous decline in spite of expectations to the contrary. Members of the bazaar community originally expected to reap huge financial gains as a consequence of the flooding of the national economy with soaring oil revenues. GNP rose by eight percent per annum in the 1960s, by 14.2 percent in 9172-73, by 30.3 percent in 1973-74, and by 42 percent in 1974-75. GNP reached $54.6 billion by 1975, a $37.3 billion increase in only six years. Initially, revenues for the bazaar did soar. A sudden growth in the nation's economy following the 1973 oil price hikes allowed for widespread circulation of money throughout all major government sectors including the bazaar. In 1974 alone, current expenditure by government increased by 125 percent, and the national budget jumped by approximately 125 percent for that year. As a result, the bazaar experienced initial rapid economic activity. Despite a relative decline in terms of monopoly in the area of import and export, bazaaris controlled most of the national trade in the 1970s, including more than two-thirds of the nation's domestic wholesale trade and more than 30 percent of all imports (Graham, 1979:221).

Table 1.1. Workforce Employed in Urban Commerce and Handicrafts

Category	1966	% Total	1976	%Total
Total urban worker	2,610,294	100.00	4,112,636	100.00
Employed in commerce	420,260	16.09	540,289	13.13
Self-employed in manufacturing	146,736	5.62	177,401	4.31

Source: Statistical Center of Iran, 1966 and 1976.

Bazaar moneylenders, comprising several hundred individuals, controlled approximately 15 percent of the private-sector credit (Graham, 1979:221).[3] Their independent economic resources enabled them to engage in collective action without losing their jobs or immediate livelihood. Bazaaris also sold goods to shopkeepers throughout the country on the basis of extended credit. This practice created a dependent relationship in which bazaaris exerted additional influence over the commercial sector outside the bazaar.

It has to be noted that the consequence of bazaari opposition is that their collective actions often had broader consequences, going beyond their own sector. There are specific mechanisms which underllied the bazaaris political dynamics. First, the bazaar rested on some sort of de facto coalition between the mercahnts and the petty bourgeoisie. Second, the bazarris political experiences had direct bearing on the politics of religion.

However, for reasons already mentioned, contrary to expectations, bazaaris at most levels and occupations began to experience financial setbacks. Some were able to benefit tremendously by transferring their capital and other resources to the expanding industrial sectors. Others were able to adapt their enterprises to the newly emerging conditions. But that shift failed to prevent the overall decline of the bazaar.

3This estimate of the number of moneylenders is for the mid-1960s (Benedick, 1964:66).

The economic foundation of the bazaar encountered a severe, backbreaking jolt when the government launched anti-profiteering war in early 1975. One merchant summarized the concern of most bazaaris: "if we would let him, the Shah would destroy us.... The banks are taking over. The big stores will be given most of our business. The bazaar will be flattened so new buildings can go up" (quoted by Kandell, *New York Times*, November 7, 1978). The bazaar response to its deteriorating economic standing was to slow distribution of goods in the market in order that the simple economic laws of supply and demand would cause prices to increase in order to compensate for their weakening economic base. The bazaar also increased sale prices on goods still under its monopoly, perhaps as a response to a spiraling inflation brought about by the rise in oil revenues.

In any case, whether bending to mounting pressure by frustrated customers, or attempting to further weaken the position of the bazaar in Iranian society, the government responded sharply to daily price hikes on goods and services by launching a major anti-profiteering campaign. Engineered by newly-appointed Prime Minister Jamshid Amouzegar and put into execution by the member of government, Mahdavi, himself a former bazaari, the plan consisted of several steps. First, guild chambers such as the chamber of commerce, patterned after Western models, were created in order to replace the traditional system of informal leadership and organization in the bazaar, posing a direct challenge to the bazaars economic and political base. Second, the guild

chambers, with the backing of the regime, were granted the mandate to implement any form of economic or political control and to impose price controls. Finally, several thousand sympathetic people consisting of middle class professional working people were organized by the regime and unleashed upon the bazaar in order to confront the profiteers directly.

In August 1975, as part of the anti-profiteering campaign by the regime, prices of sixteen thousand items officially reverted to their January levels. The government set the profit rate at 14 percent even though inflation, according to the regime's own report, was at least twice that figure. Prices were fixed at the retail market level where merchants operated, but no serious controls were imposed on factories that produced and priced commodities, nor were restrictions placed on the small number of large importers. In the first few days of the campaign, 7,750 shopkeepers were arrested (*Kayhan International*, August 8, 1975). By October 1977, approximately 109,800 Tehran shopkeepers, out of a total of 200,000, had been investigated for price-control violation. (*Etela'at*, October 27, 1977). In the month of April 1977 alone, the government imposed 600 million rials in fines for profiteering, mostly against shopkeepers in the bazaar (Bashiriyeh, 1984:103). According to the Ministry of Interior, 20,000 shopkeepers had been jailed by the end of 1977. By the fall of 1978, the nationwide total of shopkeepers in violation of the controls was 220,000 (*Etela'at*, September 26, 1978).

The anti-profiteering operation was later abandoned when Ja'afr

Sharif-Emami was appointed prime minister to succeed Amouzegar. By the fall of 1978, it was clear that the campaign had been a disaster. It failed to stem Iran's burgeoning inflation. The masses whom it was supposed to aid felt manipulated. The euphoria and catharsis which stemmed from the anti-profiteering campaign contributed importantly to the proclivity for revolutionary action in 1978. Those cases waiting to be heard were dropped and the anti-profiteering army was terminated. However, these measures were taken at a time when the revolutionary momentum was already building. That is largely why the new prime minister was appointed by the Shah in the first place. Therefore, the new policy did not calm the frustrated members of the bazaar community or impede the revolutionary processes already under way.

The anti-profiteering campaign clearly sparked the growing anti-regime resentment within the bazaar. Besides causing a financial crisis for many members within that community, it denigrated prominent bazaaris who were being jailed. In one instance, "the wealthiest businessman in Tabriz, a man said to be worth $1 billion dollars in annual business turnover, was sent to jail on the eve of New Ruz (Persian new year)" (Taheri, 1978). Sending a prominent member of bazaar to jail was considered a major insult and could damage his standing in the community where billions of rials in credit were granted based purely on reputation.

The government also deployed other means and resources to denounce the bazaar as an institution. The mass media, television, radio, and major daily

newspapers were utilized to portray the bazaar as the culprit behind any of Iran's economic problems, including the cause behind the rising prices of common goods. In its campaign against the bazaar, the municipality continued to ignore the pleas by the bazaar community to renovate building and structures in the bazaar, let alone provide government funds to expand. To make matters worse, in 1978, the municipality, with the backing of the government, even announced plans to construct an eight-lane highway that would cut through the center of the bazaar. This plan was later shelved.

Concurrently, the government broadcasted another decision aimed at debilitating the already strained financial base of prominent bazaari. Then Minister of Health and Social Welfare Shoja'eddin Shaikol-Eslamzadeh announced that a new social security system was to be implemented which would encompass all bazaaris and shopkeepers.

This controversial design required that all bazaaris report the number of their employees for tax and social security purposes. The plan called for them to begin paying their employees social security dues. Previously, the government had provided social security funds. A couple of weeks later, the Ministry of Health and Social Welfare announced that the bazaaris were also responsible for paying social welfare to part time and temporary employees. There were at that time a large number of part-time employees, such as summer time students who worked in shops and factories belonging to members of the bazaar community nationwide. The number of part-time employees had grown with the increase of

minimum wages set by the government. This decision raised major concern among the bazaaris. First, they were being asked to pay social security funds to full and part-time employees which would obviously take a big bite out of their profits. Second, they feared that the government would use the employment figures to demand higher tax rates. The bazaar has traditionally been hesitant to pay taxes to the national treasury because its members have generally mistrusted the central government and its corrupt officials. The issue of paying higher taxes had become particularly sensitive during this time because the bazaaris felt that this money was being either embezzled by corrupt members of the royal family and government officials, or would be allocated towards projects that would be more harmful than helpful for the bazaar as a whole.

This plan was shelved when Sharif-Emami replaced Amouzegar in 1978. But by that time, the economic and psychological image that had resulted from policies such as the anti-profiteering campaign and the implementation of a social security system seemed irreversible. In many cases, "businesses simply decided not to take in any transients, thus losing part of their production while preventing many families from getting the extra income they hope for" (Taheri, 1978).

Another measure taken by the Amouzegar government to fight spiralling inflation also caused tremors within the bazaar community. The government began to impose a credit limitation in order to slow unmanaged economic growth, seen by many Western- educated Iranian economists as a major cause behind inflation. Naturally, the credit squeeze affected merchants and businessmen

within the bazaar whose enterprises began to experience withdrawal symptoms, after having been inclined to a rapid economic growth that had come about following the oil boom. Clearly, the bazaar's economic foundation was being threatened as a consequence of hostile government policies. But as indicated, other effects of the government's modernization process such as erosion of the bazaar's traditional socioeconomic, political, judicial and cultural/value systems also aroused the bazaar's sharp resentment toward the regime. Without the existence of any interest groups or political parties to represent the bazaar, they showed a natural inclination to merge with the Shi'ite clergy, who, as has been noted, had their own reasons to oppose the regime.

The Shah's policies adversely affected the bazaaris' economic interests, organizational structure and capacity for mobilization. The bazaar's economic inteests were affected by the regime programs. The government's industrial and financial policies reflected an antibazaar attitude. The licensing system and credit polcieis were designed to favor members of the Iranian dependent bourgeoisie and foreign capital. Subsidized rates considerably below the market price were available only to large enterprises, whereas small shopowners and crafts people were starved even for unsubsidized bank credits (Keddie, 1981: 171). The bazaaris' capacity for mobilization was also affected by the regime's policies. Craftsmen and retail traders were organized into guilds by type of occupation. Guilds served as an organization based for mobilization. The guilds came under the direct control of the government. A 1957, law provided the guilds with legal

status, stipulating formation of the High Council of Guilds, consisting of representatives from different guilds. The law also determined that the government general would be the chairperson of the high council. The regime's aim was to undermine the bazaaris' organizational structure. An important part of the explanation of the significance of bazaaris in the political conflicts lies in the particular structure of the central bazaar. This structure can generate a strong capacity for mobilization and collective action in times of conflict. In most major cities, the central bazaars are concentrated in a single location, in narrow alleys under covered roofs. The concentration and proximity of shops facilitate communication. Proximity and dependence on similar commodities for livelihood can create a common fate with respect to market conditions, changes in technology, and external factors of production such as the role of the state in business. These conditions can generate strong solidarity during periods of crisis and conflict, especially when various segments of the bazaar are faced with a common enemy. The Shah endorsed the physical destruction of the bazaar and the establishment of new shopping centers outside the bazaar. This was done in two ways:

> Firstly, by building new state schools, new housing and new shopping centers outside the bazaar, while within the bazaar streets were widened--a euphemism for imposing a modern grid-iron pattern of roads on the narrow alleyways. Secondly, to cut the bazaari middlemen in 1976, the government conceived of building a new market in Tehran, based on London's New Covent Garden (Graham, 1979: 22).

Although not immune to change, the bazaar remained an essentially

traditional force in society. In the 1960s and 1970s the most eminent merchants were still of a generation that had received a traditional education. Regular interaction with the *Ulama* continued at the weekly meetings of religious associations; bazaaris still maintained traditional ways of conflict resolution, eschewing the modern courts of law, associated in their minds with corruption and bribery, in favor of arbitration by trusted *Ulama* according to Islamic guidelines (Fisher, 1977:180-181). After his fall, the Shah openly discussed his dislike for the bazaar:

> Bazaars are a major social and commercial institution throughout the Mideast. But it remains my conviction that their time is past. The bazaar consists of a cluster of small shops. There is usually little sunshine or ventilation so that they are basically unhealthy environs. The bazaaris are a fanatic lot, highly resistant to change because their location afforded a lucrative monopoly. I could not stop building supermarkets. I wanted a modern country. Moving against the bazaars was typical of the political and social risk I had to take in my drive for modernization (Pahlavi, 1980:156).

In sum, bazaari mobilization and collective action during this period can be explained in terms of a combination of their economic interests, organizational weakness, and the opportunity for collective action. Government policies directly challenged the interests of bazaaris. In the initial stages, bazaaris mobilized along with modern, secular groups who were demonstrating against the government. In Tehran, the location of the largest bazaar in terms of volume of trade, number of bazaaris and capital, the bazaaris' first opportunity to mobilize occurred in March 1977. Bazaaris initially indicated their opposition to the government by supporting striking university professors and students who were

protesting the government decision to move their campus from Tehran to Isfahan. In retaliation against the strike, the government cut faculty salaries. Bazaaris, along with university students, quickly established funds to pay faculty salaries in full.

The death of Ayatollah Khomeini's son in Iraq also provided the bazaaris with an opportunity to express their opposition to the Shah and respect for Khomeini. Bazaaris and a number of anti-regime political leaders signed statements calling for a mourning ceremony on October 29, 1978 to mark the seventh day of his death. In Tehran, bazaaris closed their shops to attend the ceremony. This was a political rather than a purely religious act (Dorraj, 1990).

In January 1978, troops attacked a student demonstration in the religious center of Qom led by clerical students who were protesting the publication of an anti-Khomeini newspaper article. Bazaaris in Tehran and major cities shut down the bazaar after these massacres occurred. Throughout these conflicts, bazaaris engaged in various other actions in addition to closing their shops. Bazaaris financed many mosque activities, and some shopkeepers actively promoted religious ceremonies and other gatherings held in the mosques, which in some crucial cities caused them to be arrested (Arjomand, 1988). These activities were in politicizing the masses. Government policies directly challenged the interests of bazaaris. The government policies violated the interests of merchants and shopkeepers, forcing them to engage in collective action in order to defend their socioeconomic and political interests. The sustained struggle of the bazaaris, in

turn, provided an opportunity for other social classes and political groups to confront the Shah's regime. By themselves, however, bazaaris and clergy could not have overthrown the government, just as they were unable to do so in 1963. The participation of other social classes was essential for a political transformation. The most important of these groups and classes to oppose the government were industrial workers, white-collar employees and professionals.

The Urban Working Class

1 History of the Working Class

Yet another important group that participated in and critically influenced the outcome of the 1979 Revolution was the urban/industrial wage-earning working class. In the early 1900s, most of Iran's labor force was involved in the agricultural sector, and according to one estimate "as late as 1946, 75 percent of the workforce remained in this sector" (Halliday, 1979:173). But these figures began to change as Iran embarked on industrialization programs. By 1966, nearly half of the working class had become engaged in non-agricultural work, and by the late 1970s only 33 percent remained in the agricultural sector. "Out of a total labor force of 10.6 million in 1977, an estimated 6.8 million worked outside the agricultural sector, of these a full 2.5 million, or close to a quarter of the total, were employed in manufacturing of some kind (Halliday, 1979:173).

The working class as defined here will refer to wage-earning urban/industrial unskilled, semi-skilled, and skilled labor. In the case of Iran, a

large portion of these workers were active in the construction, manufacturing, assembly processing, and petroleum industries.

In light of the fact that the Iranian working class has a history of engagement in opposition movements and protests, a quick overview of the political involvement of the working class may be useful in order to set the background for further analysis. According to an Iranian scholar, the working class first became involved in a labor movement of some significance during the period of power vacuum when Reza Shah abdicated the throne and was succeeded by the young and inexperienced Mohammad Reza Shah. "In some areas, notable in the coal fields of Shamshak near Tehran and in the textile mills of Chalus and Sari (near the Caspian Sea) workers spontaneously took advantage of the power vacuum to form their own unions and even occupy the local factories" (Abrahamian, 1982:347-348).

During this time, the number of strikes increased significantly throughout various industries, and the labor movement acquired a level of significance in Iranian politics. An indication of the growing influence of the labor movement occurred when in 1946 prime minister Ahmad Qavam, under pressure from the Tudeh party announced a relatively advanced labor legislation that included setting minimum wages based on local food prices, banning child labor, eight hour work days, six days per week, paid vacations, and the right for unions to organize and negotiate with employers. During the 1940s and 1950s the Tudeh party demonstrated more regional influence than government officials, which showed

the influence of the anti-government forces in the labor movement. According to the British Council in Ahwaz, "the effective government of the Province (of Khuzestan) has passed into the hands of the Tudeh (Abrahamian, 1982:361-362). During the period between 1951-53, the Tudeh party called for the nationalization of the oil industry and increased worker benefits. In February 1951, it engineered widespread strikes among oil industry workers that later spread to other industries and cities. These strikes not only demonstrated the influence and capabilities of the Tudeh party, but showed that there was a conspicuous increase in the number of urban/industrial workers in Iran and that they could be mobilized within a collective political movement (Ladjevardi, 1985).

Following the 1953 coup that brought the Shah back to the throne, the activities of the Tudeh party were banned, and labor unions were brought under tight control. The Shah's repressive policies and the establishment of government-controlled labor unions constrained the political behavior of urban/industrial workers. However, before the 1979 Revolution, once again after having been dormant since 1953, the urban working class became very active. This analysis will look at two different groups within the working class, the recent rural-urban migrants and the established industrial working class.

2. Rural-Urban Migrants

In order to understand why the rural-urban migrants participated in the 1979 Revolution, it is necessary to analyze why so many came to cities. It seems

very logical to assume that large migration to urban areas was sparked by economic considerations. It will be explained below how the Shah's economic policies and unsuccessful land reform were hurting the agricultural sector. With the exception of agribusiness, which was being supported by the regime, most other types of farming and rural agricultural activities were experiencing rapid economic decline, and the farmers' share of income continued to drop. Factors such as annual increases in the cost of obtaining fertilizers, pesticides, tools, and other farming essentials coupled with water shortages that resulted from the government's unwillingness to upgrade or maintain irrigation systems, led to the regression of the agricultural sector.

Another reason why agriculture declined, thus leading to more rapid rural-urban migration, was that slots of farming land in and around villages were being divided among growing numbers of rural families. While rural economics was experiencing a retrogression, farmers were becoming aware of the growing demand for unskilled, semi-skilled, and technical labor in labor centers that promised to be more lucrative.

It has been suggested that general rising unemployment in rural areas also drove people to migrate to urban centers. According to Farhad Kazemi, by 1971 there was a rural unemployment rate of 39 percent. Upon surveying small village migrants to Tehran in 1977, Kazemi found that 85 percent of the male heads of household decided to migrate because of "unsatisfactory employment and inadequate income in their villages" (Kazemi, 1980:44). As a result, since the

late 1950s, a large section of the rural population ranging between 20 and 40 years of age began to migrate to cities. Already by 1963, 68.9 percent of all factory employees in Tehran had been born in villages.

The rate of migration from rural areas to urban centers accelerated after the early 1960s as oil revenues fueled economic growth. The urbanization process can be visualized in terms of rapid increases in the population of cities. According to the government census, in 1956 Iran's urban population was 31 percent. But by 1967 it was 47 percent, with Tehran experiencing the most dramatic changes. By mid-1970 Tehran's population was approximately five million compared to nearly one million in 1950. Its population increased at roughly six percent per year to reach 3.2 million between 1960 and 1970, and by 1976 continued at a rate of 4.2 percent per year. By this time, roughly 13 percent lived in Tehran alone (Graham, 1978:24).

The question is why the growing army of urban workers participated in the revolution that eventually toppled the Shah's regime. The economic standing of most city workers was severely affected by the anti-profiteering campaign. As already noted, in an attempt to curb inflation, the Amouzegar government slowed the pace of economic growth and impelled a freeze on wages of factory and construction workers who had become accustomed to post oil boom annual wage increases. Their daily income had climbed at the rate of 33 percent annually, from $1.20 in 1970 to over $5.50 in early 1977 (Abrahamian, 1978:511). "Between 1974 and 1978 the general index of the wages of construction workers

rose from 100 to 275.6 percent" (Katouzian, 1981:277).

Many workers saw wage freeze as a financial threat, particularly as the shortage of products and black markets caused prices of essential goods to climb. The economic standing of these workers eroded even further as real estate and housing values, which were already artificially high, continued to skyrocket. Rise in unemployment also contributed to the intensified feelings of disillusionment among many rural/urban migrants. In the decade after 1963, unemployment rates were very low. "The swelling population of the cities was absorbed in the industrial work force" (Cottam, 1979:8).

However, since the late 1960s, Iran's economy began to experience rising levels of unemployment. Unemployment became a major factor just before the outbreak of the revolution. According to one study, by July 1978 nearly 400,000 were unemployed, a sharp increase over previous years. This was largely because of the slowing down of economic growth brought about by failures of overly ambitious industrial projects and by the anti-profiteering campaign which intended to adjust Iran's economy to the realities of the post oil boom recessionary markets and the failures of overly ambitious industrial projects. Economic growth also slackened because there was a noticeable percentage of blue collar industrial labor shifting to the service sector in concurrence with a severe shortage of skilled labor that was required to manage the industrial schemes.

Because of the tremendous momentum in construction, this sector

continued to remain active for a while longer before the recessionary policies caught up. As other sectors slowed, construction continued to attract rural migrants and many industrial workers. Employment in this area mushroomed. Approximately 667,000 people engaged in construction work and 73,000 joined other sectors totaling 740,000 (Scoville, 1985:150).

However, the new economic realities finally effected the service sector, particularly construction. Massive construction and related projects were shelved. One consequence, as already mentioned, was a sudden and dramatic drop in wages for construction workers, in some cases up to 50 percent. Another effect was the steep rise in unemployment. The supply of jobs for unskilled labor fell while the demand continued to rise.

According to various observers, prior to the revolution there was substantial unemployment among the unskilled. By mid-1977, "unskilled peasants who had migrated to the cities were unable to get work or thrown off the jobs they managed to find" (Stemple, 1981:81). This raised the problem of "the urban unemployed finding only poverty after coming to the cities to seek their fortune" (Stemple, 1981:81). Their expectations were crushed, particularly in light of the fact that the "rural-urban migrants were in fact better educated than the rural average and far better educated than their fathers" (Katouzian, 1981:44).

Iran's central bank, Bank Markazi, reported that 900,000 were unemployed during 1977-1979 in Iran. Other reports and observations point out the level of underemployment was also rising. The levels of underemployment and

unemployment continued to climb in the following years and reached their zenith immediately before the revolution. An army of unemployed city dwellers was formed. As "several million unemployed and grossly underemployed, many of whom were recent migrants, were roaming the streets of Iran's cities" and "the economic stage was set for the revolution" (Scoville, 1985:153).

One immediate consequence was a conspicuous expansion of shanty towns around Tehran, particularly in the southern tip of the city. One such town was named *Halabi Abad* (Tin Town), largely because the homes were mostly constructed from tin and other metal scraps.

It is safe to assume that a fairly large number of participants in the revolution consisted of first generation urban migrants who could no longer relate to their original rural social and cultural roots, who felt betrayed by expectations of an improved living condition in the city. Most members in this category were either illiterate or had completed elementary education at best and were generally unskilled. As a consequence, their expectations of positive social mobility as defined by the pre-revolutionary system and general improvement in living standards were gloomy. Members within this group carried with them a strong sense of religious culture that had been cultivated by their rural backgrounds (Tarrow, 1992). Islam in general and Shi'ism in particular, has always been an important aspect of rural culture in Iran. Therefore, the utilization of Shi'ism as a mobilizing revolutionary ideology was very effective among this sector of the urban population.

The clergy referred to Shi'ism as ideology that, when implemented, would bring about immediate improvements in the economics and social condition of the *Mastazafin* (deprived). A theme that was echoed in most religious gatherings was that the *mostazafin* have experienced enough suffering and now it is their turn to live comfortably with the help of the Islamic Revolution.

The economic implication of the revolution was presented in more tangible, monetary terms. The *mostazafin* were promised by the religious leaders new homes and allowances. As a result, they interpreted the consequences of the revolution in light of economic and psychological gains.

It could be concluded that a large number of the revolutionary masses consisted of first generation rural-urban migrants who were facing economic, social and psychological pressures, while having expected otherwise, and who were impressed by the pledges of the Islamic Revolution that their conditions would be ameliorated.

3) Industrial Workers

Among the working class, another group that was active in the revolution was the veteran industrial workers consisting of workers who had managed to adjust to the urban industrial milieu or were well-established skilled and semi-skilled employees in their respective professions. This group was basically engaged in industrial work, in contrast to the previous group of urban workers who were mostly involved in construction.

Beside having actively participated in the revolution, this sector contributed significantly to the revolution by staging major strikes that brought much of industrial activity to a virtual standstill. In particular, workers in the petroleum industry orchestrated strikes that denied the regime its chief source of income. With these factors in mind, it is reasonable to conclude that the industrial workers played a paramount role in the revolution, particularly in light of the fact the rapid industrialization process that had commenced in Iran since the late 1950s had led to significant increases in their numbers. (Table 1.2).

It must also be mentioned that the general level of socio-political awareness among the industrial workers was increasing. This was largely a consequence of several factors. First, the highly organized Tudeh party used its resources, particularly party members estimated to be less than 10,000 who were employed as factory workers, to introduce and discuss appealing Marxist doctrines to workers. Second, the workers access to information was being extended as underground pamphlets and radio stations operating from the Soviet Union, the United States, Israel and Western Europe, particularly the BBC, extended their Farsi broadcasts. And third, veteran industrial workers were being exposed to the more politicized and radical views of their children, who had acquired higher levels of education in local educational institutions.

After the 1953 coup, the Shah's regime attempted to control the political activities of the industrial labor force. The rapidly increasing numbers of industrial labor and their previous involvement in political opposition movements impressed

Table 1.2 The Iranian Labor Force and Class Structure, 1956-1977 (in Thousands of Dollars)

	1956	As % of Labor Force	1977	As % of Labor Force	Change from 1956 to 1977 (as % of Labor Force)
Predominantly new middle class sectors:	(852)	(14)	1907	(18)	(+4)
Government Services	248	4	780	7.4	+3.4
Banking and other Services	582	9.6	1040	9.8	+0.2
Utilities	12	0.2	65	0.6	+0.4
Oil	(10)	(0.2)	(22)	(0.2)	(0)
Predominantly traditional bourgeois sectors:	(563)	(9.3)	(1005)	(9.5)	(+0.2)
Commerce	355	5.9	725	6.8	+0.9
Transport and Communications	208	3.4	280	2.6	-0.8
Predominantly working-class sectors:	(1167)	(19.2)	(3513)	(33.1)	(+13.9)
Construction	336	5.5	980	9.2	3.7
Mining and Manufacturing including					
Industiral workforce	--	--	(700)	(6.6)	--
Employed in handicraft and small workshops	--	--	(1780)	(16.8)	--
Oil	(15)	(0.2)	(33)	(.03)	(+0.1)
Predominantly peasant sector:	(3326)	(54.8)	(3800)	(35.8)	(-19)
Agriculture	3326	54.8	3800	35.8	-19
Wholly unemployed	158	0.3	375	0.4	+0.1

Source: Halliday, Fred. 1979. *Dictatorship and Development.* New York: Penguin Books.

upon the regime the need to recognize the potential political threat that could be initiated by them.

Consequently, the regime sought a corporatist strategy in order to restrain independent activities by the industrial labor force that could be threatening to the power of the state. The foundation for the corporatist structure was set in the labor law by which existing unions were disbanded and where only government sponsored syndicates could be formed. In 1959, the government passed a labor law that required every labor union to be approved by the Ministry of Labor. Each new union had to submit a copy of its proceedings, constitution, biography of it members, and pictures of its elected leaders to the Ministry of Labor. These unions were placed under strict limitations and were only allowed to "conclude collective agreements, to purchase, sell, and acquire movable and immovable property on condition that it is not for commercial purpose of with a view to profit" (Halliday, 1979:203). The law omitted any mention, even in theory, of workers' right to strike: a change in the law introduced in 1964 noted that in cases where disputes were not resolved by mediating organs, workers could declare a strike. Finally, the law made it clear that "syndicates, unions, and confederations shall not be entitled to interfere in political affairs. They may, however, in cases of safeguarding their trade and economic interests, express tendencies towards and cooperate with political parties (Ghotbi, 1978:14). In April 1974, the senate passed a new law punishing "industrial saboteurs." The law authorized the government to establish the Office of Security Affairs, which supervised all

activities in ten major industries, including steel, petrochemicals, gas, aluminum refining, the machine-tool factories, and helicopter and airplane manufacturing. The regime objective was to structure the relationship between the industrial workers and the state without politically activating them. "The industrial working class was the principal object of state corporatist control by imposing upon it official organizations" (Bashiriyeh, 1984:43).

Furthermore, the regime complimented the corporatist strategy with the carrot and stick approach. On one hand, by demonstrating its repressive instruments; i.e., SAVAK (secret police), the state made it rather clear that independent labor unions and their opposition to government would not be tolerated. On the other hand, it provided the labor force with certain tokens of goods, demonstrating a willingness to resolve employer-employee conflict, and announcing a plan aimed at bringing about profit- sharing in industry. The latter was incorporated within the 1963 White Revolution (Ladjevardi, 1985). The plan for industrial divestiture ordered the sale of 49 percent of 320 private companies and 99 percent of the state-owned factories. Shares were to be offered first to the companies' employees and then to the general public. A special government-financed institute was established with a $15 million in Capital to facilitate the purchases. At the time, the government estimated that one million industrial workers would benefit. The Shah stated, "We are always more steps ahead in satisfying the workers and peasants demands than what they would expect themselves" (Bashiriyeh, 1984:91). But by July 1977, only 72,235

industrial workers had purchased company shares. The state assumed responsibility for the construction of roads, harbors, airports, heavy industry and the provision of a financial infrastructure such as the state-sponsored banks. Public investments began to increase in the 1960s and 1970s. According to Table 1.3 during the Third Plan, of the 66 billion rials invested, 20 billion rials (30.3 percent) belonged to the public sector. For the Fourth Plan, public investment reached 125 billions of rials or 41.7 percent and during the Fifth Plan, of the total 556.4 billion rials invested, 246.4 rials or 44.3 percent belonged to the public sector. The shares and private sector were 69.7, 58.3 and 55.7 percent of the Third, Fourth and Fifth Plans respectively.

The corporatist structure of state-labor relations continued through the 1970s, intensifying with the establishment of the Rastakhiz Party in 1975. The idea of the Rastakhiz Party (The Resurrection Party) had been suggested to the monarch in the early 1970s by a group of relatively young intellectuals drawn from the universities and middle-level government offices. In 1975, the Shah announced the establishment of the Rastakhiz Party. The Rastakhiz Party came into existence because the previous two-party system had failed. The system had maneuvered itself into a political impass in which it had become virtually impossible for the opposition party to attack the government without appearing to criticize the Shah's policies. The Rastakhiz Party consisted of special branches and committees that were set up in order to strengthen and to make more efficient the relations between labor and state.

Table 1.3 Private, Public and Total Investment in Industry and Mining from the Third to the Fifth Plans (in Billion Rials)

	Third Plan 1962-1967	Fourth Plan 1968-1972	Fifth Plan 1973-1977
Public investment	R20 (30.3%)	R125 (41.7%)	R246.4 (44.3%)
Private investment	47 (69.7%)	175 (58.3%)	310.0 (55.7%)
Total	66 (100%)	300 (100%)	556.7 (100%)
Ration of Public to Private Investment	0.43	0.71	0.79

Source: Central Bank of Iran, Annual Report, 1978.

The Rastakhiz Party failed to provide labor with a forum by which it could be represented in the political process. This helps to understand why industrial workers participated in the 1979 Revolution.

First and foremost, it must be emphasized that the type of state corporatism being implemented in Iran since the mid-1959s prevented the formation of a legitimate means of communication and linkage between the state and labor. The channel of communication between state and labor was one way, from the top. Labor demands, needs, and grievances were not adequately being communicated to the top leadership. And when an attempt was made by industrial workers to present their political and economic demands to the regime, state appointed labor leaders would intervene to alter the demands in order that the state leadership would not be offended. In addition, there was no legitimate political institution that would enable labor to participate or be represented in the political process. Furthermore, the various syndicates that existed under the watchful eyes of the government were severely restricted in their sphere of operation and were not allowed to confederate.

Having underlined these points, particularly the fact that labor did not have access to proper channels and institutions to represent itself, it is now relevant to focus on the economic reasons that inspired labor to participate in the revolution. An apparent reason why many among the working class joined the revolution was that they began to experience a conspicuous drop in their economic condition following the mid-1970 recession. With rising inflation, especially after 1973,

workers' situations worsened. Government figures for wage level in large factories, defined as plants employing ten or more workers, reveals that 73 percent of the working population received an income below the statutory minimum living wage (Halliday, 1979:190).

As many observers of Iranian politics have noted (Razavi, 1984, Amjad, 1989), the abrupt slowing of economic growth that come about during the Amouzegar administration played key role in triggering working-class protests. Prior to the recession, ambitious development projects had virtually eliminated unemployment for the working class and even created the need to import labor. Under these circumstances, the workers continued to benefit from annual rising wages and bonuses. The daily minimum wage set by the state continued to climb annually. The official daily minimum wage soared from 80 rials in 1973 to 210 rials in 1977. "With regard to wages of unskilled and skilled workers between 1970 and 1977 urban wages outpaced the 90 percent rise in consumer prices" (Abrahamin, 1982:511). Another study of the 21 key industries by Bank Markazi revealed that their average wage increased by 30 percent in 1974-74 and 48 percent in 1975-76 (Rouleau, 1976).

Amouzegar's recessionary policies brought about reductions in annual wage increases, and in some cases caused wages to drop. Recessionary policies also led to a rise in unemployment. This development has already been explained in the previous section. Unemployment and underemployment became prevalent within the society. The majority of the rural migrant workers fell into the

category or underemployment. They held jobs in the most unproductive segments of the service sectors such as washing cars, selling lottery tickets, and other menial jobs.

In response to these developments, the Shah explained and justified the new "Get tough" policy. *Kayhan International* published the Shah's interview where the monarch lashed out at workers for being paid vary high wages and not being as productive as they should be. He stated, "This is intolerable. Those who don't work, we shall take them by the tail and throw them out like mice" *(Kayhan International*, October 26, 1976). The Shah's message to the people in general, and the workers in particular, was that they had to make sacrifices by "tightening their belts: and lowering their overall expectations.

The intensification of the "get tough" policies led to a number of strikes by industrial workers during 1978. Strikes in the factory and in the oil fields were initially over economic matters, but then became directly about political issues. Beginning with the oil boom of 1973, strikes in major industrial establishment began to increase from just a few in the 1971-1973 period to over twenty-five or thirty per year from 1975 on (Halliday, 1979:206). According to Table 1.4, there were about twenty-seven major strikes per year in 1975 and 1976. By the end of 1978, strikes were widespread and infested all sectors of the economy. For example, employees of the electric works, water system, and an industrial complex near Tehran went on strike to protest the cancellations of their annual bonuses. More than 600 sanitation workers in Abaden also struck because they

were not provided with health insurance, annual bonuses, and a 20 percent wage increase to match the year's inflation. In other cases, 1750 textile workers in Behshar, 2000 employees of the machine tool factory in Tabriz and other employees in the Fara Paper Mill Plant and car assembly plants in Tehran stopped work to demand free union elections and continuance of annual bonuses (Abrahamian, 1982:512). Most significant was when workers of the petroleum industry in Khuzestan province also joined the strikes demanding shortened working hours, freely elected labor unions, annual bonuses, and freedom of the press. The role of oil workers' strikes during this period was distinct from that of other industrial workers because they controlled the nation's most vital economic asset. In addition, oil workers shared certain characteristics that increased their likelihood of politicalization. They numbered over thirty thousand and were heavily concentrated in specific oil-producing regions, which enhanced their capacity for communication, mobilization, and collective action. Moreover, because they were state employees, they had a greater potential for politicization during times of conflict. Their strikes during the nationalization of oil had provided a core of political experience. Aware that they controled the state's primary source of revenue, oil workers rapidly became more militant and politicized.

The striking employees of the petroleum industry always expressed their solidarity with workers in other industries and they demanded that they, too, be provided with similar rights. The Tudeh party had a traditional and noticeable influence among the oil industry workers, and it is possible that Tudeh leaders

TABLE 1.4 The Number of Major Strikes in Large Industrial Establishments in Iran, 1975-77

Year	Number of Strikes	Mean length (Days)
1975	27	5.5
1976	27	5.5
1977	49	---

SOURCE: Moaddel, Mansoor. 1993. *Class, Politics, and Ideology in the Iranian Revolution.* New York: Columbia University Press. 128.

were utilizing their various resources to generate a widespread workers movement. On the other hand, high ranking members of the oil industry during the Shah's regime were aware that employees of the oil industry were cognizant of their unique position within Iran's political economy, and the high ranking members of the oil industry attempted to obtain the same advantages for their colleagues in other industries.

The final outcome was that a majority of workers in various industrial sections participated in strikes and demonstrations largely because they were facing economic constraints that were in sharp contrast to their previous experiences, particularly after the oil boom. It must be mentioned that pledges by the religious leaders to give partial ownership to the workers provided a major incentive for workers to sympathize with the revolution. The leaders of the revolution portrayed their policy as taking industries away from their original owners, the *Mostakberin* (exploiters) and dividing the shares among the *mostazafin* (exploited). Khomeini promised the workers partial ownership of major industries. Non-Islamic workers who were sympathetic to the Tudeh party were also motivated to support the revolution because of similar expectations. It is therefore reasonable to suggest that many workers conceived of the revolution as a means not just to revive their pre-1977 economic standing, but also to improve on it by acquiring new wealth promised by the revolution. Another factor that may have aroused revolutionary sentiments among many workers was the prevalent feeling that others, including foreigners working in Iran, were benefiting from unfair

social and economic advantages. Several reasons can be suggested to illustrate the evolution of such an atmosphere. One explanation is that the state's official policies regarding labor benefited only a small segment of that population. One such measure was the profit-sharing project which was designed to distribute 20 percent of the profits among workers in factories with more than ten workers. However, according to official figures for 1975, of the 235,00 factories employing 2,140,000 workers only 6000 or 2.4 percent of the factories with 295,000 or 13.8 percent of the workers had been affected (Bashiriyeh, 1984:43).

To a lesser extent, promotion of a number of unqualified workers throughout various industries to higher economic and social ranks also contributed to the feelings of resentment toward the system for allowing discriminatory behavior. It was argued that those who had managed to elevate their social and economic status had succeeded in doing so largely because they catered to the system, were involved in some form of corrupt scheme, or were benefiting from the appropriate connections. These sentiments were not a cause for revolution, but they did contribute to the overall feelings of resentment among the workers, who felt that they were in a lower economic scale because of the unjust nature of the system.

The nation's economic structure underwent significant changes in the decades prior to the revolution. Paradoxically, the oil boom enhanced the country's vulnerability to economic fluctuations in the world market. The increase in the petroleum price, however, had two major destablizing effects on the Iranian

economy. On one hand, the sudden abudnance of petrodollars overheated the economy, which was reflected in the emergence of many infrastructural bottlenecks and in the growth of effective demand at a much faster rate than total supply. This led to inflation and the scarcity of basic necessities such as food and other vital consumer goods. On the other hand, the increase in oil revenues was, paradoxically, accompanied by the state's expediture outreaching its income. Hence, an increase in Iran's vulnerability to economic fluctuation in the world market was produced. In 1975, economic reassion in those industrial countries that consumed the bulk of oil products led to a decline in world demand for oil. The inflation of the 1970s adversely affected the interests of workers by increasing living costs. The promise of improving workers' conditions did not materialize after the Shah's reforms. Instead, the state pursued policies that enhanced capital accumulation and imposed a heavy cost on the vast majority of the working class. The workers' response to inflation and rising cost of living was to seek opportunities to rise against the system.

It is important to note that many revolutionaries were teenagers or young adults from working-class families. These people were raised at a time during which their parents had experienced rapid socioeconomic change which had resulted in a rising consumerism. As a consequence, many of these youth developed a preference for consumer and material goods, particularly automobiles and fashion clothes. This resulted in the development of intensified degrees of frustration among people in this sector because they were financially constrained

and could not match the material goods of their age groups in the upper income bracket. This sense of frustration became clearly visible when younger people from the working class would wander in wealthy districts of Tehran and take the time to damage status symbol automobiles such as Mercedes Benzes and Range Rovers. People in this group felt that a political upheaval in the name of Islamic justice could bring about a more equal distribution of material and consumer goods. "We want Khomeini. He will take power from the rich and give it to us" (Abrahamian, 1973:3). Islam provided them with an ideological justification to be hateful toward the rich. "The recent waves of widespread rioting across Iran are the work of little people lashing out against inflation, unemployment, unequal distribution of wealth and corruption in high places" (*The Washington Post*, August 20, 1978: p.7). The revolt was a mass movement against deep-seated economic and social grievances with anti-regime religious authorities acting as public spokesmen.

One other plausible explanation may be proposed as to why many workers joined the revolution. It was not until August 1978 that workers became involved in revolutionary activities and marches. In response to the rising wave of the strikes and demonstrations, the Shah suspended civilian government on November 5, 1978, and instituted military rule. For a short period of time, the military government of General Ashari succeeded in reducing the number of strikes by employing harsh methods. Almost immediately, the army tried to coerce striking workers to return to their jobs by occupying strategic institutions,

including oil installations radio and television stations, and newspapers.

The order imposed by the army proved illusory. By early 1978, the revolutionary activities, including protests and demonstrations, were centered around universities, bazaars, and cemeteries. When it became clear that the revolutionary movement was gaining momentum, many workers began to join, since the costs of staying neutral could be high for them, perhaps even higher than the risks of participating. The cost of staying neutral would be loss of employment. Strike committees were organized everywhere to coordinate strike activities and demand political change. In the end, instead of dissolving solidarity among strikers, military coercion strengthened it, spreading disorder even to previously orderly sectors. The repression imposed by the military government failed because by then, various groups had formed some solidarity and networks that could not all be dissolved easily. Industrial workers in large factories and white-collar employees made declarations to the effect that their struggles were antidespotic. They acknowledged Ayatollah Khomeini's leadership of their movement.

In general, both the rural-urban migrants and the established industrial workers were experiencing the phenomenon of relative deprivation and expected that the revolution would bring about the necessary changes. The overthrow of the Shah did not originate from the dynamics of the interests and solidarity structures of the diverse clergy and industrial workers. There was nothing inherent in the interests and organization of the clergy and workers that

necessitated the overthrow of the Shah in a revolutionary manner. The revolutionary situation began when the deprivation was expressed in terms of Shi'i revolutionary discourse. Khomeini stipulated that Iran's problems were related to the West's cultural domination and the Un-Islamic nature of the institition of monarchy, and that there was a **religious solution** to these problems. Khomeini and his followers expanded the capacity of the workers to enhance their interests in the society. In sum, strikes by industrial workers succeeded in disrupting production in all sectors. Walkouts by white-collar employees and professionals, mostly employed by the state, interrupted oil public services. The coalition of these classes with bazaaris created a revolutionary situation that eventually led to the overthrow of the monarchy. Without this coalition, it is unlikely that a revolution could have taken place. Yet, workers can not be said to have been the instigators of the revolution. Government policies had fragmented. Unlike bazzaris, the workers had no national network of communication to coordinate their activities. The workers lacked the independent economic resources of the bazaar that might have enabled them to oppose the state without being endangered. Repression prevented workers from forming independent labor organizations, strikes were outlawed, and independent labor leaders were arrested. Most government-run unions operated to control workers' activities and prevent collective actions. Lacking independent organizations, workers could not have initiated mobilization and collective actions against the govrnment, despite worsening economic conditions. Workers in strategic industries accepted the

clergy's leadership. Workers allied themselves with bazaaris behind Khomeinin as the leader of an anti-despotic struggle. This coalition created a revolutionary situation that culminated in the overthrow of the regime. As a result, the workers were obliged to accept the hegemony of the religious leaders who had struggled for a longer time and possessed greater resources, solidarity structures, and networks.

University Students

University students and young intellectuals composed another group that supported the revolution. This sector of the population was extremely vocal in expressing its antagonism toward the regime. Iranian students have long been politically active (Graham, 1980:212).

University students, particularly students from Tehran and Aryamehr Universities, frequently engaged in anti-regime activities. Student-staged strikes and demonstrations intensified since the early 1970s so that on numerous occasions, universities were ordered to shut down by the government. At times, universities and colleges would be closed for a whole year. The majority of the students viewed the Shah as the agent of the United States government and viewed the monarchy as a despotic regime. They demanded the overthrow of the Shah and the establishment of a democratic system.

Although university students were few in proportion to the total urban population (approximately 250,000 university students or just over one percent of

the total urban population), their persistence, organization, and continued anti-regime activities posed a serious menace to the security of the state.

This threat was taken more seriously by the state as the number of students enrolling in institutions of higher learning increased annually. Public expenditure dramatically increased during the 1960s and 1970s (Table 2). This was largely a result of a growing demand for higher education by Iran's youth, which subsequently led to the establishment of several new universities, expansion of the existing ones, and addition of numerous colleges and professional schools. The Shah "wanted a population sufficiently well trained to man the factories and offices of his so-calleld Great Civilization, but not sufficiently smartened up to overthow him. What he got was the reverse" (Forbis, 1980: 181). Each year, thousands of high school graduates, most of them from lower-income or urban families with histories of perceived inequality and injustice, poured into the country's hastily established central and provicial universities. Most of the rigidly bureaucratic campuses, with classrooms and laboratories manned often by part-time, low-paid, and indifferent instructors, became a giant engine for producing the regime's opponents. While engaging in on-and off-campus politcal agitation, the students established an "easy riders" entente with their professors based on a "live and let live" principle: don't demand much studying from us and we won't expect much teaching from you. The time thus saved by both students and teachers in the classrooms was effectively used in fighting against the regime.

It is difficult to provide a comprehensive explanation as to why students in Iran have engaged in revolutionary behavior. There are numerous and conflicting theories that have attempted to explain this phenomenon. I will try to underline the reasons behind student participation in the revolution. In Iran, political activity within universities became noticeable in the early 1960s, and Tehran University became the center for revolutionary activity for students. Initially, students engaged in mild forms of political activities such as nonviolent demonstration out of fear that more expressive forms of protest would provoke the state to impose harsh sanctions, including expulsion from the university and torture. During the early 1970s, political protest became more prevalent within the academic environment, and Tehran University played a leading role. Faced with an inadequate educational system, political dictatorship, penetration of the SAVAK (secret police) on the campuses, and opposed to socioeconomic policies of the state, the students constantly challenged the regime. As a result, the frequently went on strike or boycotted classes and exams (Graham, 1980:214). At that time, most Iranians were still not involved in revolutionary activities and did not even think a revolution against the Shah's regime was possible. Therefore, it can be argued that university students were among the first groups to engage in revolutionary behavior in Iran.

One common form of political activity was that students would congregate at central points on campus and speak or lead discussions on various political issues, express their resentment toward the Shah's oppressive policies, or

analyze various leftist ideologies. Other actions consisted of protests such as sit-ins, boycotting of classes, petitioning to remove unpopular professors thought to be associated with or sympathetic to the regime, and in more extreme cases, storming and occupying administration buildings.

The most active and organized student groups were the leftists. They generally espoused Marxist-Leninism, Islamic socialism, Trotskyism, or Maoism. The Marxist- Leninists and Islamic socialists were the most conspicuous groups and were reportedly closely tied with formal revolutionary organizations outside the university. The *Fadayeen Khalq* of Marxist-Leninist orientation and *Mjahedin Khalq* advocating Islamic socialism were two underground organizations that were closely associated with political activities inside the universities. They recruited many members from the university students. Often leftists groups within the university collaborated when their objectives overlapped. But each group clearly distinguished its ideology from other leftist associations and competed with each other. The *Fadayeen Khalg* was founded by former members of the youth organization of the *Tudeh* Party (communist party) in 1970. They denounced the reformism of the *Tudeh* Party and stated that the regime could be overthrown only through armed struggle.

The *Mjahedin Khalg* organization was also a proponent of the armed struggle in Iran. It was founded in 1965. *Mjahedin* believed that Islam and Marxism were compatible. They concluded that Islam in its pure sense was in favor of the socialization of the means of production and the creation of a

classless society. *Mjahedin's* interpretation of a classless society was based on the elimination of classes as well as belief in God. It should also be noted that many other university students were not members of radical groups, but participated in political activities in order to express their opposition to the regime or the sympathy for leftist ideologies. In any case, what was clear was that segments of the university students radically disapproved of the nature of the regime and were willing to brave the repressive instruments of the state in order to express their opposition.

Several reasons may be suggested as to why these university students participated in radical political behavior. One plausible explanation proposed by several scholars, including Samuel Huntington, states that students participated in revolutionary behavior largely because they were reacting to an overwhelming feeling of guilt. This feeling had developed because university students perceive themselves to be in a privileged position relative to those youngsters who have not been as fortunate (Huntington, 1968). The number of secondary schools rose from 260,000 in 1962 to 2.3 million in 1978. The number of university students during the same period rose from 50,000 to 154,000. These figures might be deceptive, because the statistics show that during the same period, the number of illiterate rose from 13 million to 15 million and 60 percent of children failed to complete elementary school. From 290,000 students who applied to universities every year, only 60,000 were accepted (Abrahamian 1980:23). In the case of Iran, this explanation, perhaps with some revision, may appear to be relevant.

Students in Iranian institutions of higher learning were generally from lower income families. Wealthier students usually studied abroad. As a result, those students studying in Iran were very conscious of their good fortune of being able to attend universities.

The experience of identity crisis common among college students can act to intensify their feelings of guilt such that an outlet for relief may become necessary. This outlet may take the form of political protest whereby the students target their frustrations at the main culprit, the state. Therefore, a plausible explanation as to why students participate in revolutions such as that in Iran is that they want to obtain gratification by relieving themselves from the mounting pressure of guilt feelings.

Another reason why students in Iran participated in the revolution was that they wanted to pressure the Shah's regime to relax political restraints. This demand was essentially similar to the views of the major anti-regime leaders who argue that: the only way to create new faith in ourselves, to restore a sense of indivi-dual liberty, and a spirit of national cooperation... is to end despotic govern-ment based on majority representation (Radji, 1983:91). The Shah was aware of the mounting dismay at the power of the Pahlavi state. However, he strongly argued that "Iran is not ready for western-style democracy" (Helms, 1981:205). The Shah's regime failed to acknowledge the need for a democratic system in spite of the noticeable increase in the number of university students who became familiar with the ideas of democracy and liberty. The desire to bring about a more

liberal political system outweighed the potential costs of engaging in revolutionary behavior. Many students, consciously or not, calculated that the benefits of a more responsive, less repressive regime surpasses the potential costs of participating in radical political behavior.

Some students also participated in the revolution because they contemplated the possibility of obtaining positions of political and economic power should their political organization emerge triumphantly. With the *Tudeh* Party and *Fadayeen Khalq* allied with Moscow, many members joined these organizations believing that the Soviet Union would emerge as the most influential foreign power in Iranian politics following the revolution and enable them to be elevated to high position. It can therefore be assumed that a number of students joined the revolution as opportunists who calculated that a successful pro-Soviet revolution in Iran would be very beneficial to their political and economic positions. They supported the Islamic Revolution believing that once the Shah was toppled, they could outmaneuver "backward" clerics and gain political control (Chehabi, 1990:220).

Perhaps a number of students were driven to participate in the revolution because of feelings of vengeance toward the regime. Many students were outraged that the regime was responsible for the injury, torture, and death of close relatives and fellow students. It is generally acknowledged that the regime treated the university students very harshly and injured many of them during demonstrations. Acts of brutality by SAVAK generated intense feelings of hatred

and vengeance among fellow students, propelling then to join revolutionary groups. In 1953, while vice-president Richard Nixon was visiting Iran security forces stormed the campus of Tehran University and arrested a large number of students. During January 1962 The University of Tehran was the serene of massive clash between security forces and students. The chancellor of the of the university in a letter to the prime minister described the events as follow: "I have never seen or heard so much cruelty, sadism, atrocity, and vandalism as on the part of government forces. "(Zonis, 1971: 72-73). Participation of hte students in the peotry nights led to clashes with the security forces in the fall of 1977. Many students were arresed and consequently more demonstrations took place which led to the arrest and death of additional students. In sum, the inability of the educational system to free the country from increasing dependence on foreign technology, management and skilled workers, coupled with the economy's reciprocal inability to absorb and utilize an ever-mounting number of graduates posed an ultimately fatal thrat to the regime. The inadequate functional relevance of much formal education to national economic and politcal needs helped raise expectations on the part of the young graduates far beyond the domestic economy's capacity to meet them.

Intelligentsia

In most modern revolutions, intellectuals have played leading roles in struggles against dictatorial power because they often actively promote social

change and proactive collective action. The Iranian intellectuals, unlike those in other revolutions such as the Russian Revolution, did not attain leadership in the revolution. The intellectuals lacked the resources and networks necessary to mobilize the opposition. A long period of repression prevented secular intellectuals from mobilizing significant resources against the regime. Instead, the mobilization took place through the mosque, where a fraction of the clergy played a crucial role in the revolution.

The intellectuals, unlike the professionals and bureaucrats, were more sympathetic to the revolution. They include teachers, professors, writers, journalists, artists, scientists, political commentators, philosophers, and in some cases, technocrats, administrators, managers and clerks. Because of the differences in nature and degree of involvement, motivation, perspective and objective, students are categorized separately. Many conveyed their opposition to the Shah's authoritarian regime by demanding liberalization and democratic reforms.

Many intellectuals favored change because they had become psychologically frustrated by being denied the gratification to "function as an intellectual." If an intellectual is defined as "a person who deals primarily in ideas, and he examines, ponders, wonders, theorizes, criticizes and inquires" (Bill, 1972:57), then the repressive regime of the Shah certainly suppressed such activities. According to one intellectual, an American-educated economics professor, "our case against the government is lack of freedom, all creativity has

been crushed. As an economist I can not talk about malnutrition or under-development. A whole generation has been raised, educated and given no freedom. Ninety percent of the people have been left out of the development." (Kraft, 1978:144).

Intellectuals also expressed their resentment that they were being denied the freedom to participate in the politics and development of the country. Another intellectual stated, "the great problem is lack of freedom. We have lots of intellectuals and technocrats who have views, but they are never allowed to express them. Everything is dictated from the top, we have an intelligentsia but they have no chance to participate" (Kraft, 1978:147).

Similarly writers, artists, and journalists were also kept under close watch by the government. Any form of art, literature, or discussion that highlighted, sensitive topics such as history, society, or politics was banned unless it conformed to the regime's political framework. The Ministry of Information and SAVAK were the government institutions that monitored the works of writers and artists. They observed very strict censorship codes. These groups formed organizations to promote changes in the social system. These groups included the Lawyer's Association, the committee in Defence of Freedom and Human Rights in Iran, and the Writers' Association. The Writers' Association was the most influential of these groups and played an active role in mobilizing students. The Writers' Association had originally been formed in 1967 but was soon dissolved by the government, who arrested a number of its members. The new

association was formed in 1977 and their first statement, in 1978, was an open letter to the prime minister, which criticized censorship and asked for permission to publish their own independent journal.

Although at its inception the association was mainly concerned with the issues of freedom of expression and elimination of censorship, it moved beyond them and ulti-mately presented a clear challenge to the students who, in turn, became an important vehicle of mobilization against the government later on. Yet the association was at a disadvantage because it was not a political organization with disciplined members and supporters or with networks that could challenge the existing power structure. Its membership was confined to writers and poets, a small category of people, and concentrated largely in Tehran. These factors limited the association's capacity to develop networks and link up with broad segments of the population.

Until the 1953 coup, to a large extent, the majority of active political oreintations from ultra-nationalists to communists were secular. Although some people who espoused the idea of progress and freedom were religious, they did not constitute a large political movement. Until then, secularism was one of the elements of intellectualism. The *Tudeh* Party even propagoated atheism, while other political orientations were not anti-religous, but believed that religion was a private matter and should not interfere with politics. The coup of 1953 against the movement for the nationalization of oil, however, radically changed the situation. With the failure of the Communist *Tudeh* Party and the nationalistic National Front

Party to lead to nationalization movement, the religious opposition gained increasing importance in oppositinal politics, especially after the repression of the June 1963 uprising and exile of Khomeini.

During the Shah's rule, the westernization of the society and the state control on intellectual institutions led to the creation of two types of secular intellectuals. The first, closely connected to the ruling elite, was composed of intellectuals whose political thoughts and intellectual productions were geared toward the perpetuation and defense of perceptions, ideas, and norms propagated by the state. The "Association of Scholars and Intellectuals" founded in 1972, on the occasion of the tenth anniversary of the "White Revolution" illustrates the first type. The second type, completely detached and independent from the ruling elite, and constantly repressed, produced anti-establishment ideas and thoughts, resisted the state's cultural domination, the ruling elite's values and world views, and sought radical changes. The concept of intelligentsia in its original connotation is therefore, applicable to this second type. Although, under the Shah a significant portion of the educated, secular intelligentsia worked in the public sector, they avoided to identification with the state, and were alienated from the political elite, who pretended to represent Western values. They loathed the spirit and philosophy that the Shah espoused. They rejected the Shah's philosophy of "free, rapid, and unquestioning borrowing of Western methods" in the service of "nationalism, statism, and autocracitc centralism" (Banani, 1961: 108-9).

The majority of intellegentsia under the Shah (with the exception of a few

litarati, e.g. Sadeq Hedayal), however, lacked a profound knowledge of Iranian history, identified modernity with Westernism, Westernism with imperialism, and imperalism with autocractic rulers. As a consequence, the works of an elightened literati such as Sadeq Hedayat (1902-1961) who cherished cultural and political values of modernity, were dismissed while Al-e Ahmad's work "Gharbzadegi" (westoxication) which is a diatribe aginst Western modernity, gained tremendous importance and popularity among the intelligentsia (Manson, 1983). Contrary to the intellectuals of the pre-coup who saw themselves as the avant-gardes of the unaware masses, the intelligentsia espoused populism, thus following the religious beliefs and sentiments of the masses. Their main preoccupation, especially that of Shari'ati and Al-e Ahmad, thus became how to use religion as a mobilizing political factor. For example, Al-e Ahmad both imitated Jean Paul Sartre and allied with Khomeini during the 1963 riots. It was their populism which led a great majority of intelligentisa to consider the masses revolutionaries whose religious culture and beliefs should be respected.

Thus, although the society was becoming increasingly urbanized and Westernized, especially after the 1963 land reform, the Shi'i culture persisted, and Shi'ism as a doctrine of protest acquired a crucial importance in the social consciousness of the Shi'ite Iranians. This was made possible because through their interpretation, radical clergy (e.g. Khomeini and Talegani) and Islamist intelligentsia (especially Shari'ati) played a significant role in giving dynamism and radicalism to Shi'ite doctrine, therby making it compatible with modernizing

structues and non-traditinal religious aspirations, which acclaimed political involvement of religion. Jalal Al-e Ahmad, the former *Tudeh* Party member, contri-buted to the revival of Islamic culture by denouncing Westernization and proposing the return to Islamic identity through the satanization of the West. Al-e Ahmad suggested that:

> The intellectuals must decide between two alternatives: Either putting an end to the westoxication, and in its stead attempting to understand the native environment and problems, and making serous efforts, worthy of an intellectual, to solve these problems by means of scientific methods, or continuing the westoxication to the extreme, that is a total reorganization of the Iranian society according to the moral, political and social standards of the west. This will result in a complete spiritual notional and cultural annihilation of Iran from the face of the world (Al-e Ahmad, 1987: 432).

Likewise, Shari'ati's teachings presented a new interpretation of Islam as both cultural and political alternative to the Westernization of the society. He thus propagated the return to Islamic identity and emphasized revolutionary aspects of Shi'ism. The *Hosseinieh Ershad* founded in 1964 in an upper middle class neighborhood of Tehran was an institute which played a central role in this undertaking. Shari'ati, who lectured in the Hosseinieh Ershad between 1967 and 1972, attracted thousands of people, especially the youth.

The incapability of the secular intelligentsia to present a synthesis of modernity and domestic historical and cultural realities thus left enough room for the Islamist thinkers and activists to appropriate this vital intellectual and political task. A variety of Islamic ideologies were thus formed by revolutionary *Ulama*

(e.g. Khomeini, Talegani), Islamic thinkers (e.g. Shari'ati), radical youth (Mojahedin), or liberal Islamist (e.g. Bazargan). In doing so, they also borrowed from secular ideologies, from liberal to Marxist. Social origins, popular base, degree of insertion in the modernizing society, and level of education of each of the ideology makers was different, ranging from educated new middle class to traditional middle class. Although the interpretation of each of these ideologies from Islam varied, they all posited the political importance of Islam as the ideology of protest in a modernizing society.

The demands of the secular intelligentsia for an open and participatory political system, a more equitable redistribution of wealth, and independence from American domination were incompatible with the autocratic rule of the Shah, whose twenty-six years of personal power as the head of the renter state had even alienated the political elite. When the protest movement gathered momentum, and in the absence of other viable political alternatives encompassing the revolutionary social actors, the radical clergy managed to win the leadership of the revoltion by presenting a polticial ideology which had reappropriated both the values of modernity and the strongly rooted Shi'ite culture.

Had the demarcation between the religious and secular not been blurred, had the secular intellgentsia appropriated the values of modernity, and had the Shah's regime conceded to a more free and just social and political system, Ayatollah Khomeini, the source of emulation, would not have succeeded in winning the leadership of the 1979 heterogenous but united revolution.

Professionals

The professionals here refer to people who were highly skilled in a particular area or vocation, such as doctors and lawyers. Due to rapid economic growth, the need for the services of professionals increased considerably. Because of the high demand for professional skills and the shortage of such services, this sector of the new middle class was being paid high salaries.

Despite the high level of education and training, these professionals were politically inactive because they were benefitting from the lucrative opportunities created by the Shah's modernization program. They were profiting from high salaries. "Though never totally depoliticized, they (professional class) became politically deactivated. Their energies were devoted to making money either in the public or the private sector of the Iranian economy" (Zabih, 1979:8). They felt threatened in the early stages of the revolution by the consequences of the revolution after having heard Ayatollah Khomeini's constant criticisms of "wasteful projects." It was these projects that provided lucrative businesses for the professionals.

The professional class favored reforms and elimination of political repression, but their main interest lay in the Shah's economic policies. The majority of them rationalized their willingness to remain subordinate to the regime. It was argued that, "the great problem is lack of freedom. We have lots of intellctuals and technocrats who have views, but they are never allowed to express them. Everything is dictated from the top. We have an intelligentsia but

they have no chance to participate" (*The New Yorker*, December 18, 1978, p.144).

Bureaucracy

Another group within the new middle class was the bureaucrats. Known by Iranians as the *tabayeh-e karmandan,* they generally consisted of civil servants with positions in the state apparatus. In the absence of any major alliance with politically weighty classes and groups, the expansion of bureaucracy became another mechanism for the Shah's control of civil society and the maintenance of national integration. The Shah established a bureaucratic-authoritarian regime, which resulted in a structural separation of the state from civil society with no significant intermediate organization connecting the two. The regime's bureaucratization of the society was a systematic attempt to exclude the clergy and bazarris from major political positions and to prevent them from participating in important economic decision making.

The numbers of bureaucrats were increasing along with the conspicuous expansion of the state apparatus. Bureaucrats were also experiencing an increase in their range of responsibility and power due to the Shah's policy of modernization of the society as a whole. The bureaucrats' improved status in the society enabled them to cement their gains. The bureaucrats, like the professional, were basicallly non-entrepreneurial and benefitted from the system. The state provided them with relatively high wages and various fringe benefits. For example, high ranking bureaucrats were given 40 percent discounts on

international flights with Iran Air. In addition, the government turned a blind eye to the misuse of the power practiced by bureaucrats, thus not depriving them of access to a major source of income (Mehraban, 1982).

The royal proclamation of the nineteenth principle of the White Revolution-fight against corruption-in the late 1970s, described by the Shah himself as designed to protect society against corruption, influence peddling, selling of favors, and nepotism could be readily construed as an implied admission of a widespread use of unlawful business practices up to that time (Amuzegar, 1991: 81).

The Sharif-Emami government in early november, 1978, on the charges of corruption arrested three prominent cabinet members. Warrants were also issued for arrest of other former officeholders by the government.

The regime needed their political support or at least their political inactiveness. Bureaucracy under the Shah grew more rapidly than ever before. While in the mid 1950s Iran had 12 ministries with some 150,000 employees, the number of these institutions had increased to 19 with 560,000 civil servants by the mid 1970s. The actual effect of the enlargement of the bureaucracy was the total domination of the state over every aspect of the life of the ordinary citizen. The state owned and controlled the total heavy industry, the oil industry and the infrastructure. It distributed water, power, gas, kerosene, gasoline and electricity. Health services, social welfare, the educational system and the rural cooperatives were also administered by the state. The growth of bureaucracy allowed the

Shah to tighten his control over the state power. Marvin Zonis explains this trend as the domination of the everyday life of the people by the state and the domination of the state by the Shah. Hence, the Shah was made the sole arbiter of the society (Zonis, 1971: 18).

An Iranian scholar also notes that the bureaucracy and grown so much that between one third to one half of urban employees were working for the government (Nima, 1983: 44). The state not only paid the salaries to its employees, but also provided health care, social welfare, pension and unemployment insurance. According to Abrahamian, "The dramatic growth of the bureaucracy enabled the state to penetrate more deeply into the everyday lives of ordinary citiziens" (Abrahamian, 1983: 438). The bureaucratization of the society in fact had two functions: Through its civilian branch it provided services to the citizens; the military branch of the bureaucracy, on the other hand, harassed the people and repressed the opposition.

The bureaucratization of the society was not confined to the cities. The White Revolution brought the countryside under the domination of the state as well. The landlords, *Kodkhodas* and *Mobashers* were now replaced by state employees, rural banks, rural cooperatives, Literacy and Health Corps and gendarms. This new development made the state responsible for the everyday lives of the rural population. The peasants now were dependent on the state for loans, credit, fertilizers, water distribution, education, and security. More specifically, the state was directly in charge of distributing land and water, pricing

agricultural production, law enforcement, administration of justice, running 8,5000 rural cooperatives and providing health care for the rural population (Hooglund, 1982: 100-140). Bureaucratization of the rural areas, however, was a double-edged sword. On the one hand, it effectively destroyed the power base of the landlords in the rural areas and replaced it with state power. On the other hand, the failure of agriculture, mismangement of rural cooperatives and poor planning were directly blamed on the state and more specifically on the Shah.

Following the quadrupling of the oil revenues, the bureaucratization of the rural areas took yet another turn. The state rapidly increased the agricultural corporations and agribusinesses. Moreover, the state deliberately decided to depopulate villages and urbanize the whole country.

Therefore, very few bureaucrats participated in the revolution. Most felt comfortable with their enhanced social, economic, and political status, and therefore felt threatened by the outcome of the revolution. Only toward the end, when it became evident that the Shah's regime could collapse, did they go on strike to support the revolution. This was basically to appear supportive of the new government in order to save face, and therefore, not lose their jobs.

Summary

A revolutionary society was generated by the disruption of the social structure of bazzaris, industrial workers, students and the middle class by the government's policies. The leading role among the social groups and classes in

the revolution was played, not by the new middle class or by the industrial workers, but by bazaaris, who were neither a new class emerging from modern economic developments, nor a class that had been uprooted or had experienced anomie as a result of modernization. Bazaaris participated in the protests because of the adverse impact of the government's economic policies. In the conflict from 1977 to 1979, bazaaris mobilized in the context of an economic crisis. They were able to use their trading networks, independent economic resources, and ties to the mosque to mobilize for collective action. Their resources enabled them to continue bazaar shutdowns for long periods of time and thus play an important role in revolutionary conflicts.

The working classes showed less capacity for collective action. They were severely restricted by state repression and by their highly dependent economic position. Oil workers, who played a leading role in political confrontations, were the major exception. Their concentration in high numbers enabled them to act collectively with great impact during the revolutionary conflicts.

The collective actions of professionals and students were less frequent and less crucial than those of either bazaaris or industrial workers during the revolutionary struggle. Although the new middle class produced a number of political leaders who were active in the struggle, by and large the class itself lacked the necessary capacity for collective action. Unlike bazaaris, professionals were dispersed throughout the major cities and were economically dependent on the state. Unlike the industrial workers, they had a comparatively better economic

standing and suffered relatively less from direct repression. These factors, in addition to their lack of autonomous organizations, reduced their capacity to act collectively. The actors in the revolution represented a coalition of classes and groups with disparate interests, resources, and solidarity structures. Anti-government forces mobilized through the mosque not because of ideological consensus, but because government repression had left no other option. A pre-revolutionary society emerged in Iran because the main groups in Iranian society, particularly the clergy, the bazaar, the urban working class, and professionals experienced a state of relative deprivation (Moaddel, 1993:99). Discrepancies were created between what the groups expected and what the system could provide.

This disequilibrium was felt by the major groups at three levels: economy, status, and power. Depending on the groups and levels involved, the form of relative deprivation varied. According to Gurr's hypothesis (Table 1.5) the three forms of relative deprivation are: 1) decremental deprivation, in which a group's expectations on a particular level(s) remain relatively constant but capabilities decline: 2) aspirational deprivation, in which expectations rise while capabilities remain constant: and 3) progressive deprivation, (also known as the J-curve) in which expectations and capabilities rise simultaneously, but there is a sudden drop in capabilities.

The following matrix will illustrate the forms of relative deprivation that apply to particular groups and levels in Iran. DD, AD, PD, and NA refer to

Table 1.5 Matrix of the Different Forms of Relative Deprivation

	Economic Position	Status	Power
Clerics	DD	PD	DD
Bazaaris	PD	DD	PD
Rural/urban migrants	AD*	NA	NA
Industrial workers	PD	NA	NA**
Students	NA	NA	AD
Intellectuals	NA	NA	AD

*In this case, not only did expectations rise, but capabilities dropped. Generally, in aspirational deprivation capabilities remain more or less static.

**Here workers expectations rose not because of relative deprivation, but because they perceived that a successful revolution would increase their power.

decremental deprivation, aspirational deprivation, progressive deprivation and not applicable, respectively.

The major groups in Iran who were experiencing relative deprivation participated in the revolution because they perceived that their interests with regard to economic position, status, and power would be best met following a successful revolution. The demonstrations of the second half of the 1970s strengthened the connection between the secular groups and religious forces within the opposition and at the same time aided Khomeini and his followers to establish a hegemony over the rest of the opposition. The clearest instance of the ideological compromise made by many secular groups was the acceptance of the idea that women, while participating in the street demonstrations, should wear the veil as a symbol of resistance to the Shah's westernized policies. The secular groups in the revolutionary movement accepted Khomeini's hegemony because in their view, he was anti-Shah. These secular groups did not seem to have contemplated the incompatibility of their democratic ideals with those prescribed by revolutionary Islam.

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PART V

REVOLUTIONARY LEADERSHIP AND ORGANIZATION

Theoretical Framework

Having suggested why a pre-revolutionary situation had evolved in Iran,this chapter will try to explain why and how that led to the 1979 Revolution. This format is in accordance with the assumption that in order for revolutions to happen, two interacting conditions must exist: the emergence of a pre-revolutionary society (multiple sovereignty), and the formation of an organized political force that has the capability and intent to mobilize a revolutionary movement.

If either condition is lacking, then revolution will most likely not occur, as appears to be the case in many countries around the world. The presence of one condition does not necessarily lead to another, all though if both conditions evolve or exist concurrently, then they will interact and reinforce each other so that the probability of a revolution occurring will rise significantly. The case of Iran conforms to this conceptual framework.

Now it is important to examine the variables that were necessary in order to mobilize Iran's pre-revolutionary society. Charles Tilly's modified model of revolutionary mobilization is very useful here. According to Tilly, there are polity and mobilization models. The polity model consists of a population whose elements are government (the organization controlling concentrated means of coercion), contenders (a group acting collectively to influence the government which include members who already have routine, low cost access to government resources), and coalition (tendency for different groups to coordinate their

behavior) (Tilly, 1978: 52).

The mobilization model describes the behavior of a single contender. Four important variable characteristics in this model are interests, organization, mobilization, and collective action. Tilly also adds a fifth component called opportunity. He defines interest as "the shared advantages and disadvantages likely to accrue to the population in question as a consequence of various possible interactions with other populations," and organization as "the extent of common identity and unifying structure among the individuals in the population." Mobilization is "the extent of resources under the collective control of the contender," collective action is "the extent of a contender's joint action in pursuit of common ends," and opportunity is "the relationship between the population's interests and the current state of the world around it" (Tilly, 1978:54-55). The notions and dynamic of interests, collective action, and opportunity have already been introduced in the preceding sections. The concepts of organization and mobilization are more relevant in this chapter because of the assumption that groups who may be experiencing relative deprivation or even perceiving a positive cost benefit analysis will not engage in revolutionary behavior unless organizational and mobilization factors are present.

Tilly has defined organization as the "extent of common identity and unifying structure among the individuals in the population, as a process, an increase in common identity and/or unifying structure," and mobilization as "the extent of resources under the collective control of the contenders, as a process,

and increase in the resources or in the degree of collective control" (Tilly, 1978:54)

Organization is interpreted as closely related to groupness, which in turn is strengthened when people share common characteristics (category) and are linked directly by a specific kind of interpersonal bond (network) (Tilly, 1978:62-63). Two other determinants of groupness/organization are the level of intergroup communication networks and overlapping economic interests. As will be shown, the clerics, the primary challengers, ranked high in all four categories measuring group organization.

The concept of mobilization is also pertinent to this chapter. Mobilization can be interpreted as "a process by which a group goes from being a passive collection of individuals to an active participant in public life" (Tilly, 1978:69). This can be done when the group enhances its access to critical resources and employs them to bring about important social changes. These resources can be classified as "coercive (e.g., weapons, armed forces, manipulative technologies), utilitarian (e.g., good, information services, money), and normative (e.g., loyalties, organizations) (Etzioni, 1988).

The ability to mobilize is largely a function of the groupness and organization of a collective. However, mobilization is also affected by external factors such as the nature of the regime and the level of repressive policies, particularly when these factors affect the group's access to various resources.

Once sufficient resources are mobilized by the challenger, a state of

multiple sovereignity may result. Drawing from Trotsky's ideas of dual sovereignty, Tilly states that "a revolutionary situation begins when a government previously under the control of a single, sovereign polity becomes the objective of effective, competing mutually exclusive claims on the part of two or more distinct polities (multiple sovereignty). It ends when a single, sovereign polity regains control over the government (Tilly, 1978:191). Multiple sovereignity as used by Tilly to define a revolutionary situation is caused by (1) the appearance of contenders, or coalitions of contenders making exclusive alternative claims to control government; (2) significant commitment to those claims by a significant segment of the subject population; and (3) incapacity or unwillingness of government agents to suppress the alternative coalition (Tilly, 1978:200).

The remainder of this chapter will attempt to illustrate how and why the main contenders in Iran were able to increase their level of organization and mobilize resources toward the revolution.

Shi'ism as an Institution

Iran's revolution is greatly indebted to the mobilization capabilities of the Shi'ite institution, particularly in light of the fact that nearly 90 percent of Iran's population is Shi'ite. The significance of the Shi'ite institution stems from the fact that it possessed impressive organizational facilities, core leadership, loyal members, a comprehensive internal network, the structure to communicate with Shi'ites throughout the country, the skill to do so in a manner that appealed to the

cultural and psychological roots of the masses, the political astuteness of form coalitions with other contenders, and a high level of "catnet" (Tilly's term that means a set of individuals comprising both a category and a network, which points to the direct and indirect linkage by a specific kind of inter-personal bond within a population) (Tilly, 1978:62-63).

To put it in a nutshell, with its vast nationwide resources consisting of 200,000 clergy and 80,000 religious centers including about 9000 mosques, the Shi'ite institution was able to link most of the people, even in the most remote parts of the country. Nearly every village and urban district had a mosque and a cleric who could deliver messages rather openly through Friday sermons and other public religious occasions. These clerics received proclamations from the holy city of Qom and spread them to listeners throughout the country. The clerics as a homogeneous group are the custodians of a rich religious tradition that established links with the dispossessed elements in the society. The traditional communal solidarities gave direction and shape to the revolutionary movement in Iran. Calhoun argued that:

> commitment to traditional cultural values and immediate communal relations are crucial to many radical movements... Reactionary radicals have seldom, if ever, been able to gain supremacy in revolutions. But at the same time, revolutions worthy of the name have never been made without them (Calhoun, 1983:911).

With the Islamic Revolution, a group of reactionary radicals under the leadership of the custodians of the Shi'ite tradition at last gained supremacy in one of the most defining and unique revolutions of the modern era (Calhoun, 1983).

Calhoun argues that the groups who are losing ground due to the centralization and concentration of power by the state are very likely to engage in revolutionary activities. The groups who are losing their power base in the society will work against the state to prevent the state from taking away their power. These groups' actions are reactive. These groups engage in reactive collective actions to defend their powers. Calhoun's conception means that religious groups who have their roots in traditional culture and values are reactionary radicals. His analysis is compatible with Tilly's hypothesis that traditional values are the foundation of communal relationships. The reactionary radicals *(Mullahs)* mobilized the public through the utilization of communal relationship (Arjomand, 1981:293-316).

In order to assess the organizational capabilities of Shi'ism, it is helpful to provide a quick background to the history and ideology of Shi'ism. Shi'ism as a sect come into being following the death of the prophet Mohammad. Although many salient distinctions exist between the two sects, the major disagreement surfaced when Shi'ites declared Ali, Mohammad's cousin and son-in-law, as the legitimate successor who in turn is succeeded by direct male descendants called *Imams*. This split came about when a group of Moslems went into council immediately after the death of the prophet and "elected" Abu Bakr as the caliph to lead the Islamic world. They claimed that the selection of the caliph, the leader of the Islamic world, must be based on community consent. Ali and his supporters rejected that decision, asserting that the true successor must be

appointed by the prophet himself. And according to Ali's followers, this act took place when on Mohammad's last pilgrimage, the prophet stopped at a site called Ghadir Khumm on the way to Medina, and in the presence of those accompanying him, chose Ali as the *wali* (guardian) of the *walayat-e ommah* (general guardianship). Ali's followers came to be known and the "shi'ah" (partisans of Ali) (Donalson, 1976).

The majority of the Shi'ites also believe that there are twelve Imam's where the twelfth *Imam*, the *"Saheb-e Zaman"* (the Lord of Time) went into occulation (*gaibat*) in 939 and will remain in hiding until God wills, when it becomes time for the twelfth *Imam* to lead the Islamic world toward the day of judgement. It should be mentioned that according to Shi'ite belief, the *Mehdi* (the twelfth Imam), may be represented by the *nayeb* (deputy) *Imam*. On very special occasions, a few Shi'ite leaders have been called *nayeb-e Imam,* as was the case with Iran's revolutionary leader Ayatollah Khomeini (Kramer, 1987).

Shi'ites developed an early sense of "Catnet" following the assassination of Ali in 661 A.D. Since then, "Shi'ism emerged as an oppositional political force which rejected the legitimacy of the *sunni* caliphate (Turner, 1980:107). By the 16th century, Iran, then called Persia, became the center of Shi'ite activities in part because the Shi'ite movement combined with a Persian sense of pride to reject Arab, *sunni* domination.

Shi'ism became a closely linked minority group out of necessity in order to be able to more effectively defend against the potential threat posed by the more

numerous *sunnis*. The emergence of the notion of martyrdom in Shi'ite Islam, which began with the assassination of Ali, has contributed to the enhancement of the factors of "catnet" among Shi'ites. The first and third Shi'ite Imam were "martyred." Ali, the first *Imam* was struck by an assassin's dagger while praying.[1] The third *Imam*, Hossein, was martyred by the Caliph Yazid in Moharram, 61 A.H.

The significance of these martyrdoms among Shi'ites becomes clear when listening to *rowzehs* during Moharram and observing the reaction of those present. Rowzehs are highly charged sermons that dramatically and in full detail explain the tragic events that led to the martyrdom of the Imams. Rowzehs are skillfully recited by mullahs bringing everyone present to tears.

Ali is portrayed as a symbol of uncompromising morality and decency. As the story is told in *rowzehs*, Ali even treated his assassin, Ibn Moljam, with fairness. Khomeini, in contrast, always demonstrated an uncompromising hostility and savagery toward his enemies. On November 5, 1978 he expressed his disregard for the Shah saying, "If you give this fellow a breathing spell, tomorrow neither Islam nor your country nor your family will be left for you. Do not give him a chance, squeeze his neck until he is strangled" (Yazdi, 1984: 55).

In an attempt to highlight the concept of martyrdom, the *rowzeh-khan* (*mullah* preaching the sermon) then turns to the suffering of Imam Hossein. .

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[1]Ali's assassin was a member of the Kharaji group. These people rebelled against Ali because, although they regarded him as a noble and courageous man, they believed Ali lacked political acumen and was outmaneuvered by the caliph.

"As Ali is dying and placing dust on his would to indicate 'man's return to dust,' his children Hassan, Hossein and Zaynab (Ali's daughter) cry" (Fischer, 1980:18) "But Ali told Zaynab not to cry, to save her tears for Karbela (Karbela is the oasis in present day Iraq where Hossein was martyred in a bloody battle with Yazid's forces) (Fischer, 1980:19).

Hossein's martyrdom is perhaps even more significant in Shi'ism than Ali's. According to the sermons, Ali's second son, Hossein refused to recognize the caliph Mu'uawiyeh and the caliph's successor and son Yazid. Hossein became the Shi'ite leader because his older brother Hassan was too weak to be an effective leader. Shi'ites argue he was poisoned by the caliph, while others claim Hassan was an alcoholic who accepted a pension from Mu'uawiyeh in return for refraining from making any political claims (Behnam, 1986).

Because of the importance of martyrdom in Shi'ism and its impact in strengthening the Shi'ite sense of community and groupness (Catnet), it is useful to explain the events leading to Hossein's martyrdom in greater detail. According to Shi'ite accounts, Hossein was on his way to the Hajj pilgrimage when people in Kufa in southern Iraq asked him to lead them in a revolt against the "nefarious tyrant" Yazid. Hossein accepted the call and headed toward Kufa. He was also warned that several people were sent to the Hajj by Yazid to assassinate him. According to Shi'ite description, Hossein knew he would be martyred, and so excused those who didn't want to accompany him. He left for Kufa with about 80 people, many of whom were women and children, including his own family. When

Hossein approached Kufa, he was surrounded by Yazid's massive forces near the Karbela desert (61 A.H.). The Kufans also abandoned Hossein because of pressure from Yazid's forces.

Hurr, the commander of Yazid's army, prevented basic supplies from reaching Hossein's entrapped forces, denying them even water, a major breach of desert code of honor whereby even enemies cannot be refused water. Even under these circumstances, Hossein refused to recognize Yazid, thereby heroically accepting martyrdom. A bloody battle broke out on the 10th of Moharram whereby only two males, Hossein's young son Zayn-al Abedeen, who became the fourth Imam, and his child, who became the fifth Imam, survived and all women were taken prisoner. Hossein's body was first beheaded and then left in the hot desert sand to rot.

Heartbreaking stories about the Battle of Karbela and related incidents are common in Shi'ite literature. One such episode is the story of Hossein's three-year-old daughter who asks what she had done wrong that kept her father from returning to her. Then she was shown her father's head, became quiet, fell asleep, and then died. Accounts such as these and "the details of this battle at Karbela form the key imagery of the passion of the Shi'ites" (Fischer, 1980:19).

The intense feeling of common guilt and grief among Shi'ites over the martyrdom of Hossein and Ali becomes evident annually during the ten-day period between Tasua and Ashura. Ashura is the day when Hossein was killed. During this period, Shi'ites practice highly charged religious ceremonies which often

include varying forms of moderate self-flagellation in order to symbolize the guilt felt by the Kufans and other Moslems for abandoning Hossein. Some of these practices include beatings on the chest with the hand or on the back with light chains, and in extreme cases, striking blows to the head with sharp daggers in order to draw blood (*gameh-zani*). This ritual was banned by the Shah and discouraged by Khomeini, but is still practiced in some remote rural areas. Another interesting religious observance during Tasua and Ashura is the *Ta'ziyeh*. This is a detailed, theatrical presentation of events of Karbela that led to Hossein's martyrdom acted out by local residents. The "Paradigm of martyrdom," re-enforced annually by the ceremonies of Tasua and Ashura, testify to the high levels of cohesion and "Catnet" among Shi'ites.[2]

Shi'ite "catnet" developed further when the Safavid Dynasty (1501-1732) took power. Shah Ismaeel, the founder of the dynasty, declared Shi'ism as the official state religion and paved the way toward the establishment of Shi'ism as an institution.

Consequently, the Shi'ite institutions and structure began to spread rapidly throughout the country with impressive results. Shi'ism became a major social phenomenon in Iran, manifesting itself as an umbrella organization that tied various ethnic groups together. It provided the state with an institution that linked the population to a central source of leadership (Swenson, 1985).

Furthermore, Shi'ism presented a mode of thinking and behavior that bypassed cultural diversity. A good example that illustrates this assertion is the

implementation of the *Shariate* (Sacred Law). Most Iranians have acknowledged and accepted the shariat as opposed to other forms of jurisprudence. Even when Iran tried to westernize its legal system, the shariat continued to dominate rural, and to a lesser extent, urban affairs. A Turkish Iranian from the northern province of Azarbaijan and a member of the Qashghai tribe from Fars (south central Iran), could relate to each other because they both understood the shariat rather than Iran's modern jurisprudence during the Shah's era.

As a result, Shi'ism as an institutionalized phenomenon helped promote a strong sense of community and interpersonal relations among Iranians during the Shah's regime. This became evident during the 1979 revolution, when people from different groups and socioeconomic backgrounds united under the banner of Shi'ism. This observation is important because of the proposed corresponding relationships mentioned earlier between "catnet": organization, and mobilization capabilities within a society. Attempts made by the Shah's regime to undermine the role of Shi'ism as a dominant mode of thought and behavior were not very successful.

Leadership - Ayatollah Khomeini

Several times in recent Iranian history, clerical antagonism toward the regime's secular and unpopular policies has manifested itself in powerful

[2]Large scale demonstrations which included millions of participants took place on the day of Ashura in 1978, which underlined the significant contribution of Shi'ite culture on the ongoing revolution.

opposition movements. Obvious examples that come to mind prior to the 1979 revolution are: the Tobacco Protest of 1891, the Constitutional Revolution of 1905-1911, the 1953 Oil Nationalization Movement, and the 1963 anti-government riots. Clerics played an important role in influencing and leading these events. Ali Shari'ati, the French-trained sociologist who made the decisive contribution to the intellectual roots of the Iranian Revolution prior to 1970 argued that:

> all Shi'ites, irrespective of time and place, had the duty to oppose, resist, and even rebel against overwhelming odds in order to eradicate their contemporary ills ... world imperialism, international Zionism, exploitation, oppression, class inequality, cartels, multinational corporations, racism, cultural imperialism and Gharbzadegi [weststruckedness] (Shari'ati, 1976:27,55).

However, the clerics' influence in those and other movements in Iran was limited because of lack of unity and leadership. Many clerics had their own views on pertinent matters and often disagreed with each other over various objectives and strategies. Others, including some very prominent clerics, espoused the separation of politics from religion. No ideological precedent existed to justify the *Ulama's* direct rule in society. In particular, Ayatollah Kho'i argued that no direct *Ulama* governance could exist. Still others were co-opted by the regime. *Ulama* offered substantial support for the Shah following the 1953, coup. Ayatollah Burujirdi, the major religious figure following the Shah's return to power in 1953 wrote to the Shah: "shall almighty God help you in your protection of Islam and in the elimination of the nation's enemies" (Jazani, 1978:164).

This lack of unity was largely a result of several factors. First, Shi'ism doesn't clearly define a hierarchical and structured form of leadership. At any one

time, various prominent Ayatollahs may emerge as leaders who disagree with each other's views and interpretations.

Second, very few religious leaders have surfaced in Iran that have been able to obtain the confidence of other Shi'ite clergy and who have possessed political astuteness and charismatic appeal. Since the Pahlavi era, besides Ayatollah Khomeini, perhaps only Ayatollah Kashani has been able to establish himself as a prominent religious leader capable of orchestrating a united Shi'ite opposition movement.

Kashani supported oil nationalization in 1953. Even then, several respected religious leaders including Ayatollah Khomeini remained neutral or did not support Kashani, thus limiting his sphere of influence within the Shi'ite community. Furthermore, some religious figures were discontented with Kashani for having accepted a "secondary role" in the 1953 affair. They expected Kashani to lead the Islamic movement independent of secular groups and causes such as the National Front and the Nationalization Movement (Cole, 1986). Kashani was not very skilled in political matters. For a while, he supported Mossadeq and lost the respect of many of his religious supporters for having compromised with the regime. In conclusion, Ayatollah Kashani was not able to establish himself as the sole leader of the Shi'ite community, and subsequently failed to enhance the cohesiveness and groupness of the Shi'ites.

That role was clearly played by Ayatollah Musavi Khomeini. Khomeini was born in the district of Khomeini in a small town southwest of Esfahan in 1902

(1281 A.H.). The same year, Khomeini's father was "martyred by the agent of the tyrant Reza Khan Pahlavi" (*Keyhan International*, February 10, 1985). He was then raised by his guardians, his aunt and mother, who both died when Khomeini was fifteen. Khomeini attended *madresseh* (religious school) in Qom until 1936 whereupon he earned his degree (*ejtehad*).

Soon after, Khomeini began to establish himself as an obstinate, uncompromising religious leader who had the courage to oppose the Pahlavi dynasty. He began to publish writings that criticized the anti-Islamic nature of Reza Shah's rule. His first major publication was *"Kashf-e Asrar"* (Unveiling Secrets) in 1945. In it, he condemned Reza Shah's tyrannical rule, his close links with imperialist countries, and his attempts to uproot Islam. He wrote, "all the orders issued by the dictatorial regime of the bandit Reza Khan, have no value at all. The laws passed by his parliament must be scrapped and burned ... it is only the law of God that will remain and resist the ravages of time" (*Kayhan International*, February 10, 1985). Nevertheless, Khomeini during this time did not directly attack the institution of the monarchy. He demanded that the monarch's power be limited by law and the shariat (Dorray, 1990).

During the 1950-53 political turmoil, Khomeini remained out of mainstream political developments, although he did express his verbal support for the attempts by Ayatollah Kashani to combat imperialism. Khomeini was not sympathetic toward Mossadeg because of Mossadgn's secular political beliefs. He also condemned Mossaded's request for financial aid from the United States.

Following the overthrow of Mossaded and the retreat of Ayatollah Kashani from active political life, Khomeini began to loom as a prominent religious leader with political ambitions. His central political objective was to identify Islam with the authority of the *Ulama by attempting (1) to indicate the consistency of his views with Shi'ite political theory, and (2) emphatically to define a true Muslim as anyone who believed in the authority of the Ulama.*

Khomeini's attempts to champion the cause of the *Ulama* by equating *Ulama* power with both Islam and the integrity of Iran are evident in many of his writings.[3] His attack on the religious leaders who espoused the separation of politics from religion was indeed based on his conviction that one cannot be a Muslim if one does not recognize *Ulama* power. "This slogan of the separation of religion and politics and the demand that Islamic scholars not intervene in social and political affairs have been formulated and propagated by the Imperialist, it is only the irreligious who repeat them" (Khomeini, 1981: 44).

Initially, he tried to induce the elder religious leader and his mentor, Ayatollah Borujerdi, to lead the opposition movement against the Shah.

However, Borujerdi remained apolitical, and consequently, Khomeini

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[3]Khomeini's criticism of the government and antireligious intellectuals such as Kasravi began as early as 1943. Although in his earlier writing, he equated anti-Ulama activities with betraying the country, he accepted the idea of constitutional monarchy. It is in the post-1963 period that he began developing the idea of an Islamic government in which religious jurists play the central role. See Ruhollah Khomeini, *Hokumat-i Islami* [Islamic government] (Tehran: Amir Kabir Publications, 1981).

decided to spearhead the clerical opposition to the Shah's regime himself. With time, he became increasingly radicalized in his views. For example, having initially supported the Constitution, Khomeini later rejected it. He demanded that the Constitution be purified in order to be compatible with Islamic law. In a seminar in 1962, he said, "whatever is in accord with the law of Islam we shall accept and whatever is opposed to Islam, even if it is the Constitution, we shall oppose" (Bashiriyeh, 1984:60). Subsequently, he was able to attract a large number of followers from among the younger clerics, who later became the directive force for the revolution. It has to be noted that revolutionary Islamic discourse was not simply a preexisting ideology resting on the political theory of early Shi'ism or in *Ulama* institutional development, ready to be used by discontented groups and classes against the Shah. Rather it was produced by ideologues such as Khomeini, who was inspired by the problems of political repression, the state's policies, and the highly uneven distribution of resources. Up until the early nineteenth century, the *Ulama* were divided among two competing schools. These were the *Akhbari* school and the *Usuli* School. The *Usuli* assigned the *Ulama* the key role in the interpretation of law and demanded all believers to pick a living *mujtahid* to follow and abide by his judgment. The *Akhbaris*, on the other hand, rejected the permissibility for the religious scholars to use their reason to enact certain judgements. Thus the *usuli* doctrine, says Keddie, "gave the living *mujtahids* a power beyond anything claimed by the *sunni Ulama*, and gave to their rulings a sanction beyond anything merely decreed by

the state" (Keddie, 1972:223).

Khomeini advocated the establishment of Islamic government based on *velayat- i-faqih* (government by the jurisprudent). "It is the duty of all Muslims to overthrow these oppressing governments and form an Islamic government" (Khomeini, 1981b:50). Khomeini argued that Islam gives, in the Quran and Tradition (*Sunnat*), "all the laws the principles needed by man for his happiness and perfection" (Keddie, 1981:207). But "their execution and implementation depend upon the formation of a government" (Khomeini, 1981: 44). The *Ulama's* government would be an "institution for ensuring the rigorous application of *shariat* to Muslim society" (Rose, 1981:180).

Following the death of Ayatollah Borujerdi, the *Marjah-e Taglid* (source of emulation) in late 1961, the highest ranking clerics, Khomeini became the key leader within the Shi'ite community. He then accelerated his anti-regime political activities. Finally, in 1963 he began to attack the Shah directly. He targeted the Shah's White Revolution program, calling it a "scheme that was designed, not to enhance the social conditions of the Iranian people, but to add to the financial reserves of the royal family and to ossify the Shah's tyrannical rule" (Khomeini, 1981:52). He also assailed the regime's close relations with the United States and Israel, specifically lashing out at the "capitulations" which exempted American citizens in uniform from being tried by Iranian laws for crimes committed in Iran.

The regime did not tolerate personal criticism of the Shah and ordered troops to storm the madresseh in Qom where Khomeini had spoken on June 5,

1963. Several hundred religious students were killed during the attack and Khomeini was arrested. This incident immediately led to a major uprising by bazaaris and followers of Khomeini where many thousands demonstrated and rioted in major cities, particularly in Tehran and Qom.

Following Khomeini's arrest, it was rumored that he would be executed. The prominent Ayatollahs Shariatmadari and Milani hastily held a convocation at Shah Abol Azim (important religious center in Qom) and accorded Ayatollah Khomeini the rank of Imam. The objective of this act was to prevent Khomeini's possible execution because under penal code, religious leaders with the rank of Imam cannot be executed (Lewis, 1987).

However, despite guarantees by clergy not to interfere in political affairs, again in October 1963 following his release, Khomeini publicized his objections to the *Majles* elections and government bill giving diplomatic privileges to Americans living in Iran. Once more he was jailed (Fatemi, 1982).

When it became clear to the government that Khomeini would continue his hostile political activities, it was decided in 1964 that he be exiled. He was then flown out of the country. He was exiled to Turkey, and, in 1965, allowed to leave for the Shi'ite holy city of Najaf in Iraq to take permanent residence.

As a result, Khomeini became "synonymous with opposition" (Green, 1982:131). Increasingly younger clerics began to admire Khomeini for his "courageous and uncompromising" political activities, and began to accept him as their leader. Khomeini's stature and legitimacy as the leader of the Shi'ites was

further advanced by the allegations that his father and son had been "martyred" by the Pahlavis.

Other prominent leaders such as Ayatollahs Shariatmadari, Talegani, Milani, Motehari, Khonsari, Motazeri, and Rabani Shirazi, who were also considered *marjah-e taglid* by their followers, did not have as much widespread support as did Khomeini. Their followers were generally limited to provincial or ethnic boundaries, unlike Khomeini, whose appeal was widespread throughout the country and among various associations. Also, the other Ayatollahs were not as politically active as Khomeini, and even endorsed Khomeini as the leader of the Shi'ites.[4]

It is important to note that Khomeini continued his political activities while in Najaf. Many Iranian pilgrims would travel to Najaf and visit him or hear his sermons. Khomeini also issued proclamations against the Shah's despotic and "anti-Islamic" rule that were smuggled to Iran and distributed in cities. It has been recorded that he even sent an open letter to then Prime Minister Amir Abbas Hoveida in which he denounced Hoveida and the Shah. He warned Hoveida that one day he would be held responsible. (*Kayhan International*, February 10, 1985). Hoveida was among the first people to be executed by the revolutionary council.

Also in Najaf, Khomeini published the *"velayat-e fagih"* (Rule of the Leading Theologian), in which he outlined his even more polarized theories on religion and

[4]Ayatollahs Taleghani and Shariatmadari were the exceptions. Both engaged in political activities in opposition to the regime. They were also active during the revolution.

politics. In this publication, he stated that the whole constitutional system must be eradicated and replaced with the divine Shi'ite state. He wrote that only the *fagih* (leading theologian) can be a legitimate leader because only he has the knowledge of the shariat, and for a government to be legitimate, it must comply with the divine Islamic system of law. "This system of government sovereignty originates in God, and Law is the work of God" (Bashiriyeh, 1984: 62). According to Khomeini, only the fagih has knowledge of the *shariat.* Khomeini also added that while the twelfth *Imam* is in occulation, the *Imam* Zaman (Imam of the Time) must be designated in order to lead the Shi'ites and provide guidance for them.

Khomeini articulated his arguments for the establishment of an Islamic government based on *veiayat-i faqih* by gearing these toward the anti-state and anti-foreign orientations of the bazaar.

> How can we stay silent and idle today when we see that a band of traitors and usurpers, the agents of foreign powers, have appropriated the wealth and the fruits of labor of hundreds of millions of Muslims thanks to the support of their masters and through the power of the bayonet granting the Muslims not the least right to prosperity? It is the duty of Islamic scholars and all Muslims to put an end to this system of oppression and, for the sake of the well-being of hundreds of millions of human beings, to overthrow these oppressive governments and form an Islamic government (Khomeini, 1981b:50-51).

Therefore, as a result of his consistent political opposition activity against the Shah, as well as his ideological and religious influence, legitimacy, charismatic appeal, organizational dexterity, and leadership abilities, Khomeini was able to bring the Shi'ite community closer together and enhance its level of groupness/catnet and organization. Prior to Khomeini, the Iranian Shi'ite

community was not as cohesive or aggressive. "Traditional role of opposition to despotic rule in Persia had previously been based on an anarchic organizational structure that generally precluded the emergence of a single strong leader of a coordinated national political effort" (Alpher, 1980:54).

The Shi'ite Network

With the unification of the Shi'ite clergy, Khomeini was able to mobilize and exploit the very powerful Shi'ite institution. Until several years before the revolution, the mosque was considered by the regime and secular intelligence a as declining institution. However, the impressive comeback showed that the Shi'ite establishment still had maintained its deep roots in Iranian society, and that demand by the public accompanied by strong leadership could once again revive its influence (Chehabi, 1990).

"At the heart of the community there are some 600,000 *seyeds,* people who claim direct descendants from the prophet's family. A further one million *'mirzas'* - 'half *seyeds*,' or those whose mothers are 'Seyed' - provide an outer circle" (Taheri, 1978). These people are expected to have close connections with the high ranking clergy.

The official organization consists of more than 80,000 mosques, holy shrines, and other significant religious centers and approximately 200,000 clergy of various capacities. (Table 1.1). Furthermore, all of the shrines and mosques have keepers *(khadams)* who are affiliated with the Shi'ite establishment.

Important shrines, Imam Reza in Mashad, Hazrateh Ma'soumeh in Qom and Shah Cheray in Shiraz have custodians *(mot-e walli)* who are very influential and have hundreds of assistants. Every small town, in addition to having its own mosque or sharing one with a nearby village, has an *imamzadeh*, a shrine devoted to numerous descendants of Imam Ali's venerated family.

In addition, there are thousands of *"rowzeh khans,"* low ranking clerics who, as already described, chant the story of the martyrdom of Imam Ali and Hossein during certain processions. Higher ranking *"rowzeh khans"* are called *"wa'ez"* and they are allowed to preach and deliver interpretive lectures on religious matters. Still higher in rank are *"pish namaz,"* who lead prayers in mosques and preach sermons. Communities of larger size have *"pish namazes,"* who can reach eminence and become categorized as the *"Imam-e Jom'es"* (Friday Imam, considered to be very important).

Next are the *"hojat-ol Eslams,"* those who have completed higher levels of religious education in an important theological center. These people are entitled to interpret Shi'ite jurisprudence and other matters related to Shi'ite Islam. The are considered authorities of Shi'ism.

There are nearly 300 theological centers in Iran which have an estimated 60,000 students (Taheri, 1978). By 1977, the modern sector had approximately 230,000 vocational/technical students and 250,000 university students. Qom Mashad, and Tehran are the most important centers in Iran. Another important center is Najaf, Iraq. These centers have eminent leaders who have under their

Table 1.1 Number of Mosques, Hosseinieh and Imamzadeh in Tehran and in Iran, 1973 and 1975.

	Tehran		Iran	
	1973	1975	1973	1975
Mosques	752	983	6,141	6,560
Hosseinieh	86	64	1,235	1,779
Imamzadeh	14	4	1,154	656
Total Number Shi'ite Centers	852	1,051	8,530	8,995

Source: *Gozaresh-e Farhangi-e Iran: Shora-e Alli-e Farhang va Honar* (Education Report of Iran: The High Council of Education and Art). v. 40 and 56. 1975. Tehran: Markaz-Motale'at va Hamhangi-e Farhanyi.

influence many assistants and a large number of students.

The most eminent teachers and religious leaders are called *"Ayatollah"* (reflection of Allah) and they are ranked above the *"hojat-ol Eslams."* There are roughly 1,000 "Ayatollah" within Iran. The Ayatollah is often approached by his followers on various matters that are not necessarily directly related to religious issues. His judgement is in a sense the "final" word. He also leads important religious ceremonies and controls the financial resources of the mosque which include donations and *"khoms"* (religious tax). The financial resources of the Shi'ite mosque are abundant. Much of the money is allocated to financing mosques, religious activities, publications, madressehs, and support for the poor. The students of the Iranian religious community have pointed to certain economic resources that have given the *Ulama* the organizational independence to reach against state encroachment (Algar, 1969, 1983, Keddi, 1980, 1981, 1983). Economic resources included the *Ulama's* control over charitable/religious endowments (*vagf*) given for institutions like schools, mosques, shrines and hospitals. The *Ulama* also kept direct control of certain religious taxes, the so-called *khums* (one-fifth) and *zakat* (alms), and the voluntary *sadayat* and *nuzur* (vows). According to Keddie, it is known that "the *Ulama* were able to use a combination of moral and physical pressure to collect, especially from the merchants and other well-off bazaar traders and artisans, the *khums*" (Keddie, 1981:17).

A relatively recent phenomenon in Shi'ite history has been the recognition

of *Ayatollah Ozmas* (grand Ayatollah). They are also considered *marjah-e taglid* and are recognized by other Ayatollahs as such. There have been approximately ten *Ayatollah Ozmas*. The emergence of *Ayatollah Ozmas* is based on factors such as age, piety, mass appeal, and recognition by other eminent clergy.

Khomeini is the first Ayatollah who has also been honored by the title *Imam*. In Shi'ism, *Imam* is the title given to Ali and his 11 male descendants. This reflects the uniqueness of the Khomeini phenomenon. Under Khomeini's leadership, the Shi'ite establishment with its vast array of resources became revived. This provided Khomeini with the means to communicate with the masses directly. The Shi'ite institution was transformed into a political party that made the leader of the Rastakhiz Party envious.

Organization/Mobilization of Resources

1. The Cleric Network

It is helpful to mention that some of the important resources that needed to be exploited by the Shi'ite establishment were labor power, financial resources, accessible institutions, relevant information, and manipulative technologies. But, by and large, the most important resource that needed to be mobilized by the Shi'ites in order to bring about the revolution was the active support, and consequently, the power of large numbers of people. This important factor needs to be further analyzed. In order to do so, it is necessary to recognize the significance and dynamics of closely interrelated variables such as level of

organization, quality of leadership, and mobilization of relevant resources that enable a challenger to orchestrate a revolutionary movement. This framework corresponds with Tilly's polity and mobilization models and can be applied to the case of Iran.

Revolutionary activities by the Shi'ites had been organized since the late 1960s. Already while in Najaf, Khomeini had begun to establish networks consisting of clerics and non clerics from among his trusted supporters. These networks played a significant role in organizing and managing revolutionary affairs (Parsa, 1989).

Khomeini's network of clerics also played an important role in the revolutionary process; in fact, under Khomeini's leadership, the clerics employed very impressive forms of organization and skills needed to mobilize the resources for the revolution. The clerical machinery proved to be very cohesive, organized, active and willing to unite under one leader. It needs to be said that Khomeini's dextrous leadership was largely responsible for this accomplishment.

It has to be noted that there were several specific ways through which the discursive field of revolutionary Islam was expanded and ideological mobilization was instituted by the clerics. The first was the transformation of the politics of the clerical establishments and their reconstitution in terms of Islamic revolutionary discourse. The idea of the revolutionary overthrow of the Shah and the establishment of an Islamic government was by and large Khomeini's own idea. Second, the discursive field generated by revolutionary Islam -- that is, its

symbolic structure, its rituals and calendar, and its theme of martyrdom -- played a crucial role in providing an effective channel of communication between the leaders and the led. The revolutionary crisis intensified in January 1978, when several thousand Khomeini supporters in Qom began to protest the publication of an article in the official newspaper, in which Khomeini was portrayed as an Indian Sayyid who was being used as tool by the red and black colonialists, referring to the communists and the British. The incident unleashed a chain of ideologically constituted events whose dynamics were responsible for the continuation and intensification of the revolutionary crisis. The events in question were produced by the Islamic ritual for the dead. This ritual includes, among other things, memorial services and commemorations of the deceased which are to occur on the fortieth day after the death. The performance of this ritual for those killed in anti-Shah demonstrations led to the killings of some of those participating in the ritual, which in turn provided another occasion for performing the memorial services for them forty days later, and so on. The sequence started in Qom on January 9, 1978. Third, the Islamic calendar provided not only a means to negate and contradict the ideology of the monarchy but also periodic occasions for the people to mobilize against the Shah. By observing the rituals and ceremonial practices associated with religious holidays and disregarding the state-specified civil holidays, the opposition undermined the ideology of the monarchy. Furthermore, major mass demonstrations initiated against the Shah often transpired in the holy months and were initiated in the mosques. The

religious opposition effectively used oppression to attack the Shah (Bazargan, 1984:33-34).

After his exile in 1963, Khomeini established and cultivated a cleric network consisting of his trusted followers. These clergy later played important roles in directing the revolution and occupying high posts in the new government (Moaddle, 1986).

Many of the clerics who were recruited by Khomeini to join the revolutionary organization were his former pupils and associates. They had studied under Khomeini in the Faizieh Divinity School in Qom and had continued to maintain secret ties with each other and with Khomeini. Many of them were imprisoned for having supported Khomeini during the 1963 upheaval. This network was largely responsible for mobilization and organizing mass demonstrations and other important revolutionary activities that eventually topped the Shah's regime. Only during the revolution did the names of these people surface.

Ayatollah Hossein Montazeri, named Khomeini's successor, was an older member of the network who studied under Khomeini in Faizieh. He was jailed in 1963-1964, 1974 and in 1975-1978 for his continued public support of Khomeini and the opposition. Montazeri was known to have travelled extensively in sympathetic Middle Eastern countries, particularly Syria, in order to muster support for Khomeini's cause. He also represented Khomeini in delicate diplomatic missions during and after the revolution. Upon his release from jail in

1978, Montazeri left for Paris to be near Khomeini and returned with him in their triumphant trip back to Iran (Mehraban, 1982).

Ayatollah Mahmoud Beheshti was another member of Khomeini's network. Though not ranked as high as other Ayatollahs on the theological level, Beheshti was a shrewd organizer and administrator. He graduated from the Tehran Divinity School, but he studied for a short period under Khomeini in Faizieh. Beheshti lived in Hamburg, West Germany for many years and was able to establish close relations with many pro-revolutionary forces in Europe. He has been credited with linking several affluent members of the bazaar who were doing business in Europe with Khomeini. Beheshiti has also been credited with masterminding the large scale demonstrations in Tehran. He and his colleague Ayatollah Nuri turned their home into a center for the revolutionary activities by setting up tape recorders, printing machines, and telephones that served to relay Khomeini's directives to the masses rapidly and efficiently. Later, Beheshti became head of the Islamic Republic Party and a member of *Majles*. He was killed in 1982 in the massive bomb explosion that killed approximately 80 members of the Majles including the newly-appointed prime minister.

Another important member of Khomeini's network was Ayatollah Morteza Motahari. Motahari was generally considered as a theoretician and leading Islamic intellectual. He also studied under Khomeini. Motahari was largely responsible for building the Hosseinieh Ershad Theological Center which served as the rallying point for many anti-regime religious gatherings. The popular Ali

Shariati often lectured at Hosseinieh-e Ershad, turning it into a center of activity for large numbers of "progressive" Shi'ites. Hosseinieh-e Ershad was shut down by SAVAK on numerous occasions.

Other important affiliates of Khomeini's network were Ayatollahs Rabbani-shirazi, Mofateh, and Khalkhali, and *Hojat-ol Islams* (Theological rank below Ayatollah), Akbar Hashemi-Rafsanjani, and Ali Khamenie. The latter two played a very active role in the revolutionary process and were among the younger members of Khomeini's team. Rafsanjani was head of the *Majles* and Iran's strongman, and Khamenie was President of Iran.

Ayatollah Khalkhali contributed to Khomeini's objectives by literally eliminating many members of the opposition. Labeled the "hanging judge," he ordered the execution of many members of the old regime including army officers and sympathizers of leftist organizations. He was also sent to Kurdistan to mop up rebels. It has been reported that he quelled the rebellion by executing anyone who appeared sympathetic toward the Kurdish insurgency. It was rumored that when asked how he decided who should be executed, he responded by saying anyone who appears guilty will be executed, if they are guilty then justice has been done, and if not they will go to paradise.

Two other Ayatollahs, though not members of Khomeini's network, also played important roles in the revolutionary process. Ayatollahs Mahmud Taleghani and Kazem Shariatmadari supported Khomeini and added to the organizational and functional capabilities of the Shi'ite establishment by placing

their own resources and network of supporters at Khomeini's disposal.

Ayatollah Taleghani was considered second to Khomeini by many Iranian Shi'ites. He was head of the prestigious Tehran University Divinity School. Nearly as old as Khomeini, Taleghani had studied theology in Qom and for a short period had studied in the same school with Khomeini. Since then he had maintained close ties with Khomeini.

Over the years, Taleghani was engaged in various political developments. He actively supported the National Front in the early 1950s, and Khomeini during the 1963 upheaval. He also developed a tolerance for "progressive" Shi'ite youths and leftists, perhaps because his daughters had become affiliated with the Mojahedin Khalq. As a result, Taleghani was able to function as an important link between Khomeini and the leftist groups and intellectuals opposing the Shah. In particular, his relation with the Mojahedin Khalq proved fruitful because of the experience the Mojahedin had in revolutionary violence that Khomeini's other supporters lacked. Taleghani was jailed on numerous occasions for his political activities, and according to numerous reports, was brutally treated while in jail. Not only had his health deteriorated, but he had undergone tremendous psychological pressures. According to some reports, Taleghani was forced to watch as his daughter was being raped by an interrogator.

Taleghani's contributions to the revolutionary processes contributed even after the Shah's fall. He promoted the alliance between many members of the middle class and the clergy. He also modified Khomeini's radical proclamations

on numerous occasions to make them more acceptable to the middle class so as not to alienate them. An example of this was when several months after the establishment of the Islamic Republic in Iran, Khomeini declared publicly that all women must abide by strict Islamic dress codes and wear chadors at all times. The following day, an estimated 200,000 women exhibited an impressive show of solidarity and intrepidity by marching in protest against Khomeini's demands. The demonstrations took place in spite of the presence of hundreds of armed revolutionary guards. The intensity of the demonstrations was such that Taleghani stepped in and "reinterpreted" Khomeini's statements. He died soon after the revolution of a reported heart attack, some rumors circulated that he was killed because of his popularity among the leftist Iranians. He was thus a potential threat to the leadership.

Also critical to the Shi'ite establishment was the support of Ayatollah Kazem Shariatmadari. He was highly respected for his knowledge of Shi'ite theology and jurisprudence and his high moral standards. He was among the few Ayatollahs referred to as *Ayatollah Ozma* (Grand Ayatollah). Shariatmadari is from the northern province of Azerbaijan and nearly all Azari's refer to him as their spiritual leader.

Shariatmadari was a reformist who opposed the extremes of the Shah's regime. Although never attacking the fundamentals of the constitutional monarchy, he often lashed out at the Shah's "un"Islamic political and cultural policies. However, in 1978, he became more radical in his views and began to

support Khomeini. This may have resulted from the dramatic incident that reportedly occurred in his house. As a warning to Shariatmadari, several SAVAK agents forced their way into his home in Qom and shot dead an anti-Shah activist who was Shariatmadari's "Guest." This occurred in spite of the fact that an Ayatollah's house has always been a sanctuary off limits to government officials.

As a result, he became more involved in the revolution and asked his followers and associates to support Khomeini. When still criticized as being a reformist by some, he retorted "it is quite easy to be a radical revolutionary when you are safely abroad, but when you are directly confronted with the coercive elements of the government you must be more careful with your statements and declarations."[5] To Illustrate his point, during one of his Friday sermons which was attended by many clerics, Shariatmadari requested that all those present unite and remove their turbans. Then he asked them to put the turbans back on again, pointing out that all those who could not properly tie their turbans were SAVAK agents. Often Shariatmadari led the revolutionary events while Khomeini was still in Paris. At times he called for strikes and demonstrations. But most important to the organizational process of the revolution, Shariatmadari asked his followers and associates to support Khomeini and put their resources at his disposal.

2. Khomeini's Secular Network

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[5]Although never substantiated, this story was widely circulated throughout Tehran.

Most members of the secular network consisted of anti-Shah Iranians living in exile. One important member was Sadeq Qotbzadeh. He initially came to the United States and enrolled at a university in Washington D.C. But because of his continued anti-Shah activities, his Iranian passport was revoked and he was subsequently deported.

Qotbzadeh then left for Syria and joined the ranks of Imam Musa Sadr, the leader of the Lebanese Shi'ites with close ties to Khomeini. There, Qotbzadeh trained in revolutionary organization, and disguising himself as a journalist, began to travel extensively in sympathetic Middle Eastern countries such as Libya and Syria. He has been credited for establishing working relations between Khomeini and leaders of those countries. Allegedly, he was able to transfer funds from countries such as Libya to Khomeini and Khomeini's supporters inside Iran. Qotbzadeh was also involved with the PLO organization in Lebanon and cultivated close ties with their leaders. Through his association with the PLO, he also linked with French leftist groups and lived in Paris for awhile as a Syrian journalist. As a result, he was able to strengthen associations in France that helped pave the way for the French government's approval of Khomeini's departure to Neauple Le-Chateau, near Paris. On numerous occasions, Khomeini even referred to Qotbzadeh as his "son." Following the revolution, Qotbzadeh was appointed head of National Iranian Radio and Television and then foreign minister during the hostage crisis. Ironically, he was later executed by Khomeini's regime for "having conspired to overthrow the Islamic revolution." Qotbzadeh advocated an open

dialogue with the United States in order to establish a friendly relationship between the two countries.

Another key individual who joined Khomeini's network was Mostafa Chamran, a Ph.D. in physics from the University of California, Berkeley. He had organized the *Anjoman Islami* (Islamic Association) in Berkeley and was very sympathetic toward Khomeini's cause. Chamran spent many years in countries such as Egypt during the time of Nasser, and Lebanon, and reportedly kept close contact with people such as Qotbzadeh. In the early 1970s he went to Lebanon and "with the assistance from Musa Sadr, became principal of a vocational school for Shi'ites and Palestinians in Tyre located on the southern coast of Lebanon" (Alpher, 1980:63). There, Chamran became closely involved with Musa Sadr's militant Shi'ite group *Amal*. *Amal* had very close ties with Khomeini and assisted Khomeini's efforts in many ways, including the training of revolutionaries and the transference of weapons and financial resources to underground groups inside Iran. Musa Sadr and Khomeini are from the same religious sect.

Chamran was also responsible for establishing ties between the PLO and underground organizations such as the Mojahedin Khalg. As has been reported, many members of the Mojahedin and Fadayeen Khalg were trained in PLO camps under the supervision of Chamran. Shortly after the revolution, Chamran was assigned to organize the new defense and intelligence organizations. It was reported that he was killed in battle while leading an army unit ordered to suppress Kurdish rebels.

Another important member of Khomeini's secular network was Ebrahim Yazdi. A cancer specialist living in Texas, Yazdi headed the Moslem Students Association in that part of the United States. He was closely associated with the Iran Liberation Movement headed by Mehdi Bazargan, and was a member of the National Front during the Mossadeq era. Yazdi acted as an important liaison between Khomeini and American officials (Alpher, 1980:63). He tried to persuade Westerners, through the media, that the Islamic opposition movement was neither manipulated by Moscow nor bent toward anarchy (*Kayhan International*, January 21, 1979).

Yazdi became close to Khomeini when, following Khomeini's exile in 1964, he appealed to Turkish officials and international organizations to ensure that Khomeini was not mistreated while in exile. When Khomeini settled in Najaf, he appointed Yazdi as his representative to the United States, and in mid-1978, Yazdi came to Najaf and later returned with Khomeini on his triumphant return to Iran in January 1979 from France. Until the hostage crisis, Yazdi was foreign minister in the new government. He was largely responsible for mobilizing support for Khomeini among students and intellectuals living in the United States, and for interpreting Khomeini's intentions for Americans and other Westerners.

Also closely associated with Khomeini was Abol Hassan Banisadr, later to become Iran's first "elected" president following Khomeini's endorsement. Son of a prominent Ayatollah who was close to Khomeini, Banisadr had a religious upbringing, but went to France to pursue his education. There he enrolled as a

Ph.D. student, but spent most of his time trying to incorporate Islamic doctrines with western concepts. He tried to interpret Khomeini's statements in accordance with western concepts, supplementing them with his own diagnosis and interpretation. While in Paris, he published *"Egtesad-e Tohidi"* (Communal Economics), where he tried to lay the framework for a socioeconomic plan for Iran consistent with Khomeini's views on Islamic government. Banisadr was not involved in revolutionary activities as were other members of Khomeini's secular network. However, he was a close advisor to Khomeini. It was later reported that it was upon his advice that Khomeini did not compromise with the Shah's last prime minister, Shapur Bakhtiar. However, Banisadr lost Khomeini's support a couple of years following the revolution, at which time he was forced to flee the country disguised as a female on an Iran Air International flight. Another educated and important member in Khomeini's network was Mehdi Bazargan, who was appointed by Khomeini to become Iran's first prime minister following the Shah's downfall. Bazargan's main role was to sustain the link between Khomeini and the secular opposition to the Shah, particularly members and sympathizers of the National Front. Bazargan played a crucial role by assuring many bazaaris and middle class Iranians that the Islamic regime would be compatible with nationalism and democracy, and with the economic interests of the bazaar. He also attracted support for the revolution from the intellectuals and professional groups, who saw him as a safeguard against religious extremism.

Bazargan was an elder statesman and a devout Shi'ite Moslem. He was

educated in France as an engineer where he developed modernist, reformist views for government. In 1942, he founded the "Islamic Society." Yazdi was among its first members. Later Bazargan joined Mossadey's government and in 1960 founded the Iran Liberation Movement. As a result of his religious background and modernist views, Bazargan was able to gain the trust of the clergy as well as intellectuals. Bazargan's view was that the system of government must be democratic but compatible with the Shi'ite establishment.

The inclusion of Bazargan in the network provided Khomeini with access to Bazargan's sub network of people. Bazargan had established a team of people with similar views which proved very helpful to Khomeini. Various prominent members of Bazargan's group such as Ayatollah Sahabi, Hashem Sabayhian, and Amir Entezam provided valuable services for the Islamic regime. In fact, other members of Khomeini's network such as Qotbzadeh, Yazdi, and Chamran were also associated with Bazargan's organization. During the 1960s these men had been official representatives of the Iran Liberation Movement in the countries where they resided.

Once the Islamic Republic began to become securely entrenched, Bazargan's power began to erode so that he finally resigned early in the hostage crisis when it became clear to him that he was powerless to obtain the release of the hostages without Khomeini's support (Bakhash, 1984).

The significance of the contributions made by Khomeini's secular network in bringing about the revolution is undeniable. They were able to help organize

revolutionary affairs, generate support from among the secular middle class groups, establish communications with western sources and leaders, and sponsor pro-revolutionary activities abroad. They also played an important role in "interpreting" Khomeini's radical religious views in a more moderate fashion in order to give them broader appeal. Also, Khomeini's secular allies helped manage post-revolutionary government affairs that required the skill and experience clerics lacked at the time.

3. The Guerilla Organizations

Having skillfully exploited the resources of the secular supporters, the clerics also demonstrated their political dexterity by utilizing the means available to the guerilla groups, particularly the Mojahedin Khalg. The Shi'ite clergy had the ability to orchestrate large scale demonstrations but lacked the experience to strike at sensitive government targets by means of terrorism and organized violence. In fact, even before the outbreak of the revolution, in the early 1970s Khomeini's lieutenants in Iran decided to fund the Mjahedin Khalq guerilla organization, which began armed operations against the Shah's government (Bakhash, 1984:44). Rafsanjani justified this relation by stating, "we considered any form of struggle against SAVAK a blessing" (Hariri, 1979:10).

Such activities served two important functions: they jolted the morale of the government forces, and they demonstrated to the people that the government's suppressive forces were not invincible. In general, "terrorism"

advertises the movement, builds morale within the movement and among sympathizers, demoralizes and disorients civil authorities, and causes the government to alienate the people by becoming polarized and more coercive (Eldridge, 1979:122). Having recognized these factors, Khomeini's network continued to support the main guerilla groups in Iran until the revolution. Once Khomeini's government became securely established, it began to oppose the guerilla groups. Members of the guerilla groups were forced once again to go underground after coming under violent attacks by Khomeini's revolutionary guards.

Concluding this section, it can be stated that the Shi'ite establishment, for reasons suggested, was very successful in increasing and mobilizing effectual resources that brought about the revolution. They not only developed and utilized the tremendous resources available to them, but also helped promote and exploit resources of other organizations such as the guerilla groups. The ability of the Shi'ite establishment, the main challengers contending for power, to organize and mobilize applicable resources was a major reason why the revolution occurred. It can be claimed that had it not been for the role of the Shi'ite establishment, the Shah's regime would still be in power in spite of the emergence of a "pre-revolutionary" society in Iran. Other challengers such as the *Tudeh* Party or the guerilla groups did not have nor could generate the necessary resources to make the revolution happen because they lacked a charismatic leader, organizational capacity, financial resources and ideological legitimacy.

Summary

The revolutionary situation in Iran led to the collapse of the Shah when social discontent was expressed in terms of Shi'ite revolutionary discourse. Dual sovereignty emerged because the state and opposition were constituted by and through two mutually negating ideological universes. The themes of Shi'ite revolutionary discourse (that Iran's problems were related to the West's cultural domination and the un-Islamic nature of the institution of monarchy, and that there was a religious solution to these problems) contradicted in essence the monarchy-centered nationalist discourse. Further, the discursive field generated by revolutionary Islam--that is, its symbolic structure, religious rituals, and theme of martyrdom--played a crucial role in providing an effective channel of communication among the various participants, in maintaining a continuity in the people's mobilization against the Shah, and in transcending the social differences in society in a communitarian direction. Shi'ite revolutionary discourse transcended the class-divided and segmented Iranian society into Islamic community (i.e., Ummat) in conflict with a boundless tyrant (i.e., *Taghut*). The dynamic of Shi'ite revolutionary discourse shaped the events and structured the legitimacy of the arguments put forward by diverse political groups and social classes in advancing their interests.

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PART VI

CONCLUSION

History will judge the Pahlavi dynasty as the most consequential, indeed epochal, monarchy in Iran since the Safavids. Like the latter, the Pahlavis came to power in the shadow of a grave national crisis--political decadence, economic bankruptcy, and low public morale. Like them, the Shah and his father believed that they had turned the nation around and lifted the country to a world-class position of power, prestige, and prosperity. Yet, like the last of the Safavids, they were both driven from the throne under humiliating circumstances.

Why? I am inclined to argue that the fall of the Iranian monarchy in 1979 was the result of not one revolution but many. First, there was a *political* revolution against autocratic rule which, although age-old and indigenous, had by then become increasingly outmoded and anachronistic. Second, there was an *economic* revolution against perceived inequalities in incomes and opportunities which, although endemic and invidious, had become far more visible and thus more intensely resented. Third, there was a *social* revolution against a growing stratification in outlook, values, interests, and lifestyles among traditional classes which, while going back to the turn of the century, seemed increasingly more pronounced. And, finally, there was a *cultural* revolution in the guise of religion, against feared loss of Persian identity and national heritage which, while perhaps unduly exaggerated, had become particularly ominous and intolerable as the regime took on a more avant-garde color. While the origins of the Iranian Revolution may be a matter of conjecture, debate, and dispute, there can be no doubt that the challenge to the Shah's reign and rule was neither spontaneous nor

unprovoked. No significant event in history is ever independent of its past, or irrelevant to its future. Such was the case with Iran. The collapse of the political order, while not inexorable or predetermined, was to a large measure self-induced.

The roots of revolution are found in certain internal tensions and strains: (1) a perpetual challenge to the Shah's centralized monarchic absolutism by the secular intellectuals; (2) a festering rift between the crown and mosque regarding the primacy of legitimate power; (3) a latent divergence between the Shah's policies and Islamic consciousness; (4) a nagging clash between a nationalistic desire for independence and self-reliance and oil-sanctioned global interdependence; and (5) a sharp encounter between the rapid tempo of economic development and the slow pace of political progress.

Earlier, I defined political revolution as a rapid, fundamental change in the structure and sources of legitimacy of the state as well as in the personnel and ideology of those who manage it, accompanied by mass movement from the lower classes. A salient feature distinguishing revolutions from other forms of collective behavior is the profundity of societal transformations they help to institute. Without the existence of a centralized state, such measures can not be implemented. At least from the beginning of the industrial age (1770s), the principal impetus behind the centralization of all the peripheral states, Iran included, has been the predilection to catch up quickly with the Western nations and to neutralize their menace. In other words, centralization for the sake of

modernization, and modernization for the sake of military and economic parity with the West. Modernization of the traditional society demands more than cosmetic reforms in this or that part of the economic and political systems. It requires a comprehensive, all-encompassing transformation of the entire society. Prerequisite to this was the centralization of political authority and the existence of a strong state.

During the first decade of his rule, Mohammad Reza Pahlavi was inexperienced, and internal conditions were unfavorable to his accession as an autocratic ruler. Ironically, the turning point in ascendance of the Shah to power was the coup of 1953. The nucleus of the Imperial coalition, which saved the Peacock Throne, consisted of the court, the landlords, the wealthy merchants, a significant portion of the religious leaders, and the majority of the top echelon of the armed forces. Gradually, however, as exposure to new ideas and places. These translated into new ideas and places. These translated into intensified demand for political participation. These inevitable consequences of economic development required political flexibility and adaptability by the incumbent Pahlavi regime. The political structure, however, remained archaic, inflexible, and rigid as the Shah insisted on monopolizing political power.

The purpose of this dissertation has been to elaborate on the situation discussed above, and to explain why the 1979 Iranian Revolution occurred. It was suggested that in order for a revolution to happen two conditions must exist interactively: **The existence of a pre-revolutionary society and the presence**

of an effective contender group that is aspiring to gain power and has the capability to mobilize resources toward that objective.

It was shown that both of the above conditions existed in Iran concurrently: a pre-revolutionary society had developed, and a highly organized contending elite, armed with a charismatic leadership and appealing ideology, and with access to mass scale communications network, had evolved with the intention to lead a revolution. Without the juxtaposition of these two factors, the revolution would not have occurred.

Once Iran under the Shah embarked on a modernization policy, the process of bureaucratization and militarization took place. This led to the formation of the new middle class and relative changes in the economic position, status, and power of other groups such as bazaaris, clergy, industrial workers and intelligentsia. As the pace of modernization increased, some groups began to experience varying forms of relative deprivation. As relative deprivation became more acute, the groups involved developed the potential to join the revolution. For groups such as industrial workers who experienced a significant gap between what they expected and what they got, it was rational to join the revolution that appeared to have a good chance and success and that promised to improve the groups' previous standing with regards to economic position, status, and power. Under these circumstances, members of bazaar, intelligentsia, industrial workers, and professionals perceived that the benefits of participating in a revolution outweighed costs such as financial loss resulting from economic inactivity or loss

of job, imprisonment, injury, torture, and even death.

At this point, Iran was considered pre-revolutionary. But in order for the revolution to happen, it was necessary to have a contender/challenger group to politicize the discontent. Such a group must have features such as strong leadership, a high level of catnet, and the determination to lead a revolution. An effective challenger must be able to mobilize such resources as communication networks, labor power, and financial assets. At the same time, it should be able to demobilize resources available to the current power holders. The clergy politicized the discontent and led the revolution.

This study has demonstrated that relative deprivation, modernizing dictatorship and mobilization models cannot by themselves explain the emergence of the Iranian Revolution. Only when modernizing dictatorship, relative deprivation and revolutionary mobilization are occurring at the same time will revolution come about.

After the Shah's return to power, Iran began to undergo socio-economic changes. These changes became visible during the 1950s, accelerated in the next decade, and peaked in the first half of the 1970s. During the last two decades, Iran's GNP experienced a rapid climb. The GNP rose by eight percent per annum in the 1960s, by 14.2 percent in 1972-73, by 30.3 percent in 1973-74, and by 42 percent in 1974-75. The GNP reached approximately $54.6 billion by 1975, a $37.3 billion increase in only six years.

This led to rapid urbanization so that by 1975, more than 60 percent of the

population were living in cities, a dramatic rise over the last three decades. This is reflected in the figures for workers in the agricultural and industrial sectors. During 1964, nearly 75 percent of the workforce was in agriculture, by 1966 only half remained in that sector, and by late 1970s that figure fell to 33 percent.

The consequence of this rapid economic growth fueled by soaring oil prices was that the Iranian society began to experience social changes at a very rapid pace. Social changes then led to the evolution of new social forces, as traditional commitments eroded and new ties and attitudes evolved. As these new social forces, such as the new middle class, were emerging and older groups such as the bazaaris where undergoing transformations, noticeable changes occurred in the economic position, status, and power of important collectives in Iran. Groups such as the clergy, the bazaaris, the intellectuals, and the urban working class which consisted of recent rural migrants and the established industrial working class, underwent significant changes in their position and began to experience wide gaps between their expectations from the system and the capabilities and willingness of the system to meet those expectations. This brought about the condition of widespread relative deprivation. The theory of relative deprivation means that revolution is most likely to occur when the gap between people's expectations and the system's capability to meet those expectations become intolerable; in particular, progressive deprivation (J-curve) occurs when a prolonged period of prosperity is suddenly reversed, whereby people's expectations continue to climb while capabilities fall. But effective groups must

exist that want to replace the polity, those currently in power, and have the capability to mobilize resources toward that objective.

In Iran a pre-revolutionary society had evolved because the major groups were experiencing relative deprivation in one form or another. For example, with regard to economic position, most groups experienced a progressive deprivation when the sudden economic growth in 1973-74 resulting from the oil price hikes reversed in 1975 as marked by the anti-profiteering campaign.

Against that background, the Shi'ite establishment mobilized its vast array of resources and powerful networking, including more than 80,000 religious centers, 200,000 clerics, an appealing ideology, a charismatic leadership, and a strong financial base, to bring about the revolution.

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