

From White to Black: A Historical Materialist Reading of the Islamic Revolution in Iran

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For many contemporary commentators and analysts in 1979, the Islamic Revolution in Iran came as a completely unexpected and bewildering surprise.¹ By all Western standards, the Shah's regime seemed to be doing fine: oil revenues were growing exponentially (2400 percent from 1968 to 1976);² industrialization had been increasing steadily – in all sectors – for nearly two decades; literacy had increased by over 300% between 1956 and 1976;³ and the labour force had grown by nearly 3 million workers over the same period.⁴ Western nations also enjoyed favourable trading conditions with Iran, reflecting and encouraging international support for the regime.⁵ In Iran itself, the repressive organs of the state ensured ostensible political stability in large measure. To what, then, could the Revolution be attributed? Popular explanations point to the oppressive nature of the regime, the corruption of the bureaucracy, the resurgence of Islamic fundamentalism, internecine power struggles within the administrative ranks and, from the Shah's own perspective, an elaborate conspiracy among Western powers against an increasingly independent, financially-solvent state.⁶

¹ Mohsen Milani, *The Making of Iran's Islamic Revolution* (Colorado: Westview Press, 1994 Reprint), 11.

² Robert Looney, *Economic Origins of the Iranian Revolution* (New York: Pergamon Press, 1982), 3.

³ Milani, *The Making*, 67.

⁴ *Ibid.*, 61.

⁵ Robert Looney, *The Economic Development of Iran* (New York: Praeger Publishers, 1973), 96.

⁶ M. R. Pahlavi, *Answer to History* (New York: Stein and Day Publishers, 1980), 145-170.

There is a place for all of these factors in the narrative of the Revolution. However, their plausibility and different spheres of emphasis restricts us from assigning primacy to one specific factor. This does not mean, though, that we should necessarily argue for a specific historical conjuncture of forces with no common, underlying cause. On the contrary, the following argument seeks to establish a common context for these disparate factors. It will be suggested that the Shah's White Revolution, in its social and economic dimensions, created and conditioned the revolutionary elements of Iranian society and thus ultimately brought about the Islamic revolution in Iran.

The proposed relationship between the Shah's programme of modernization and the Revolution is hardly clear. In order to establish the necessity of this relationship, it is necessary to approach our subject from an historical materialist standpoint. This entails a critical consideration of the material conditions and class relations within Iranian society before and after the White Revolution. It will be suggested that the Shah's programme fundamentally transformed Iran's mode of production, and by extension created a sudden and dramatic change in the composition of the dominant class. One of the consequences of this transformation was an incompatibility between the interests of this new class in Iran and the political system upon which the old order was predicated. In a word, the Shah's social and economic reforms failed to reproduce the conditions of existence for his rule.

To substantiate this claim, it is first necessary to introduce the conceptual tools that will inform this analysis. The 'mode of production' is the familiar Marxist notion of a system of productive relations upon which the dynamics of a society depend. The classification of Iran's mode of production before the era of modernization has been widely debated among theorists from a variety of disciplines. Some have pointed to the (ostensible) similarities between pre-modern Iran and feudal Europe, suggesting that some variant of feudalism provided the material base for Iranian society.⁷ Others have insisted on a variation of the classical Asiatic despotism model, though this view was widely

⁷ Homa Katouzian, *The Political Economy of Modern Iran* (New York: New York University Press, 1981), 7-21.

dismissed even as it was being invoked.⁸ Bizhan Jazani (a contemporary Iranian Marxist and revolutionary) argued for a composite mode of production comprised of feudalism and what has variously been termed ‘comprador’, ‘dependent’, or ‘neo-colonialist’ capitalism.⁹ While this synthesis moves away from the oversimplified notion of a single mode of production in a complex society, it would be beneficial to go a step further and complicate our understanding of ‘feudalism’ itself.

To this end, Bryan Turner has proposed a re-evaluation of the Asiatic mode of production, which he determines is inconsistent in its original formulation.¹⁰ According to Turner, most Middle Eastern societies can be broken down as a dynamic relation between pastoral nomadism, feudalism, prebendalism and limited commodity production.¹¹ In Turner’s construction, the term ‘feudal’ is not a Eurocentric category imposed onto the Middle East, but rather a late stage of prebendalism, where the arrangements for the distribution of land are adjusted to accommodate the sedentarization of landowners after a period of expansion. For the purposes of this argument, I will rely on this formulation of the Asiatic mode of production—with an emphasis on prebendalism, feudalism and petty capitalism—to characterize the period immediately before the era of modernization.

The second unit of analysis in this investigation is socio-economic class. This does not simply describe society or divide it into groups of haves or have-nots, nor is it tied strictly to the possession of capital. In the abstract Marxist sense, class refers to one’s relation to the means of production; thus, individuals – regardless of their relative wealth – who are engaged in the same activities in the productive process, share the same class. If relations of production are conditioned by the mode of production itself, then, in the case of Iran we can expect to see several different class structures co-existing. This will result in one

⁸ Katouzian, *The Political Economy of Modern Iran*, 9. “Prebendalism” refers to the distribution of land by the state to appointed military governors, as well as all the social arrangements and conditions that are implied with this arrangement. This term does not carry a religious connotation, and the prebendary for Turner is not a religious official.

⁹ Bizhan Jazani, *An Introduction to the Contemporary History of Iran* (London: The Iran Committee, 1974), 84-7.

¹⁰ Bryan Turner, *Marx and the End of Orientalism* (London: George Allen & Unwin, 1978), 33-4.

¹¹ *Ibid.*, 52.

composite dominant class and another composite subordinate class. Following the above description of pre-modern Iran's mode of production, we can expect to see a dominant class composed of prebendaries (as well as Shi'a custodians of *waqf* property), feudal landlords, and *bazaaris* engaged in auto-exploitation. Conversely, the subordinate class is made up of the social groups dependent upon the means of production from each different mode: village communities assigned to prebendaries, peasants who pay the tax/rent couple in return for a subsistence lifestyle, and those urban residents – including *bazaaris* themselves – who depend upon the cash and credit economy for their subsistence.

Finally, it is important to consider the role of the political system. This argument hinges on the premise that the state apparatus exists to reproduce the conditions of existence for the dominant class.¹² This formulation may seem somewhat reductive, particularly in light of more recent theories of the state that explore its relative autonomy from social classes; it is important to note that this autonomy is indeed *relative*, i.e. constrained within certain bounds. This suggests that the Shah must seek legitimacy for his office by negotiating policies that favour those elements of society occupying positions of power within their own systems of productive relations. Thus, the shah's system of autocratic rule, and the state apparatus that supported it, are seen as contingent upon the consent and support of various groups of elites, even though the first two have the capacity to act autonomously from the latter. If the state enacts policies that alienate the dominant class, or the nature of this class changes such that its interests diverge from the state, then the political apparatus no longer serves its purpose and loses its relevance. It is possible that this is what happened to the Shah's regime by means of the White Revolution in Iran. The Shah's economic policies transformed Iran's composite mode of production, thereby marginalizing certain classes while creating new ones whose interests the current regime overlooked.

It remains to be demonstrated how the White Revolution actually managed to transform Iran's mode of production, and to draw out the implications of the new order in Iranian society. What follows is a summary of the principles of the Shah's modernization programme, and an exploration of its

¹² Ralph Miliband, "State," in *A Dictionary of Marxist Thought*, ed. T. Bottomore et al. (Cambridge: Harvard University Press, 1983), 465.

implications vis-à-vis the system of productive relations and socio-economic classes.

In January of 1963, a national referendum endorsed the original six points of the White Revolution: land reform; nationalization of forests; sale of state-owned enterprises; workers' profit sharing; female suffrage and the literacy corps.¹³ These six points grew to nineteen by 1975, including provisions for urban and rural reconstruction, administrative decentralization and modernization, increased social services and harsh economic controls against speculation, profiteering and corruption.¹⁴ These were measures directed towards modernization along Western lines. In the Shah's own words, "... if [Iran] wished to remain in the circle of dynamic, progressive and free nations of the world, it had no alternative but to completely alter the archaic order of society..."¹⁵ Mohammed Reza Pahlavi saw as his goal a complete transformation of his nation, stating explicitly that:

...the feudal landlord-and-peasant system [should] be abolished... labor should not feel exploited... *backwardness* in the villages should be ended... and in general, that conditions in harmony with today's *civilized world* should prevail.¹⁶

Clearly, the Shah contrasted the relations of production of his regime against the early post-industrial, developed capitalist relations of modern Western nations. His project, then, was to establish the same productive relations in Iran. To be sure, the White Revolution brought dramatic changes to the socio-economic landscape of Iran; however, it is doubtful that these changes mirrored what the Shah had anticipated.

It is useful at this point to return to both Turner and Jazani for assessments of the context in which Iran developed economically. While Turner makes no direct reference to Iran, he observes that theories of modernization and especially dependency have historically sought to impose Western categories

¹³ Pahlavi, *Answer*, 193.

¹⁴ *Ibid.*, 193-4.

¹⁵ Pahlavi, *Answer*, 101.

¹⁶ *Ibid.*, 101-2. Emphasis mine.

and stages onto Third World societies. He describes a process of “combined and unequal development” as the context in which non-capitalist modes of production become incorporated into the international market.¹⁷ This transition is often characterized by the dissolution of petty commodity production and suppression of local industry, an export-heavy economy (normally based on raw materials, e.g. monoculture), a decline in the food supply, rural overpopulation, urban unemployment and the large scale emigration of middle class; in a word, all the trappings of an underdeveloped society.¹⁸

This is an alarmingly accurate description of the conditions in Iran following the White Revolution. While petty commodity production was not completely squashed, there was a clear threat to the *bazqari* merchant class’ mode of subsistence in the form of highly rationalized commodity markets (supermarkets, department stores, etc.) that did not depend on auto-exploitation to extract surplus value for their owners. Local, small scale industry did in fact develop, but its contribution to the economy was only significant in the intermediate goods sector.¹⁹ The non-durable sector actually declined in productivity as large scale investment pulled out, whereas infrastructure and capital accumulation projects increased greatly due to large scale capital investment, a substantial part of which was foreign.²⁰ In the 1970s especially, we see the dramatic increase in oil production and exporting, to the point where it accounted for 97 percent of all exports from Iran in 1976, not to mention almost 35 percent of the country’s GDP.²¹ The food supply did in fact decline throughout the 1960s as agriculture sustained a net decline in productivity, leading to an increasing dependence on food imports starting in the 1970s.²² The Land Reform effectively displaced 60 percent of the population, which could not afford to purchase the redistributed land. This created a rural middle class, while displacing rural workers who accounted for 80 percent of the agricultural labour force.²³ These displaced workers naturally moved to the urban centres, where

¹⁷ Turner, *Marx*, 19.

¹⁸ Turner, *Marx*, 20-24.

¹⁹ Looney, *Development*, 114.

²⁰ *Ibid.*, 108-9.

²¹ *Ibid.*, 91.

²² *Ibid.*, 42-3.

²³ Looney, *Development*, 3-4.

they either found work in the growing industrial sectors or created a substantial lumpenproletariat class.

All these factors indicate a transformation in the underlying mode of production. We can deduce this by examining the social formation of Iran in 1977, which John Foran conveniently outlines.²⁴ According to Foran, after the White Revolution, the dominant class was composed of agrarian capitalist landlords, *waqf* administrators, the state-as-capitalist, as well as native and especially foreign capitalists. These groupings correspond to two distinct modes of production for Foran: agrarian and industrial capitalism. While petty commodity production still existed, the *bazaaari* element was relegated to the middle class. This is contrasted with the social formation three decades earlier, where the dominant class was composed of private landlords, *waqf* custodians, the Shah, *bazaaris* and native capitalists.²⁵ Furthermore, the feudal and prebendal modes of production, which once contributed almost 70% of economy, now represented a mere 28% after being transformed into agrarian capitalism, while the industrial capitalist mode grew in importance from 10% to 48% of the economy.²⁶ These changes in class structure and emphasis on productive relations can be seen as direct effects of modernization.

Jazani reaches a similar conclusion about Iran's mode of production under what he terms neo-colonialist influence. In this context, he examines the resulting changes in Iran's social formation. Designating it 'dependent capitalism', Jazani identifies a distinct class of 'comprador' bourgeoisie; people of this class act as the local mediators of international capitalist expansion in Iran.²⁷ This class, while not fully independent or free of exploitation itself, corresponds to Foran's dominant classes under agrarian and industrial capitalism. Jazani takes this designation a step further by differentiating the elements of the 'comprador' bourgeoisie: the commercial, industrial, financial, agricultural and bureaucratic.²⁸ It

²⁴ John Foran, *Fragile Resistance: Social Transformation in Iran from 1500 to the Revolution* (Colorado: Westview Press, 1993), 340.

²⁵ *Ibid.*, 242.

²⁶ Foran, *Fragile Resistance*, 340.

²⁷ Bizhan Jazan, *Iran: The Socio-Economic Analysis of a Dependent Capitalist State* (London: The Iran Committee, 1973), 18.

²⁸ Bizhan Jazani, *Capitalism and Revolution in Iran* (trans. Iran Committee. London: Zed Press, 1982), 78-87.

is important to note that while these bourgeois elements do comprise part of the dominant class, their designation as 'comprador' serves to highlight the intermediacy and contingency of their interests upon a predominantly foreign industrial capitalist class.

Therefore, there was a fundamental restructuring in the Iranian social formation as a more-or-less direct result of the Shah's programme of modernization. What remains is to examine the implications of this transformation with regard to the state apparatus. First, consider the effect of modernization on the pre-modern dominant classes must be considered. The Land Reform ended the system of crop-sharing and the exploitative relations between prebendaries and villagers, and feudalists and peasants. By limiting the amount of land that farmers were entitled to, the mode of appropriation of surplus value was altered. This limited the wealth and status of prebendaries and feudal landlords, and forced them to relinquish ownership of large tracts of land that distinguished their socio-economic class. In a word, this section of the pre-modern dominant class was alienated by the reforms. Furthermore, those dependent villagers and peasants who could not afford to purchase land under the new provisions were also no longer able find work in agriculture, as their labour power was replaced by mechanized, large scale agricultural concerns. In addition, these members of the lower class, were adversely affected by the land reform. The Shah's reform was basically an appeal to the middle class; these petty capitalists were given the opportunity for upward mobility under the new order, but at the expense of both the upper and lower classes of the feudal, prebendal formations.

The influx of workers into the cities caused by rural destabilization did not necessarily create a commensurate growth in the labour force; those peasants and villagers who could not find work either in the countryside or the cities became increasingly disillusioned with the current regime, and provided a strong demographic base for mobilization by other disenchanting classes.

In the urban centres, the sites for heavy industrialization and the growth of a prominent capitalist system of relations, the Shah's profit-sharing provisions (first set at 20 percent, subsequently increased) and price controls served as an impediment to the capitalists' accumulation of wealth. This posed the greatest problem for local industrialists, who were repeatedly restricted from expanding

their operations by the various legislations concerning profiteering, redistribution of wealth, etc.²⁹

Those who benefited from the modernization were, of course, the capitalists employed in the sectors of the Iranian economy that saw substantial growth, namely, primary industry and state infrastructure project. Both were heavily funded by foreign capital, whose concerns were chiefly their own accumulation. The export of oil, and the management of construction and public service projects were the most lucrative industrial practices in Iran, and also the most insular. Mohsen Milani speaks of a “triangle of fortune” between the Shah, native and Western industrialists that controlled vast industrial fortune and mediated access to Iran’s resources.³⁰ While these participants may have shared certain objective interests, the notion of a ‘triangle’ should not obscure the fact that these three were brought together only through specific historical conjuncture. There was no guarantee that the Shah’s vision would continue to maintain favourable relations with Western interests, or even with the native industrialists who felt entitled to a greater space in the upper echelons of Iranian society. In fact, the decrees from 1975 on public ownership, the extension of profit sharing in private firms, as well as the price stabilization, anti-profiteering and anti-corruption served to erode this triangle of fortune: these measures exemplify the relative autonomy of the state apparatus operating outside of its constraints.

The *bazaari* element was also marginalized by the Shah’s policies. Particularly in response to the periodic anti-profiteering campaigns, the *bazaaris* began to feel increasingly hostile and resentful towards the regime as they perceived that their socio-economic status and influence would only be eroded further by the Shah’s policies.³¹ Finally, the growth of financial capital in the form of banks and investment firms also increased in the 1970s, replacing the old lending institutions and destabilizing *saraf* networks across Iran. Moneylenders and creditors either adapted to these conditions or, like the *bazaaris*, faced obscurity.

²⁹ Looney, *Economic Origins*, 5.

³⁰ Milani, *The Making*, 60-1.

³¹ Milani, *The Making*, 166-7.

By 1978, the Shah had antagonized large sectors of the agrarian economy, the intelligentsia (through excessive arms purchases),³² local industrialists, urban marginals, *bazaaris*, petty financiers and the religious authorities (through secularist policies and outright aggression). Conversely, he had won the support of the agrarian upper-middle class, a small population of high government officials and wealthy industrialists; all this through primarily economic measures geared towards the modernization of the country. With such a broad base of disaffected Iranians, whose disillusionment can more or less be traced to these same economic measures, the fact of the 1979 Islamic Revolution becomes less surprising. That the religious element played such a powerful part in this revolution is, of course, due more to ideological and political factors; however, without such a broad base of disaffected citizens, all the religious rhetoric in the world would not have been able to spark a revolution. In the end, then, the Shah's White Revolution does indeed take the primary role in the narrative of the Islamic Revolution in Iran.

³² Looney, *Economic Origins*, 6.