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**BAZAARIS AND CLERGY: SOCIO-ECONOMIC ORIGINS OF RADICALISM
AND REVOLUTION IN IRAN**

City University of New York

PH.D. 1982

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**BAZAARIS AND CLERGY:
Socio-Economic Origins of Radicalism and Revolution in Iran**

by

Davoud Ghandchi-Tehrani

**A dissertation submitted to the Graduate
Faculty in Sociology in partial
fulfillment of the requirements for the
degree of Doctor of Philosophy, the City
University of New York.**

1982

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1982

This manuscript has been read and accepted for the Graduate Faculty in Sociology in satisfaction of the dissertation requirement for the degree of Doctor of Philosophy.

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ABSTRACT

This study is about the bazaar and the bazaaris' role in Iranian social movements. The bazaaris are looked upon as the main sources of social change in Iran. The reason for this lies in the bazaaris' inability to develop the economy during the past hundred years due to the domination of the economy by both the state and the imperialist powers.

The bazaaris' opposition against the Shah and foreign powers started during the late 19th century and continued until 1978-79 with the exodus of the Shah and the U.S. from Iran. The bazaaris' resistance movements were facilitated by: 1) the bazaaris' (informal) political organizations leading to political protests such as shut-down of the shops; and 2) Islamic ideology or religious nationalism.

The bazaaris, threatened by the government and by imperialism, under conditions where secular political organizations were suppressed, identified themselves closely with Islam. They made an alliance with the ulama (high ranking clergy) and supported the religious establishment and institutions. Thus Islam became the bazaaris' nationalist ideology, an ideology which united the people and mobilized them against the government and imperialism.

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Chapter I

INTRODUCTION

The 1979 Revolution of Iran is widely believed, among Iranians and many non-Iranians, to have been one of the most massive movements of modern times. However, this Revolution, popular as it was, had, like any other modern revolution in the World, a class base as its primary material force. In this study, then, we will analyze the groups and/or the social classes which were the major lever of the revolution.

The 1979 Revolution manifested itself in religious form and later on led to a theocratic state. This fact leads to the further question of what groups are most affiliated and identified with this form of revolution and government? Among all the social groups and classes in Iranian society, the bazaaris stand out as a group with strong religious convictions, the only stratum having a long-time affiliation with the religious establishment and the mosques, an affiliation which included financial support for the latter. The bazaaris have been the backbone of mass organizations, movements and revolutions in Iran since the end of the nineteenth century. The bazaaris' reasons for instigating and participating in the social movements of the past centu-

ry can be explained by their deep rooted grievances against and contradictions with the imperialist forces and the Iranian government. These two latter forces, often in cooperation with each other, competed with and/or limited the bazaaris' economic development.

In Chapter one, while reviewing some literature on the problem of development, we will analyze theoretically the roots of the political contradictions and opposition between the bazaar and the state and imperialism. In Chapter two, we will put forward a general description of the bazaar, together with some of its peculiar historical features. Chapter three discusses the economic impact of imperialism and the Iranian government on the bazaar entrepreneurs since the nineteenth century. Chapters four and five discuss the political and ideological means which were used by the bazaaris against imperialism and the state from the nineteenth century until the 1979 Revolution.

1.1 CONTRIBUTION OF THIS STUDY

The significant of this study lies in the following three areas:

1. An investigation of the bazaar not as a community, but as an economic and political organization which is part of the wider Iranian society;

2. a history and analysis of the role of the bazaaris, especially the bazaar petty bourgeoisie, in the social movements and social changes in Iran from the late nineteenth century until the 1978-79 revolution;
3. clarification of the roots of religious opposition to the government and to imperialism during the above period and a class analysis of Khomeini's Islamic Republic.

A search of the literature on the bazaar in Iran and in other Muslim countries makes evident the fact that there is a scarcity of scholarly writing on the subject. Most available studies have dealt with the bazaar as a sociocultural world containing its own way of life.¹ Most have followed the ecological approach of the Chicago School in studying the subculture and peculiar moral order of the bazaar segregated from the wider society.² These social scientists have, to different degrees, emphasized the theory that a transformation of the social and cultural institutions and values is

¹ Studies which present this view are: Clifford Geertz (1963); D. Potter (1955), "The bazaar merchant." Potter sees the bazaar as made up of four different ecological zones where each zone plays a different role as a cultural institution in assimilating and conveying foreign culture to customers (by foreign goods available in the bazaar). See also G. Thaiss, "The bazaar as a case study of religion and social change," (1971).

² On the issue of subculture and moral order see Robert Park (1952); Louis Wirth (1969); Gerald Suttles (1971). On the urban ecological pattern, in general, see E.W. Burgess (1929); and, in particular, see Janet Abu-Lughod (1971).

a necessary step in the developing countries towards patterns generally associated with a developed economy and modernization.³

These studies, though they have made valuable contributions in understanding the internal structure of the bazaar, have not adequately dealt with the forces of the government and imperialism and their effects on the bazaar political and economic condition.

Other studies, which have incorporated the subject of the bazaar only as part of their general treatments of Iranian society, have dealt more with the political character of the bazaar than with its culture. Some of them have mentioned the economic and financial (more immediate rather than fundamental) basis of the bazaar's political nature and its opposition to the government and imperialism because of their domination of the Iranian economy.⁴ However, such studies did not ask what social classes and groups in the bazaar were most severely and continuously undermined by the foreign powers and the Iranian government, from the time of the imperialist penetration of Iran in the nineteenth century, up until the 1978-79 revolution. That is, in their studies

³ On the discussion of these pattern variables and the degree of modernization of different Middle Eastern countries see Daniel Lerner (1964).

⁴ On the political nature of the bazaar see N. Keddie (1966 and 1962); E. Abrahamian (1975 and 1968); R. Graham (1979); F. Halliday (1979); W. G. Miller (1969).

these writers did not consider the continual lack of the basic economic and political conditions which might have led to the economic development of the bazaar, especially of the bazaar petty bourgeoisie and small producers.⁵

Some others, though, considered the bazaar petty bourgeoisie as a major force in the Iranian political economy and as the object of foreign pressure, but did not also study this group's dynamic political struggle and its role in the major social changes and movements.⁶ Thus, some of them believed that imperialism and capitalism in countries like Iran strengthen the hold of traditional structures among the petty bourgeoisie. The purpose of petty bourgeois opposition to imperialism or the capitalism of the metro-

⁵ Though Abrahamian, in his article "The causes of the constitutional revolution in Iran" (Abrahamian, 1979), discussed the emergence of a political class in the bazaar in the nineteenth century, this class, according to him, was the Iranian national bourgeoisie. In his words, "The influx of mass manufactured goods, the commercialization of agriculture, the introduction of modern communication...and the sale of monopolies to foreign concession-hunters coalesced the many regional bazaars into a cross-regional middle class conscious for the first time..." (p. 393). This class was one of the major forces behind the constitutional revolution of 1905. Abrahamian's concern in this study is not to discuss the political power of the petty bourgeoisie and in his rare reference to them, i.e., traditional handicrafts, he puts them in the general bourgeois category (see p. 394).

⁶ Those who did consider the political character of the bazaar petty bourgeoisie and their roles in early Iranian politics are Mu'mini (1977), and Ricks (1976). In his article, "Iran in the eve of the constitutional revolution," Mu'mini talked about the existence of "petit bourgeois revolutionaries". However, he underestimated the role of religious ideology in the petty bourgeois struggle. Thom-

political center (as well as opposition to its local agents), then, was to maintain the precapitalist economic structure. In this view, "traditional Islam" becomes a means of strengthening the precapitalist economic order.⁷

In other studies concerning Iranian politics in general, many social scientists have mentioned the existence of a close bazaari-clergy alliance as a resistance front against the government and imperialism,⁸ but they have not studied the bazaari-clergy alliance as the product of three related processes: The imperialist domination of Iran, the resulting economic limitations on the bazaar petty bourgeoisie, and the emergence of religious institutions such as Ijtihad and khoms, and thus of religious nationalism.⁹ Most of these so-

as Ricks, in "Contemporary Iranian political economy and history," also saw some petty bourgeois role in the early Iranian movements, but he did not mention any of their political activities during the Pahlavis' rule.

⁷ For the discussion of this approach see L. Helfgott, "Iran: capitalist society on the periphery" (1976).

⁸ On the political alliance between bazaaris and clergy see M. Katouzian, "Nationalist trends in Iran, 1921-1926" (1979); Abrahamian (1975); N. Keddie (1966); F. Halliday (1979); E. Browne (1910); A. Kasravi (1975); B. Jazani (1978). See also R. Hrair Dekmejian, "The anatomy of Islamic revival" (1980), for a discussion of the relation of secularist trend and Islamic tendencies in the Middle East.

⁹ Though J. Eliash in his article, "Some misconceptions concerning Shii political theory" (1979), has dealt with the emergence of these institutions as a result of the political, education, economic, and military, conditions of Iranian society in the nineteenth century, he did not relate them to any class forces like the bazaaris. See also S. Arjomand (1979) and A. Doroshenko (1975). Though Dorosh-

cial scientists tend to consider the religion as an autonomous force rather than relating it to bazaar-government-imperialism relations. They see the ulama's opposition to the government and imperialism as primarily an outcome of the ulama's own grievances. That is, they consider the ulama's opposition to be a result of dogmatic attitudes toward politics--the ulama are "uncompromising legitimists" who insist that the only legitimate ruling line is a line that can be traced back to Ali.¹⁰

Others see the ulama's opposition both as religiously motivated and reactionary. They regard the ulama's anger towards the government and foreign powers as a reaction to the encroachment and influence of the "infidel" upon Muslim ter-

enko considered religious nationalism important in Iran, he believed that it was the ideology of the bourgeoisie during the late Shah's period of rule. On the other hand, M. Bayat, "Islam in Pahlavi and post Pahlavi Iran: a cultural revolution?" (1980), saw no relation between nationalism and religion and regarded the political aspects of the "Islamic ideology" as something that arose solely from the Shi'i ideology. "The role Khomeini attributes to the faqih [Islamic jurists]" he said, "is truly revolutionary" in the context of the last two hundred years of Iranian history. In Khomeini's view, he continued, "the faqih is both the interpreter of the Islamic law and the only legitimate political ruler of community in the time of occultation" (p. 79). ("Occultation" refers to the disappearance from view of the twelfth Imam.) Arjumand (1979), conversely, attacked this position; he believed ulama or imams can not wield "political authority simultaneously with religious authority" and they do not hold legitimate political authority.

¹⁰ For a discussion of the ulama's autonomy see F.W. Fernau (1954), and S. Akhavi (1980). Akhavi, for example, saw the participation of the ulama in the 1905-1909 events (and also since then) as "pursuing what might appropri-

ritories and the non-Muslim's penetration of Iran. Also explicit in this theory is the view that the anti-government feeling of the clergy has been the result of the state's policies that encroached upon the ulama's socio-economic and political position.¹¹

Finally, there is a group of social scientists who have posited a progressive and advanced side of the religious establishment and said the clergy was autonomous (rather than linked to any social class) in its ideological opposition to imperialism and to the autocratic rule of the Shah.¹²

1.2 METHODS OF DATA COLLECTION

This study is based on primary as well as secondary sources. Primary sources consisted of personal observation and participation in the bazaar, interviews, and study of Farsi newspapers and of Radio Iran broadcasts. Secondary sources included books and periodicals both in Farsi and in English.

ately be termed a 'class' interest," (p. 16). Also see Ann K.S. Lambton, "The Persian constitutional revolution of 1905-6" (1972); N. Jacob, "La religion et le developement economique le cas Iran" (1963); E. Sunderland (1968). Sunderland believed that the ulama were opposed to Western influence because of the threat to the total culture of which religion was a great part.

¹¹ For a view which portrays the role of the ulama as reactionary see M. Floor, "The revolutionary character of the Iranian Ulama: wishful thinking or reality?" (1980).

¹² For a view of the ulama as progressive see H. Algar (1969).

Some of the data for this study were gathered during my latest visit to Iran from July to September 1979. During this period of time I often went to the Tehran bazaar, where two of my relatives have businesses producing and selling greeting and postal cards. One of these men could be called a small producer, and the other a bazaargan, meaning a big trader. In these visits to the bazaar I learned a lot about the roles of the different groups of bazaaris in the Revolution and its aftermath. For example, while I was sitting in a shop one day, a bazaari was discussing with his employees the issue of whether or not they should have signed a petition in support of Ghotbzadeh (who was in charge of radio and TV for the Bazaargan government).

Much of the background data about the bazaar were the result of my having worked in the bazaar in a relative's business for six months during 1967. I became familiar with some details of bazaar life and business. I also became aware of the extent of business interrelations between the Tehran bazaar and other bazaars in the provincial towns; part of my job was dealing with the orders coming from outside of Tehran. This period gave me the opportunity to observe the interrelations of the bazaaris with each other and the roles of the dallals (intermediaries) and employees in the bazaar. As someone interested in philosophy with a plan to pursue this field in the future, I became aware of the bazaaris' ideas, values and views, and of the fact that they

went to the mosques every day. In the bazaar, I saw Khomeini's pamphlets being handed from one trusted person to another, while the customers and outsiders were often unaware that this was going on.

As a native Iranian I have absorbed a great deal of information about bazaars in other times and places. My father was once a trader of sugar in the bazaar. I have always been fascinated by his stories of the condition of the Tehran bazaar in the early part of the nineteenth century. I also visited many bazaars, both small and large, in other provinces--in Isfahan, Mashhad, Tabriz, Abadan, Raay, Qumm and many other towns and cities. I have seen the great Damascus Bazaar in Syria, known as Bazaar-i Sham, and have lived in the Bazaar-i Kazemain in Iraq (in a hotel) for three months.

I have conducted intensive interviews with Iranian bazaaris in New York. Two of them were formerly in the carpet business, one was a rice trader in a bazaar in the northern part of Iran, and one was an importer of foreign products. These interviews provided data about the business and political history of the Iranian bazaars.

One of the most important methods of gathering data was detailed study of every issue of Ittिलाat, the daily Iranian newspaper, during the crucial four-year period of Mossadeqh's premiership (1951-53) and the three-year period

leading up to the Islamic Revolution (December 1, 1976 to December 31, 1979).

For information on news and political developments in Iran since the revolution, I have been monitoring on an almost daily basis the broadcasts of Radio Iran (since 1980) and the reports and editorials in the New York Times (since 1978). The former has provided me with the opportunity to take notes on the recent unpublished speeches of Khomeini and other leaders.

Chapter II

THEORETICAL ORIENTATION: A REVIEW OF THE LITERATURE

Since the nineteenth century, the Iranian bazaar has not changed fundamentally in regard to its economic conditions and the scope of its economic activities. This rather static character of the bazaar, the lack of its economic development, has been a concern of many Iranian as well as Western sociologists, i.e., Rotblat (1972), Atighpoor (1979). Some have attempted to depict the bazaar economy as "traditional" and used that concept to explain its lack of development. This approach derives principles from the work of Max Weber. Weber constructed ideal type fictions of traditional and instrumental/rational societies. The latter are exemplified by modern capitalism, by calculation, values conducive to thrift and hard work, and a progressive rationalization of political, legal, and economic orders.

It is one of the fundamental characteristics of an individualistic capitalistic economy that it is rationalized on the basis of rigorous calculation, directed with foresight and caution toward economic success (Weber, 1957, p. 76).

Traditionalistic economy, in contrast, is associated with

the traditional manner of life, the traditional rate of profit, the traditional amount of work, the traditional manner of regulating the relationships with labor, and the essentially traditional circle of customers and the manner of attracting new ones (Weber, 1957, p. 67).

Such an economy cannot expand. Production is controlled by non-rational, social criteria (Bendix, 1977, p. 52). Schumpeter adds to Weber's characterization of modern society the importance of the role of entrepreneurs in economic development. Entrepreneurship requires cultural support of predispositions toward risk-taking and innovative behavior in commercial activities and a rational allocation of resources (Schumpeter, 1961).

Implicit in this distinction is the hypothesis that the failure of Third World countries to follow the Western type of economic development is due to the absence of support for entrepreneurial talent and the presence of traditionalist values, factors whose absence requires external modernizing influence (Rotblat, 1972, p. 130). From this point of view, development requires an imposition of the cultural values characteristic of "modern" entrepreneurs, within the framework of a proper, "Western" organized investment policy. This position finds its scientific manifestation in the work of a number of social and behavioral scientists. Thus, N. Jacob (1965) and McClelland (1969) have analysed Iranian economic development in terms of the determinant role of culture, in particular those values and attitudes that bear on "achievement" and aspiration. They concluded that the apparently inflexible and traditional values of the bazaaris are incompatible with a rational and economically progressive solution to the problems of resource distribution, production and organization (see Rotblat, 1972, p. 131-32).

On the other hand, using Weber's occidental-oriental ideal types, Ashraf, the Iranian sociologist, searches for historical obstacles to the development of a bourgeoisie in Iran (Ashraf, 1970). He cites three central obstacles to the growth of an independent Western type of bourgeoisie and capitalist development in Iran: 1) the rise of strong Shahs and a centralized bureaucracy which made capitalist activities dependent on the state and the ruling group; 2) the existence of powerful tribes which, by their frequent invasions and their dominance of the countryside "inhibit the growth of stable commercial activities"; and (3) "colonial penetration, followed by the decline of the traditional bourgeoisie and asnaf, gave rise to the dependent bourgeoisie" (Ashraf, 1970, p. 313). Moreover, he claims that a lack of autonomous municipality created serious barriers to the independent development of the asnaf (guilds) in the bazaar even if the other conditions would have been inoperative.

We may conclude that traders and crafts were subject, like Byzantine guilds and the mamluk asnaf to rigorous external state control. Though internally more democratic and loosely organized, the asnafs were not like their counterparts in the West, spontaneous and autonomous corporations. The kadkhoda or the head of the sinf was appointed to this position by the Shah or kalantar of the town (p. 319).

Finally, Ashraf believes, the traditionalism of the bazaaris themselves posed obstacles to the development of rational economic activities, modern capitalism and a Western-type bourgeoisie in Iran (Ashraf, 1970, pp. 321-26).

A second approach for analyzing the problem of development has been influenced by the works of Talcott Parsons. Parsons argues that the occurrence of economic development in a society depends on its "institutional" framework and social structure.

It is that economic activity takes place within the 'institutional' framework of a society; economic behavior is concretely a phase of institutional behavior (Parsons, 1954, p.53)

Therefore, a traditional society supports economic behavior that is different from a modern society. Following Parsons, Levy (Levy, 1967), summarized the distinction between traditional and modern society in terms of Parsons' pattern variables: traditional, or relatively nonmodernized, is characterized by low interdependence and self-sufficiency, particularism, a relatively low degree of centralization, functional diffuseness, a limited use of money and market, and a limited and small scale bureaucracy. Such a society is basically rural and agricultural, with the main flow of goods and services from rural to urban regions. In contrast, the relatively modernized society is a society with low self-sufficiency, universalism, a relatively high degree of centralization, functional specificity, a greater use of money and markets, a specialized and widespread bureaucracy. Such a society is basically urban and industrial.

Using the same approach, Smelser and Moore consider the problem of development from the standpoint of the process

whereby an underdeveloped or traditional society becomes developed or modernized (Smelser, 1964; Moore, 1963). For example, Moore looks at the role of industrialization in that transformation:

... "total" transformation of a traditional or pre-modern society into the types of technology and associated social organization that characterize the "advanced," economically prosperous, and relatively politically stable nations of the Western world... in fact, we may... speak of the process as industrialization. Industrialization means the extensive use of inanimate sources of power for economic production, and all that entails by way of organization, transformation, communication, and so on (Moore, 1963, pp. 89, 91, 92).

Thus, he mentions the following conditions for a traditional country to develop:

1. Changes in values including an interest in individual mobility, achievement rather than ascription in role allocation, and an innovative personality type; and, at the level of organization, a sense of national identification and/or nationalism.
2. Changes in social organization, including a more fluid work force, a rationalization of societal functions--specialized law and bureaucracy, and an appropriate fiscal organization of state (banking and taxation).
3. Changes in economy, including reinvestment of profit, universal extension and commercialization of market for consumer goods, impersonal markets.

Using a similar analysis of conditions, Rostow's stage model gives an historical ordering to economic development (Rostow, 1961). The first stage, he maintains, is one of preparation in which the preconditions of the take-off are established. The second stage is the take-off itself. The third is the period of self-sustained growth or self-generating process.

In his study of Modjokuto, Indonesia, Geertz observes that this society has undergone an alteration in the system of social stratification, the prevailing world view and ethos, political and economic organization, education, family structure, commercialization of agriculture, formation of the non-familial business concern, and a heightening of prestige for technical skill relative to religious and aesthetic competences. In Modjokuto, Geertz concludes, the problem of economic development presented itself primarily as one of organization. What was lacking among Islamic small businessmen was not capital, drive, frugality, independence, determination, or market, but the power to mobilize their capital to exploit the existing resources and markets. These businessmen, he asserts, lack the capacity to form efficient operations. They were entrepreneurs without enterprises (Geertz, 1963, p. 28).

In the same study, Geertz observes the bazaar in Modjokuto. He describes it as a place with fragmented commerce and

a large number of unrelated person-to-person transactions. This is in sharp contrast "to the firm-centered economies of the West, where trade and industry occur through impersonally-defined social institutions" (Geertz, 1963, p. 28), and the specialization of occupations. The bazaar economy lacked rational means of reducing costs. Petty speculation and short-run opportunism were therefore prevalent. There was little in the way of book-keeping, and therefore it was difficult to account for, and rationalize individual transactions. Bargaining between buyer and seller served to focus commercial activity on the specific transaction rather than on long-run, market-controlled commercial strategies. Thus there was a lack of fixed prices and none of the activities associated in Western economies with marketing (Geertz, 1963, pp. 32-33).

On the other hand, the function of credit in the bazaar was not simply to enable trade to proceed, but to stabilize and regularize the social organizational ties between traders on which commerce depended. Geertz concludes that:

In short, whatever is obstructing the development of a modern economy out of the general background of the bazaar economy, it is not a lack of a "business-like" orientation on the part of the pasar traders. Commercial activities are not here entangled in an awkward and complicated fabric of social prejudices and obligations which inhibit rational calculation, egoistic behavior, or technical proficiency. The bazaar economy is traditional in the sense that its functioning is regulated by fixed customs of trade hallowed by centuries of continuous use, but not in the sense that it represents a system in which economic behavior is not very well differentiated from other

sorts of social behavior. What the bazaar economy lacks is not elbow room but organization, not freedom but form (Geertz, 1963, p. 47).

Rotblat makes the same point in his study of an Iranian bazaar:

Evidence from a case study of the Qazvin Bazaar has shown that the persistence of traditional marketing arrangements is in large part based upon the structural features characteristic of that marketplace and the socio-political institutions which impinge upon it (Rotblat, 1972, p. 132).

These features and institutions reduce the potential for innovation among the bazaaris and are, as a consequence, impediments to economic development. Among structurally induced obstacles to development are:

- 1) The multiplicity of small-scale agricultural producers serving the Qazvin Market;
- (2) the multiplicity of small scale buyers;
- (3) the uncertainty and irregularity of supply;
- (4) the restriction on competition among agents caused by (a) the stability of supply patterns, (b) the existence of community specialization, and (c) the inability to manipulate prices or commission rates; and
- (5) the limitations on accumulating surplus capital which can be used for risk-taking of other forms of reinvestment (Rotblat, 1972, p. 144).

All the above studies imply that the lack of modern economic development in Iran can be attributed to the existence of traditionalism, other cultural traits, and the prevalence of Islamic ideas, institutions and social formations.

In contrast to the above arguments Rodinson remarks that

Economic activities, the search for profit, trade, and consequently, production for the market, are looked upon with no less favour by Muslim tradition than by the Koran itself. (Rodinson, 1972, p. 16)

He concludes that

The alleged fundamental opposition of Islam to capitalism is a myth, whether this view be put forward with good intention or bad. On the theoretical plane, the Muslim religion presents no objection to the capitalist mode of production (Rodinson, 1972, p. 155).

Moreover, Rodinson is in agreement with Polanyi (Polanyi, 1957) that economic activities in the Muslim World took place within a system of economic organizations (trading companies) which were not imbedded in non-economic institutions such as the clan. In fact, in regard to price regulation in the bazaar, he says that Islamic jurisprudence condemns practices that might disturb the free play and flow of supply and demand: "a tradition allegedly derived from the Prophet himself condemns obligatory price-fixing, that is, the 'maximum', the laying down of price-levels by authority" (Rodinson, 1972, p. 34).

Secondly, he shows how production for the market was more highly developed than the proponents of the modernization thesis admit:

Things could not have been otherwise, when we consider how very many towns there were whose means of subsistence could only have come from the countryside whether near or distant, and how many specialist occupations existed...a specialization that was carried very far indeed. It is quite obvious that all these numerous craftsmen of many different sorts represented an extremely substantial volume of production destined for exchange (1972, pp. 34-35).

in addition, these craftsmen and merchants (capitalistic sector) possessed wealth in money, which was a major part of their property. They played a certain role in producing for their own subsistence "through the fact that they own lands or workshops, or at least control these through credit." They also played a crucial role in the sphere of circulation by

virtue of their taking or purchasing an important share of agricultural or craft productions, by selling to retailers, or direct to consumers, the products they have taken or bought, originating either from the lands and workshops they own or control, or from other lands and workshops (Rodinson, 1972, p. 54).

Third, these businessmen, played a vital role in all the stages of economic activities:

Their enterprises are subject to rational calculation; they pursue, by means of these enterprises, the aim of increasing of 'fructifying' their capital. They transform the largest possible quantity of product into commodities, they direct production, so far as they can towards exchange-values... (Rodinson, 1972, p. 54).

In regard to rationality (in general) Rodinson says that:

Broadly speaking, it would seem that the European judge of the Middle Ages, whether guided (in no imperative fashion) by custom that was at first oral and later written, or by Roman law that evolved and was interpreted and adapted, was not so very much more closely restricted by hard-and-fast rules, or so much less free to give rein to his own views of right and wrong, than the qadi of the Muslim world, who was himself guided, in principle, by the huge corpus of the fiqh, which was much more thoroughly systematized, unified and rationalized than was Western custom (1972, p. 106).

In this way not only were there no obstacles for the development of commercial capital, but also there were none for the development of financial capital. This is shown, for example, in the bazaaris' practice of lending money at interest. Rodinson, with appropriate documents, proves that, for instance, in the twelfth century (but also in the two centuries before) numerous loans and purchases on credit are recorded (Rodinson, 1972, p. 39); and in the eleventh century in Iran, the lending of money at interest was a prospering activity.

Similarly, Chardin, who spoke Persian and lived for a long time in Iran, in the second half of the seventeenth century, observed that usury was extensively practiced by the country's money changers (sarrafs) and merchant bankers. The prevalent interest rates, at that time, were recorded at 12% for dealing between merchants, and at about double that for outsiders. Around the same time the same practices were observed in the commercial city of Fez, in Morocco, the North Africa and Algeria (Rodinson, 1972, pp. 40-44).

Concerning technical innovation in the Muslim world he maintains that there is nothing that "can be found in Muslim doctrine that could have served as an obstacle to technical activity" (1972, p. 107). By the same token, Louis Gardet, whose authority is recognized by Rodinson among others in this field, concludes that, "In fact, it is impossible to see how study of the practical sciences and developing of

technical equipment can be contrary to Muslim dogma" (Gardet, 1959, p.108).

To Rodinson, the "internal" factors which "in part" prevented the development of a modern capitalism in the Muslim world, were more a result of their economic, geographic, and demographic conditions than of cultural, institutional and religious factors. More specifically, important economic obstacles, in Rodinson's words, are: 1) production by cultivators has been more for their own subsistence, "unrelated to the market"; 2) the activity of great landowners has been directed toward acquiring, for themselves, share of the goods produced on their estates rather than necessarily selling these goods on the market; and 3) the activity of the state, "which figures both as a landowner on whose estates production takes place and as an industrial monopolist carrying on production in its workshops" (Rodinson, 1978, pp. 54-55). The demographic factor may also have retarded the development of capitalism due to the relative density of the population, which provides "a supply of plentiful and cheap labour-power...giving little incentive to the making of innovations" (Rodinson, 1972, p. 57).

Another key obstacle in the development of modern capitalism, according to Rodinson, were the policies and actions of the colonial powers. We will discuss this below.

2.1 THE NEO-MARXIST APPROACH

In contrast to the emphasis on internal, largely cultural factors, in economic development, Neo-Marxist studies have focussed on external factors, particularly colonial penetration, as the main source of economic underdevelopment in the Third World. The lack of an independent capitalist development in those nations is not due, according to this position, primarily to traditional and archaic institutions, but to a dynamic which was instigated and organized as an aspect of imperialism. For example, Frank says that it is

...widely believed that the contemporary underdevelopment of a country can be understood as the product or reflection solely of its own economic, political, social, and cultural characteristics or structure. Yet historical research demonstrates that contemporary underdevelopment is in large part the historical product of past and continuing economic and other relations between the satellite underdeveloped and the now developed metropolitan countries. Furthermore, these relations are an essential part of the structure and development of the capitalist system on the world scale as a whole (Frank, 1972, p.3).

Franks' conclusion drawn upon Baran's classical discussion of the global effects of capitalist development (Baran, 1957). Baran points out that underdeveloped sectors are necessary and inevitable products of the expansion of capital, that a lack of "modernization" is not an instance of culturally-induced economic lag. Thus, Western economic development created underdevelopment in the East:

The primary accumulation of capital was making rapid progress, crafts and manufacturing expanded, and mounting revolts of the peasantry combined with increasing pressure from the rising bourgeoisie everywhere shook the foundation of the

pre-capitalist order. This can be seen whether we consider the early history of capitalism in Russia and in Eastern and Southeastern Europe or whether we retrace the beginning of capitalism in India, the Near East, or even China (Baran, 1957, p. 140).

This is not, he continues, to deny the significance of geography, climate, politics, culture and religion. All of these certainly create divergencies in levels and rates of increase of productivity and the degree to which capital accumulation falls into the hands of capitalists. But

whatever its zigzags, the general direction of the historical movement seems to have been the same for the backward echelons as for the forward continents (Baran, 1957, p. 140).

Baran concludes that the fact that

Western Europe left the rest of the world behind was, however, by no means a matter of fortuitous accident or of some racial peculiarities of different peoples. It was actually determined by the nature of Western Europe's development itself" (Baran, 1957, pp. 140-141).

The neo-Marxists stress the fact that Western imperialism not only caused backwardness in the underdeveloped world, but transformed the social structures of those nations in ways that were suitable for capitalist development in the metropolitan countries. Writing about the Chilean experience in its historical relation with imperialism, Frank comments that "Chile has become increasingly marked by the economic, social, and political structure of satellite underdevelopment" (Frank, 1972, p.7).

Many Iranian social scientists have employed this concept of "the development of underdevelopment" as a point of departure in order to analyze the economic situation of Iran. For example, Nirumand, an Iranian sociologist, suggests that, the imperialist nations of the West

controlled the development of Iran's economic structure in such a manner as to avoid the danger of precipitate development, on the one hand, and, on the other, to require the constant presence of foreign entrepreneurs. As all machinery and spare parts can be imported, Iran does not need to develop industry, especially since foreign credits are always available to make up the large import quotas (Nirumand, 1969, p. 145).

Though the neo-Marxian emphasis on "externalities" serves to open the problem of development-underdevelopment to a more comprehensive, global, analysis, it does not adequately incorporate the role of internal factors discussed by Rodinson in its explanation of underdevelopment. Barrington Moore's comment on the decay of Imperial China and the origins of communism illustrates this criticism:

Marxists make too much of the way Western imperialists stifled industrial development in China. (Nationalists in India also use this convenient scapegoat.) None of this could have happened without prior stifling by purely domestic forces (Moore, 1967, p. 177).

But Moore goes too far in his assignment of priorities to the various factors. All that is clear is that both types of factor are at work in underdevelopment, and that they operate in interaction with one another.

2.2 CONCLUSION

The enterprenuers in Iran were mentally and culturally capable of developing a national economy, either in imitation of the West or by forging different path of economic development.¹³ Thus, it is at least conceivable that the development of a capitalist class, and capitalism could occur anywhere, given certain base conditions (some level of prior accumulation), adequate resources, a lack of external interference with the use of national resources, and access to the world markets.

It is not possible to prove, in the present state of knowledge, that, if the colonial conquests had never occurred, the Muslim societies would have engendered a capitalist formation of the European-American type. Nor can it be proved that they were incapable of engendering such a formation. On the contrary, everything seems to point to their possessing the essential structures which, if certain developments had taken place, could, given certain circumstances, have led to something of the kind. The fact is simple, that these developments, these circumstances, were not there at the time of the European impact (Rodinson, 1972, p. 136).

In Iran, capitalist development began first as an imitation of the West by some Iranian enterprenuers in the nineteenth century. In the 20th century, some development took

¹³ Other social scientists have used the concept of mode of production to analyze the problem of the development of capitalism in Iran. The Russian and Iranian sociologists Ivanof, Tabari, and Sodagar talk about feudalism in nineteenth and/or 20th century (until the land reform of 1963). The Maoists (like Benab, 1977) call the above period semi-feudal, semi-colonial. M. Godelier (1964) and Abrahamian (1975) explore the concept of Asiatic mode of production.

place with the government's plan for centralization. But in both periods, the entrepreneurs were under the domination of foreign powers and the state.

The limitations incurred through this domination brought about serious political consequences. These will be the main topic of this study. That is, since the nineteenth century, state and foreign domination limited the economic activities of bazaar entrepreneurs, with the result being the emergence of deep-rooted political as well as economic contradictions between the bazaar and imperialism and the bazaar and the state. more specifically, the origins of these conflicts were:

1. The imperialist powers' exploitation and domination of Iran through economic and military means.
2. The limiting of economic activities and gradual destruction of the bazaar workshops and small industries, by the government's failure to protect local enterprises from a flood of imports.
3. The centralization of the economy by, and for, the state and its dependent bourgeoisie.

The result was that the bazaaris were unable to sustain or expand production. The major political consequence was the emergence of a sustained bazaar-based resistance movement against Western imperialism and certain aspects of state power.

Yet, on first examination, one might conclude that the bazaar was too fragmented and removed from the developing forces in the Iranian economy to constitute a base for any but the most traditional and acquiescent forms of politics. It is necessary, therefore, to describe the bazaar in sufficient detail and with properly sensitizing concepts to establish the historical dimension of the bazaar experience, the articulation of a collective interest, or interests, and the emergence of more complex and responsive political processes than might otherwise be expected.

Chapter III

HISTORY AND DESCRIPTION OF THE BAZAAR

To understand the bazaar as a political organization and its relatively independent role in the social changes of Iranian society some description and historical background is essential. This chapter will emphasize the bazaar's importance in the spatial organization of the Islamic city, its morphology, its physical ties to the mosques, and its relations to other significant features of public life and social welfare. In addition, we will discuss, to some extent, the economic and political roles of different groups of bazaaris and the guilds. This will bear on its relative autonomy of the polity vis a vis the state.

3.1 THE BAZAAR IN THE ISLAMIC CITY

The advent of Islam to the Middle East brought an urban impulse to societies that had been predominantly tribal. Islamic virtue (partly a religion of mercantilists) required for its realization an urban-like expanding community and social order.

Islamic civilization grew from the 7th century and spread throughout the world. With this came the prevalence of the

Muslim city. The "Islamic city" spread to, and took roots in, Spain and North Africa, Egypt, Syria, Iraq, and Iran. It is possible to distinguish the cities in the Western half of the Islamic world, with their common heritage from Greece, Rome and Byzantium, from other Islamic cities (Hourani, 1970, pp. 12-13). Yet even there, the thread of Islamic influence is prominent and pervasive:

The brothers George and William Marcais, working in North Africa, suggested that the shape of the Islamic city was determined only in part by the exigencies of power (which decided, for example, where the citadel, the wall and the gates should be), but in part also by their being Islamic; or, in other words, by the fact that the city is necessary for Islam, since it is only there that the virtuous life as Islam conceives it can be fully lived (Hourani, 1970, p. 12).

George and William Marcais described the Islamic city of North Africa as follows: the congregational mosque or Friday Mosque lay in the center of the city. The religious school was located beneath its shadow. From these emanated a hierarchy of suqs or bazaars, "whose position in relation to mosque and school was determined by the religious role of the goods they sold or the attitude of Sharia toward them" (Hourani, 1970, p. 12). Beyond this zone there were located the residential quarters, and beyond the wall itself were the cemeteries and shrines of saints (Hourani, 1970, p. 12).

The classical cities planned by Iranians at the time of the Selucids, with their colonaded avenues, Zoroastrian temples, and bazaars, were slowly transformed after the advent of Islam, though never totally changed. Mosques gradually

took the place of the temples and became part of the spatial arrangement and organization of the bazaar (see Hourani, 1970, p. 13).

If we construct a picture of what a pure type of Islamic city would look like, it would have two basic organizing elements: the citadel and a central urban complex. The latter would include the great mosque, the religious school, the bazaar, a great plaza (Arq), and main streets. The significance of the great mosque in Islamic city-patterns, and its spatial relation to the bazaar is obvious to anyone who has visited a contemporary Middle Eastern city (see Hourani, 1970, pp. 21-23). The great mosque, or Friday mosque (majid-al-jamia), is not only the center of religious activities, but also the assembly place for all the inhabitants of the city, a place of contact for everyone, or, according to Fishel, a kind of forum.

This place is a great city or a place comparable to a city, wrote the chronicler al-Bakri in the eleventh century, because one finds in it a Friday mosque near the bazaar, so despite the hara system and its centrifugal force, all the inhabitants of the city were joined in a higher unity, that of "umma," the community of faithful (Fishel, 1950, p. 230).

The location of the mosque near or in the bazaar is the decisive feature of Islamic urban ecology: the two together were the center of the city and its hubs. In large cities one finds smaller mosques and bazaars. But these are always subsidiary to the great mosque and great bazaar. The smaller bazaars are dependent on the great bazaars for their

supply of goods, and the great mosque is the major mosque which holds the Friday prayer. In front of the great bazaar, there is usually the arq or the city square, and the palace. Nearby, officials and leading religious and merchant families make their homes. Beyond these areas are the residential districts of the masses. These are called herat, mahallat (mallet), or akhtat. Some residential quarters have a small local market called "bazaarcheh," and perhaps worksnops, for example, for weaving.

Centralization affected this ecology, especially as the 20th century wore on. The bazaar area, once the center of the city, increasingly became an old forgotten sector, neglected by the national government. Consequently the bazaars fell into disrepair. It was only in the last year of the Shah's rule, 1978, and due to rising anti-state activism that the regime promised to improve the state of the bazaars. The neglect itself had been part of policies adopted by Reza Shah in his early days. It reflected an emphasis on centralized type administrative facilities, banks and trading companies, in the new city center. These policies continued under his son with the added construction of the Shah, or the state-owned, shopping centers, chain-stores, large export-import firms, and office buildings. Arq, once the only major city square and the nearest place for recreation and social gathering, gave way to other squares, parks, and entertainment and commercial facilities. The Shah's

palace also moved as far into the north of Tehran as possible; and with that, residences of government officials, some well-to-do clergy and merchants moved to the north and to the outskirts of the city.

3.2 INTERNAL CHARACTERISTICS OF THE BAZAAR

The significance of the bazaar to the Iranian cities has been declining. However, it is still an important part of the economic and political life of the country as a whole.

Morphology of the Bazaar

The bazaar is the central business district of the city. It is composed primarily of rows of shops, workshops, khans, and qaysariyyes or caravansaries for both whole-selling and manufacturing. Aside from these, the bazaar had, in earlier times, contained important public facilities, ie., schools, monasteries, and baths. There, too, one could find scribes, official witnesses, tax collectors, and judges working at their booths. As a rule, the bazaar was and still in some places is, a conglomeration of buildings the order of which is difficult for outsiders to comprehend. Business is actually transacted in roofed-over passages running between the blocks. These roofs are vaulted with geometrically-shaped holes that serve to light the bazaar.

The caravansaries derived their name from the old centers of caravan trade. Now, these have been transformed and specialized as receiving and distributing centers for goods of all sorts and all origins. They typically belong to the big traders whose business involves distributing goods and material throughout the country. But they are not simply wholesale markets and warehouses. They have offices and accommodations for regional and foreign merchants. For example, the caravansari of the Isfahan bazaar, which was built by the Safavids (1500-1722), had a total of 140 rooms of different sizes spread through two floors. At the end of the seventeenth century, cloth merchants from Tabriz, Qazvin, Ardabil, India and other places used the ground-floor rooms. Jewelers, goldsmiths, and engravers had their stores and shops on the upper floor (Gaube, 1979).

In addition to the caravansaries there are many newly built passages called saras. One of these passages¹⁴ (with its demographic composition) was described by the newspaper *Ittilaat* when it reported the results of a fire in the bazaar:

Inside the Sara-ye Aramaneh (Christian Passage) and all around it there were 60 wool, silk and textile stores; in the second floor too there were commercial chambers and some of the rooms belonged to tailors. In addition to these, there were some 60 tables, shelves, and stalls of textiles around the sara where the vendors and small retailers

¹⁴ It was in these passages that religio-political ceremonies were held, especially in the holy months of Moharram and Kamazan (see Chapter IV).

made a living (1951).

Another characteristic of the contemporary bazaars in big cities like Tehran is that there are no visible permanent residential facilities in them. In the past there were houses located in bazaars. But, as a result of its expansion and the diversification of economic specialties former residential areas have been transformed for commercial purposes into storage facilities, workshops and warehouses or even a new bazaar. An example of the last is the bazaare-Kuweitihā in the Tehran bazaar. Another is the bazaare-Kaf-iash-ha which has had the addition of 40 passages since 1960, displacing former residences (bazaari informant, 1981).

Thus, the Tehran bazaar has become a strictly commercial center of the city except for the existence there of many mosques which function during daily hours¹⁵. Moreover, the Tehran bazaar, like other urban bazaars, includes specialized branches of industry such as the shoe sellers' bazaar, the carpet sellers' bazaar, the jewelry sellers' bazaar, and so forth, conducted by members of various minority groups.

¹⁵ These mosques are usually named after the group who used them often for the purposes of prayer and other religious rituals, like Masjide-Bazzaz-ha (Mosque of the textile sellers), Masjid-e-Turk-ha (Mosque of the people from Tabriz).

The Ethnic Character of the Bazaar

There exist in the bazaar many ethnic and religious minorities among these are Jews, Christians, Zoroastrians, Azarbyjanis, Kermanis, and Isfahanis. Such religious minorities in particular Christians and Jews, have been part of the bazaar business communities for centuries. Their participation qualified only by proscriptions such as those against Muslims selling wine and pork (Goitein, 1966, p. 256).

Goitein description of a Cairo bazaar in the Middle Ages shows that even then there were two hundred sixty five different arts and craft pursued by Jews (Goitein, 1966, p. 256). Goitein also found that different socio-religious groups specialized in certain occupations and crafts. Some branches of industry were dominated by Jews, especially textile industries--silk work, weaving, and dyeing. Jews were also involved in the silk trade, both in raw materials and in finished products (Goitein, 1966, pp. 260-261).

The coexistence and cooperation of different ethnic minorities in the bazaar continued to modern times. For instance, the caravansara-e-Aramaneh, at the heart of the Tehran bazaar, was named for the Christian businesses. This does not mean that the Christians are segregated in the bazaar. On the contrary, one bazaari pointed out in an interview (informant, 1981) that there are no formal re-

restrictions on Christians, Jews, or any other groups, as to their place of economic activity in the bazaar. Bazaari business transactions like those of Western capitalist trade, cut across religious boundaries.

Politically, another bazaari commented, the different religious minorities in the bazaar "are in full cooperation with the Muslims at times of political upheaval: if there is a call for the bazaar to close down for political reasons, they fully observe the call" (informant, 1981).

The bazaar is also a mixture of different ethnic and regional minorities from all over the country. For example, in Tehran one can find, in the Carpet Seller Bazaar, businessmen from all of the most famous carpet producing provinces: Hamedani, Kermani, Yazdi, Tabrizi, Kashani, and Isfahani. These businessmen usually sell carpets produced in their own home-towns or regions. One former Hamedani carpet seller in the Tehran bazaar said, "Our supply of carpets in Tehran came from the Hamedan bazaar, with which I personally had direct connection because I used to travel to that province for the purpose of trade (bazaari informant, 1981). As a result of this there is a mingling of local cultures and a consequent cosmopolitanism greater than might otherwise be expected. One finds also that as a result of the bazaaris wide range of contacts they are relatively well informed about the general political and economic condition of the society.

Tojjar and Maghazedars

Bazaar businessmen can be classified in different groups according to their type of business activity, such as tojjar or traders, bonakdar or whole-salers, maghzedars or retailers, pishevaran or small producers (small factories or craftsmen), and dast-frooshes or vendors. Tojjar, maghazedars, and bazaar producers are the three major groups.

Tojjar are the wealthy merchants. The name "tojjar" usually implies that these traders belong to the bazaar and are not from outside of it. These traders are the main suppliers of goods to the bazaar, conduits through which pass goods from foreign countries or relatively distant domestic regions. Their store houses and offices are usually located in the bazaar caravansaries and passages or saras. Goods are sold by the tojjar to middle-men, called bonacdars or whole-salers. The bonacdars then distribute the goods among the bazaar maghazedars and the small merchant retailers. Among the two abovementioned groups of bazaaris, the tojjar were often, prior to the revolution, selected by the Shahs as heads of bazaars, were elected by bazaaris to that position, or became leaders through a recognition of inheritance.

Occasionally, the wealthy bazaaris achieved entree to the Court. Among these, some had invested their capital in land. Others, particularly during the last part of the nineteenth

century as a result of the absence of protectionist laws and due to imperialist economic penetrations became the agents of foreign firms. This group often had good relations with the court, government officials and foreign powers and therefore were able to influence, to a small extent to be sure national and foreign policy.

On the other hand, many tojjars were not only interested in trade, but often attempted to invest in national industry and in other branches of the economy such as real estate. One of them was Haji Mohammad Hasan Amin as-Zarb, who was, according to Abdullaev, among the most powerful merchants in Iran during nineteenth century. Among other interests and activities he carried on banking operations and invested in industrial and commercial enterprises. He also engaged widely in trade in foreign markets. Abdullaev in his article, points out that Amin as-Zarb owned considerable real estate in Iran as well as in Moscow and other countries, and established major trading offices in Marseillies, London, Paris, and China (Abdullaev, 1963, p. 45). Abdullaev mentions Haji Mohammad Taqhi Shahrudi as another wealthy merchant involved in large scale trade with Russia and other foreign nations, and whose industrial and other entrepreneurial activities in Iran were sufficiently extensive to establish him as an important Iranian entrepreneur.

On the whole, the tojjar were among the wealthiest and most influential strata in Iranian society. English concluded his study of the Kerman merchants by acknowledging this fact:

Some of these merchants were the wealthiest men in Kerman and their money and influence spread through the city at all levels. Their capital was invested in real estate and merchandise; they owned orchards, reservoirs, slum dwellings, and stalls in the bazaar, and subsidized hundreds of petty retailers, hawkers, and vendors as well as over extended members of the elite (English, 1966, p. 369).

Some well-to-do merchants used their wealth for charity and religious ends and thereby facilitated a close relation between them and the ulama. Some of these founded masjids, established Islamic primary and high schools, and made available large sums of money to the religious functionaries and madrasehs. They also provided, by the use of their wealth, a basis for a closer relation of the bazaar to the people of the larger society. In these ways, they helped create even more respect from the general population for the bazaaris. However, as the sources of their wealth, export-import, industry, banking, fell increasingly into the hands of the government after 1925, so the power of the tojjar who were unwilling to cooperate with the regime declined.

The maqhzedars, the majority of the bazaaris, numbered "as many as 250,000 shopkeepers and controlled as much as two-thirds of the country's retail trade" (Abrahamian, 1980,

p. 24). Their stores and workshops, in the Tehran bazaar alone, were over 10,000 (Abrahamian, 1980, p. 24). These merchants were active in a wide variety of occupations, such as selling carpets, jewelery, foodstuffs, books, textiles, cloth, and other commodities. Rotblat's study of the Qazvin Bazaar, one hundred miles west of Tehran, included a detailed analysis of the activities of the maghazedars. He distinguished among the following major occupational groups: 1) Alaf, or commissionent, who sells produce consigned to him by peasant farmers; 2) Jobber or barforush, who sells produce, either wholesale or retail, supplied to him by traders or tojjar, producers, or commission agents; 3) Retail grocer, who receives his supply of goods from commission agents (Rotblat, 1972, p. 78). The two remaining groups, dallals and peddlers, were dependent on the maghazedars as suppliers of merchandise and, as a result, were political supporters of the maghazedars. Dallals, by virtue of their economic activities as intermediaries between sellers and buyers in various parts of the bazaar, were in continual contact with bazaaris in general. This kind of daily activity played a vital role in the difussion of political news and information among the bazaaris especially at the time of political crisis.

The third group of bazaaris consists of small producers, small manufacturers, and craftsmen. These are the oldest enterprises in the Iranian bazaar. Crafts expanded in the

Medieval Age in cities like Raay, Qazvin, Qum, and later on in Isfahan and other growing towns. Among their products were textiles, carpets, rose water, and soaps (see Chapter II).

In modern times, though the growth of these small manufactures was limited by the large industries and imports of foreign goods their importance in number and even in employment remained the same as before. Statistics for the earlier periods are not available. However, the available statistics for 1963 show that small factories (less than ten employees) comprised 96.8% of total manufacturing industries, and absorbed 67.6% of the employment.¹⁶ See Table 1 for the figures.

Finally, there were as many as 430,000 small manufacturing plants in the villages which were subsidized by urban businessmen. These factories employed less than 10 workers and they were specialized in carpet weaving, shoe making, and also furniture manufacturing (Abrahamian, 1974, p. 24).

¹⁶ It is interesting that more people were employed in small factories, while the bulk of income in wages and salaries came to those employed by the large factories.

TABLE 1

The Comparative Position of Small (less than 10 employees)
and Large Factories

	<u>Total</u>	<u>Large Factories</u>		<u>Small Factories</u>	
		<u>No.</u>	<u>% of Total</u>	<u>No.</u>	<u>% of Total</u>
Factories	112,464	3544	3.1	108,920	96.8
Employees	4,495,444	145,644	32.3	303,900	67.6
Wages & Salaries*	9,447,837	5,342,577	56.5	4,105,260	43.4

* rials/year

Source: Iranian Ministry of Economics, Report of the
Results of the 1963 Census.

Guild Organizations and Guild Heads

Guild heads and guild organizations were the essential features of the bazaar which provided relative political autonomy from the state. This autonomy in many incidences in the modern history of Iran has given the bazaaris as a whole the power to make political decisions and organize opposition to the regime. In making the political decisions two groups of bazaaris were important: the guild heads, and the bazaar heads.

In general, the handicraftsmen and other maghazedars in the Iranian bazaar in the past were known by various names such as asnaf, ahali-ye kasb, kaseb and etc. In large towns and cities these craftsmen were organized in unions or guilds and in small towns they were either combined in fed-

erations of various crafts, or worked individually (Kuznetsova, 1962, pp. 286-288).

Craft guilds were based upon a strict hierarchy. At the head of a guild stood a guild head who might be called kadkhuda, naqib, rais, or rish-sefids. Ashraf uses the term rais to denote any individual who is elected by a guild as its representative, who has to be officially recognized by the city authorities, and whose function is to meet the economic needs of the government like tax collection (Ashraf, 1970, p. 318). On the other hand, the naqib is a deputy town chief. Heads of guilds who are selected by the Shah or the governor are called kadkudas. Ashraf considers rish-sefids to have an intermediary status which placed them in a position to consider the interests of merchants and craftsmen. The kalantar (town chief) and muhtasibs also played a role in the daily affair of the bazaar. The latter were selected by the Shah as market supervisors to control the daily activities of the asnaf¹⁷ (Ashraf, 1970, p. 319).

Kuznetsova, in his article "guild organization, early nineteenth century Iran", considers the naqib as the spiritual head of the senf, a position which was hereditary and

¹⁷ Baer (1970) made the same observation about Turkey's guild organizations. He enumerates nine different functions being incorporated in the guild structures. One of the important functions was its role in administrative links between the government and traders. This includes, of course, their role in tax regulations, fixing prices, regulation of service and labor, distribution of goods, etc.

elective rather than selective:

At the head of the guild stood the spiritual heads naqib ustabashi. It is not known whether, in Iran, the post of naqib was elective, hereditary, or filled by authorities. Chardin says only that attempts were made to keep the post within the same family. The naqib handed over their functions to their sons, on the pretext of sickness or old age. It seems probable that the function of naqib was elective as in Central Asia and in the Akhalsikhshi guilds (Kuznetsova, 1962, p. 288).

At times when the state bureaucracy was weak the elective head of the guilds, was highly respected by the senf. His functions within the senf were both spiritual and fiscal.

Among the duties of the head of guild were to see that the guild traditions were observed, to perform ceremonies to supervise the morals of guild members, and to carry out judicial functions...read and preserved the authoritative prayer...the naqib had great power: he exercised direct and indirect influence on the material condition of the members of the guilds; together with town authorities, he fixed the amount of tax to be raised from the guild; and after that, together with the kadkhuda, he determined the sum payable by each craftsman (Kuznetsova, 1962, p. 288).

Needy individuals, on appeal, were exempted from taxes: "if someone has a need to claim something back, it is only through these elders that such requests reach the government..." (Kuznetsova, 1962, p. 288).

The head of the bazaar, in cases of free election, had to be able to sustain a claim of honor, benevolence, political awareness, detachment from the court, and religiosity. Where the appointment of the head of the bazaar was imposed on the bazaaris, and lacked legitimacy, he could only per-

form the function of representing the Shah in the bazaar, ie., dealing with taxes and so on. In such a case, the bazaaris would select their own respected spiritual head or moetamed.

Sometimes the selection of the bazaar head by the Shahs had to be confirmed by the craft and guild elders. In some cases he was first chosen by the guilds and then appointed by the court. This process of determining leadership reveals a certain autonomy from the state in the political and economic organization of the bazaar. (We will discuss more about this autonomy later on).

Though there were as many guild heads as the guilds themselves, the bazaar heads were only few. They were called moetamedan-e bazaar (or trustworthy bazaaris). Because their functions were internal to the bazaar, and founded in a general bazaar interest, one of the essential qualifications for one to be designated to the position of a moetamed was, as mentioned above, his autonomy from the state and the court. This autonomy, which in normal times coordinated the internal life of the bazaar facilitated, in abnormal periods, many political decisions, such as calling for strikes, collecting money to assist oppositional political figures (like Mossadeq and Khomeini, among others) or to fund strikes, and taking sanctuary (as we will discuss in Chapter 4). The role of these moetameds in the political life of the bazaar continued even under the most unfavorable condi-

tions of the 1970s when the regime established the highly centralized guild organization.

In 1975, the Shah instituted a guild chamber by the name of Otaqh-e Asnaf. The purpose of this organization was to coordinate and control the business and political activities of the guilds throughout the country with the appointed guild heads by the government. The executive general of the guild heads was called Rais-e Otaqh-e Asnaf. This guild organization was under the auspices of a central administration based in the capital city of Tehran. Among its general functions were price control and price fixing, issuance and renewal of licences, and severe punishment of guilty shopkeepers. The measure of control over the prices and the severity of the punishment of the violators was unprecedented in the modern history of Iran. It tended, as well, to undermine the power and autonomy of the moetamedan-e bazaar, and therefore can be seen as part of the replacement of local government by agencies of the state.

But even in view of the rigid control of the bazaar by the O.A. the five designated moetameds continued to exist with popular support and "in defiance of the attempts which had been made since 1975 to impose officially sponsored guilds" (Graham, 1979, p. 223). These moetameds played important roles in the 1978-9 Revolution in organizing the bazaar's political struggle against the Shah, including the bazaar close-down, various processions, and demonstrations.

According to Graham, they had their own network of trusted assistants in different parts of the bazaar, who in turn had their own sub-groupings and lesser heads (Graham, 1979, p. 223).

Because of the economic importance of the bazaaris and their consequent political significance the state and imperialism competed with them from 1825 on. At each stage of this struggle government attempted to centralize the economy in order to dominate it. This is part of the background of the emergence of a revolutionary unity among the bazaaris in 1978-9, as it had been many other times in the past.

Chapter IV

THE BAZAAR AND THE NATIONAL ECONOMY

There are, as argued in chapter II, no reasons to believe that the bazaaris were incapable of developing both the local and national economies. Neither culture, religion, or economic practices were inimical to trade and the expansion of production. Moreover, it is clear that the organization of the bazaar, its relative autonomy from the state, posed a political a political problem for the regime. In this chapter, we will give some examples of the bazaaris involvement in economic activity and their ability to expand their capital. The fact that this drive was increasingly challenged by foreign powers and the Iranian governments from 1828 to as late as 1979 when the monarchy in Iran was demolished, indicates the primacy of politics in any adequate account of Iranian history.

4.1 ISLAM AND MERCHANTS: HISTORICAL DEVELOPMENT

One can find many instances and sayings in the Islamic religion, that look with favour upon commercial activities. The Koran "does not merely say that one must not forget one's portion of this world, it also says that it is proper to combine the practices of religion, and material life,

carrying on trade even during pilgrimages, and goes so far as to mention commercial profit under the name of 'God's bounty'" (Rodinson, 1978, p.14). Moreover, it is reported that Prophet Mohammad encouraged trade and combined it with religious conviction and fervor. Rodinson (1978, p. 16) cites the following Sayings from Mohammad:

The merchant who is sincere and trustworthy will at the Judgement Day, be among the prophets, the just and the martyrs.

or:

The trustworthy merchants will sit in the shade of God's throne at the Day of Judgement.

and:

Merchants are the messengers of this world and God's faithful trustees on earth.

The praise of trading activity and merchants was so great that business activity was called an act of jihad:

If thou profit by doing what is permitted, thy deed is a d'jihad and, if thou uses it for thy family and kindred, this will be a sadaga (that is, a pious work of charity); and truly, a dirham (drachma, silver coin) lawfully gained from trade is worth more than ten dirhams gained in any other way (Rodinson, 1978, p. 16-17).

Mohammad himself was a well-known merchant and represented the merchant class of Mecca. His high praise of merchants was an ideological force in the promotion of mercantile activities among Muslims. Since the 6th century, then, it has been the religious duty of believers to respect merchants and to regard this occupation as one of the most favored professions and the only honorable channel for the accumulation of wealth. Having the respect of the people

who were unified under the banner of Islam, the power of merchants grew in both the economic and political spheres. The Muslim empire created a greatly expanded "international" market in which Muslim merchants prospered.

In Iran, although the bazaar had existed long before the advent of Islam, mercantilism developed substantially after the Persians converted to Islam. This development also gave rise to the further expansion of crafts, including specialization and manufacturing. For instance, in Medieval Iran, between the 7th and 11th centuries, Iranian towns like Raay, Qazvin, and Qum exported textiles which often were labelled by the name of the town where they were made and which sometimes found their way as far as Europe and China. Some towns specialized in woven silk in various forms like damask and satin, while others made products with cotton, or hides, or made carpets or leather merchandise. There were towns and districts that specialized in exporting soap, ointments, rose-water (qolab), palm-shoots, scent, wax, honey, saffron, and indigo. In addition to these, there were agricultural crops like dried fruits, various fresh fruits, dates, sugar-cane, spices, and horses and camels which were bred on a large scale for the market. Also Iranian merchants engaged in exporting the dried fish of the Caspian Sea, copper pans, and articles of furniture (Rodinson, 1978, pp. 33-34).

Without going into detail, since then, manufacturing and mercantilist activities have continued (though sometimes with direct state involvement, for example between 1500-1722); and in the nineteenth century many individual entrepreneurs emerged who were engaged in modern industrial enterprises. Examples from the earlier periods, around the turn of the century, show that bazaari entrepreneurs actively participated in setting up industries and commercializing agriculture.¹⁸

Since the 1880s these entrepreneurs, in order to expand their capital, established the typical institutions of a modernizing economy, banks and joint enterprises on a corporate scale. For instance, in 1882 Mashti Kazem Amin established the highly reputed "Amini Company". Four years later in 1886 the "Commercial Company of Iran" was formed, and in 1892 the "Mansuri Company" was established in Yazd. Other companies were the "Fars Company" in Shiraz (1896), "Ettihad Company" in Tabriz (1897), "Masudi Company" in Isfahan (1898), and "Islamic Company" in Isfahan (whose functions included the widespread distribution of native textiles). These companies, in addition to their involvement in national and industrial trade, were also engaged in in-

¹⁸ Amin as-Zarb, a bazaar merchant, established various industries, as did Taqhi Shahrudi, Arab Jamshid, and others. Arab Jamshid invested a certain amount of his capital in commercial agriculture, and bought large plots of land around Tehran and also in Khorasan and Fars (Abdullaev, 1963, p. 46).

dustry and in banking operations (Abdullaev, 1963, pp. 44-45).

These examples show that the bazaaris did take up the role of entrepreneurship and were the group most willing to invest their capital in industry and expanded agricultural enterprises. Moreover, the bazaar functioned as a center providing appropriate education and training for businessmen to become familiar with the ways of industry and commerce.

A survey conducted in the 1970s by Vaghefi, of the father of 106 entrepreneurs, showed that most of them (approx. 68%) were also businessmen. Table 2 presents Vaghefi's findings.

TABLE 2
Occupations of Fathers of Entrepreneurs

Father's Occupation	Number	%
Business		
Small	15	14
Medium	27	25
Major	31	29
Medical Science	-	-
Government Employees		
High Ranking	5	5
Farmer	-	-
Landlords	24	23
Politician	3	3
	-----	-----
TOTAL	106	100
Source	Vaghefi, 1975, p. 82.	

One gets a sense of the modern Islam merchants activities and interests through personal accounts as well as statistics. For example, Ahmad Khayami, the founder of Irannational car industry in 1962, was a bazaari, and a man trained in the bazaar economic organization.

During the second World War, I was in the export business selling dried fruits, and by the time the war finished I was bankrupt. So I established the first car wash service with a capital of Rs. 4000. Within a few years I became the representative of Mercedes Benz in my province. I then left all my business to my brother and came north to Tehran, and 10 years after having this car service, I was able to establish Irannational in Tehran. In the first stage we used to make buses, mini-buses and trucks by the trade mark of Mercedes Benz. By the order of the Shah I then started to make cars. As soon as I started making Peykans (a version of the Hillman Hunter using ckd units from Chrysler UK), I invited my brother to join me (Graham, 1979, p. 48).

Graham describes a second case, the Melli Industrial Group of the Iravani family which originated "from one of the principle cottage industries of the bazaar-shoe-making" (Graham, 1979, p. 48). Within a few decades by 1970's Melli became one of the biggest and best-known shoe producers in the country. Later on, they also became engaged in other industries such as food processing and international haulage.

A third case is the BehShahr Industrial group which was formed in 1944, by the Ladjevardi family, who were originally involved in the import of consumer goods, raw materials and textiles in the Tehran Bazaar. Since then its enter-

prise has grown to cover 22 wholly owned firms and 26 partnership ventures (Graham, 1979, p. 48).

The cases show a constant capacity for and interest in the expansion of capital through investment, the organization of production, and diversification of enterprise.

Not only were the bazaaris able to expand their commercial and industrial capital, but also their money capital.

4.2 THE BAZAAR AND RIBA (INTEREST ON MONEY): THE BAZAAR AND ITS RELATION TO THE BANKING SYSTEM

Whether "riba" in the Koran (the practice of which is considered illegal) and Moslem tradition means interest or a mere "increase"¹⁹ does not make much difference for our discussion here, since the bazaar has developed credit mechanisms and justifications. The reconciliation of the theoretical proscription with the practical complexities of economy illustrates the flexibility of Moslim culture just as incorporation and limitations on liability reflect the flexibility of Christian principle. This practical flexibility, called "Kola Sharei" in Farsi or Hila in Arabic, means "getting around the law." The following example clarifies this:

¹⁹ "The doubling of a sum owed when the debtor can not pay it back at the moment when it falls due" (Rodinson, 1978, p. 14).

I sell this book which is on my table to x, for 120 Francs, to be paid in a year's time, but then I buy it back from him immediately for one hundred Francs, payable on the spot. In this way I keep my book, I have given him one hundred Francs, and I shall receive 120 Francs in a year's time. I have not lent at interest but merely bought and sold. (Rodinson, 1978, p. 36).

There are of course other ways to get around the letter of the law so that credit, so essential for commerce and production could be instituted. In this way, the needs of trade could be serviced through a banking system managed largely by wealthy merchants and, especially the "sarrafs" (bazaar money lenders) and justified by an ultimately defensible interpretation of Moslim principles.

However, when the European system of banking was introduced to Iran and other parts of the Muslim world, it was no longer possible to avoid seeing the expanded credit system as founded on interest. Controversial as it was among the Muslim ulama in most Muslim countries, their view of the new banking system was often dependent upon a political interpretation of the effects of that system. This meant that banking "interest" could be authorized only if it could be seen as benefiting local merchants vis a vis the imperialist powers. On the other hand, the new system and banking interest would be considered usury, riba and thus against the Shari'i, if the banks were a means for foreign powers to dominate Muslim people.

Though the ulama were not involved in political affairs in all the Muslim countries, there is some evidence of the ulama's political engagement in the politics of new banking in some countries. For example, in Morocco an agreement, in nineteenth century, between the State and French financiers, resulted in the establishment of a State bank which was virtually under foreign management. The ulama, in alliance with the merchants, complained:

The present emir Mulay Abd al-Aziz has been guilty of acts contrary to the Sharia (the religious law) and to reason... that he has replaced the zakat... by the Tartilb and the Bank that produces interest on money, which is the worst sin it is possible to commit (Rodinson, 1978, p. 147).

On the other hand, as mentioned above, depending on economic and political conditions, the practice of usury was sometimes covered up by the religious authorities. The celebrated reformer and liberal Muhammad Abdullah in Egypt is an example. In 1903 he issued a fetva which legitimized the deposit of money in savings banks with interest (Rodinson, 1978, p. 148).

There is no evidence of issuance of a fetva by the Iranian ulama concerning "interest" and the new banking system. However there is some recorded evidence of fierce opposition to it by the Iranians. The operation of the new banking system in Iran, from the time of its establishment (1888) until its nationalization in 1979, has been opposed to the development of an independent economy and has been an eco-

conomic and political means of exploitation by the foreign powers.

Lesani, the Iranian historian, in regard to the establishment of the first bank, the Shahi Bank, by the British firm, the New Oriental Bank, in 1888, remarks that the main purpose of the British was to use the bank to obtain monopoly concessions over the exploitation of natural resources such as coal, copper, iron, and oil. The Shahi bank was taken over, in nineteenth century, by another British firm which called it the Imperial Bank of Persia. The Qajar government granted this bank a monopoly for issuing notes. The second bank, established in 1891, in rivalry with the British, belonged to a Russian company--Banque d'Escompte de Perse, with branches in Tabriz, Rasht, Mashhd and other northern parts of the country under Russian influence. The third bank, also British owned, was the Ottoman Bank, with branches in Iraq and Turkey (Amuzeqar, 1977, p. 130).

At their beginnings, all these banks were part of concessions given to foreign powers by the Iranian government. The existence of these banks not only served as a medium for transferring Iranian wealth to other countries, but as a means for foreign powers to control the local government by loaning money to them.

For instance, when the tobacco concession was annulled in 1891, because of the mass uprising against it, the British

company (the concessioneer) demanded 650,000 pounds as indemnity for its concession. But since the depleted Iranian treasury, in Ramezani's words, could not pay such a sum, the Shah had to borrow this sum from the British Bank at 6% interest (Ramezani, 1974, p. 70). In another well-known incident, after the Constitutional Revolution of 1905, Muzaffar al-Din Shah requested a loan from the British bank. The plan was to obtain a loan of 400,000 pounds in equal parts from the Russian and British in return for these countries' control of the customs houses of the north and the telegraph and post offices of Iran, respectively (Browne, p. 134). But the Parliament deputies considered the loan provision contrary to Iran's independence. As Haj Muin al-Tujjar, a respected merchant in the bazaar and one of the Majlis deputies, put it:

the nation would no longer allow the country to be mortgaged to foreign powers in the interests of a few selfish ministers (Kasravi, quoted in Ramazani, 1974, p. 109).

As an alternative, then, he proposed to raise a national loan. Men, women, and even children offered their small savings, and the Tabrizi merchants endorsed the proposal in principle (Browne, in Ramezani, 1974, p. 109). In another incident, aware of the economic and political consequences of the foreign bank establishment in Iran, the bazaaris and clergy, with considerable popular support, practically destroyed a new semi-finished Russian bank when the authorities disregarded the protesters demands against its con-

struction. Prior to this incident, preachers in the mosques delivered speeches as to the prohibition of "riba" in Islam. And when they referred to the fact that the place the bank was being constructed was also once a cemetery, the angered mob poured into the site and demolished the building altogether (Kasravi, 1975, pp. 54-57).

From nineteenth century until the end of World War Two, the Western-style Iranian banks were in the hands of the government. In 1946, the first private bank was established as part of the "Seven Year Development Plan" designed by U.S. experts in Iran. Since then, most of the newly established banks have been either foreign owned or managed, and the credit system typically operated to the benefit of foreigners. Nirumand, commenting on the nature of these banks says:

They are the all-powerful middlemen in the gigantic foreign aid business and are therefore firmly held by foreigners (Nirumand, 1969, p. 146).

While these banks were giving loans to businessmen at interest rates ranging from 12-18%, the profit was transferred abroad. In other words, these banks, were "an official channel for the flight of capital" (Wryly, quoted by Nirumand, 1969, p. 146). Moreover, it was the banks policy to grant credit for importing commodities and luxury goods, which only had the benefit of "short term profit," while refusing credits for private investment in industry (Nirumand, 1969, p. 146).

It is clear, then, that the proscription of "interest" was qualified by the exigencies of commerce, but the letter of the law was invoked when the indigenous economy was threatened by foreign interests.

Bazaar Banking System

With the development of trade and means of communication, the economic links among the provinces grew, and with that, the role of the sarrafs (bazaar money lenders and money exchangers) also increased substantially.

National capital was an indispensable source for the financing of large commercial operations. In this respect a definite part was played by sarrafs, who represented an original banking institution, carry out banking operations within their region, over the whole country, and sometimes even in foreign lands (Abdullaev, 1963, p. 45).

There were also several prominent merchants, trading firms and companies which simultaneously performed the same function as the sarrafs (Abdullaev, 1963, p. 45), and this provided a basis for the further development of banking practice, the spread of credit, and the expansion, through the use of credit, of business.

In 1899, seventeen Tehran merchants and sarrafs established the Omumi Company, which carried out internal and external trade and banking operations. Trading and banking companies even began to appear in the bazaars of the smaller towns. For instance, in Soujbulaq, a small town in the

province of Iehran, the "Soujbulaqi" firm and in Shahroud there were six local firms.

In the large towns, groups of small and medium size sarrafs operated alongside the trading firms large sarrafs (Abdullaev, 1963, pp. 43-44). According to Curzon, in Mashhad there were 114 sarrafs and moneylenders (Curzon, 1969, vol. I, pp. 167-68). Faced with the development of trade and confronted with the dominance of foreign capital in Iran, the Iranian merchants, in nineteenth century, made various attempts to establish a modern banking system in competition with the foreign-controlled banks. But state support for such an enterprise was not forthcoming. Abdullaev writes:

Ten years before the expiration of the Imperial Bank's concession, Hajji Mamed Hasan already had proposed to the Shah the creation of a government bank, in which both government and private capital would participate. But this wise suggestion met with no response from the court circle (Abdullaev, 1963, p. 43).

In nineteenth century, another attempt at the formation of a national bank was made by a group of influential capitalist-sarrafs and banking houses of Tehran, including the Tumanian brothers, Hajji Lutf Ali, Hajji Baqir, Malik al-Tujjar and others. They wanted to buy the contract of the British Imperial Bank, and were encouraged in their plan by popular dissatisfaction with the British administration of that bank. This attempt also failed. Over and over again,

Iranian businessmen found obstacles to the development of an independent banking system. Abdullaev summed up the situation as follows:

Through loans and banks, foreigners subjected the whole financial system of Iran to their control, and Iranian national capital itself was put in a dependent position (Abdullaev, 1963, p. 45).

The existence of the foreign owned banks weakened the bazaar banking system though the latter did not lose all its independent financial strength. As late as 1978 the bazaar still controlled over two-thirds of domestic wholesale trade; and, more important, it had direct influence over 30% of all imports (Financial Times, Sep, 12, 1978) and controlled the export of carpets and other key commodities like nuts and dried fruits. In this way the bazaar gained access to foreign markets (and hard currency) without being dependent on official channels.

Likewise, the banking activities of money lending and money changing have continued; and an unofficial estimate on bazaaris' lending in 1976, was 15% of private sector credit (Graham, 1979, p. 221).

In sum, the bazaaris capacity to conduct on an independent basis various economic activities was shown by their adaptation to the new requirements of capital expansion, ie., the new banking system. However, the bazaaris' ability to expand and control the economy has been continually challenged by imperial forces and the government since 1828.

4.3 THE BAZAAR AND THE NATIONAL ECONOMY: 1828-1925

Between 1828-1925, the economy of the bazaar was challenged by foreign powers and the Qajar Shahs in two major ways: duties and tariffs, and secondly concessions.

Duties and Tariffs

As early as 1828 Iran's economy fell under foreign influence, partly as a result of her military defeat by Russia which ended in the signing of the Turkamanchai Treaty. The Treaty was a direct threat to the bazaar merchants and their trade activities (and as a result to the Iranian manufacturers) because a uniform customs duty of 5% was imposed on Iranian merchants on all imports and exports between Russia and Iran. This has been the basic strategy ever since. As a result of the Russian protectionist law of 1877, the textile industry and handicrafts which Iran exported for many centuries to the Caucasus and Central Asia began to decline.

In 1877 the Russians increased the protectionist effects of its tariff by nearly 50% by insisting that duties be paid in gold, not paper rubles, and this presumably affected Iranian goods as well as the European ones against which it was primarily directed (Abdullaev, 1963, p. 300).

Thus, the export of Iranian textiles to Russian, which in 1875-78 averaged 649,000 rubles, fell to 197,000 in 1885-87, and declined further in the 1890s (Abdullaev, 1963, p. 301).

Obviously the customs duties in favour of the foreign powers removed any possibilities of ensuring tariff protection to the domestic Iranian producers and (small) industries. Tariff laws with the British opened the Iranian market to that country. For instance, in 1828, Iran imported from the British 11.5 million yards of printed cotton goods, and by 1834, 28.6 million yards (Rodinson, 1978, p. 125). The tariff privileges of foreign powers prevented and discouraged the development of local manufacturing and handicrafts, and "the removal of tariff protection forced many Iranian manufacturers to close their shops" (Ramezani, 1974, p. 75). The following are some examples of businesses destroyed by foreign competition:

1. A glass factory established in 1887-88 by Haj Muhammed Hasan Amin al-Zarb which later had to close down.
2. A porcelain factory belonging to the above merchant in Tehran, and another founded by Haj Abbasalli and Haj Reza in Tabriz, both of which were forced to close down because of Russian intrigues.
3. A brick-making plant, near Tehran, which belonged to Haj Husain Aqai Amin al-Zarb.
4. Paper making, in Isfahan and Tehran.
5. A sugar factory in Mazandaran.
6. Calico weaving and candle-making factories in Tehran (Jamalzadeh, 1956, pp. 93-94).

Jamalzadeh points out that by the beginning of the 20th century at least thirty factories had closed, mostly because of competition from Russia and Britain (Abdullaev: 308; Ashraf: 326).

Concessions

From the late 1860s, the influence and rivalry of the imperial powers in the Iranian political economy became increasingly acute. They not only established unilateral trade relations with Iran, but obtained many invaluable concession rights. The major ones are as follows:

1. The establishment of a system of telegraph communication between Britain and India through Iran (1860s).
2. Toll road immunity and internal transit taxes (1871).
3. Granting of a single monopoly for the construction of a national railway, mining except for gold and silver, and the establishment of the banks, to a British subject, Baron Julius de Reuter (1872).
4. Another concession to British interests to establish the Imperial Bank of Persia, with a monopoly on the issuance of currency and notes (1888).
5. The "life and property decree" (1888), designed by the British government to protect British subjects. The Iranian government guaranteed their safety and immunity against any possible danger, including an

upsurge of the people against British-owned property in Iran.

6. The granting of a monopoly of the production, sale, and export of all tobacco in Iran to a British firm (1890).

The damage of these concessions to Iranians was so significant that even Lord Curzon, the British ambassador to Iran at the time, remarked that the Reuter concession "was the most extraordinary surrender of the entire industrial resources to the British" (Curzon, 1969, vol.I, p. 480).

The early obstacles to the economic development of Iran were not only external forces, but also internal politics. That is, whereas foreign capital in the sphere of trade was privileged with toll road immunity, "native merchants were subjected to numerous arbitrary taxes" (Abdullaev, 1963, p. 47) to the Iranian government. For instance, between Enzeli (in the northern part of Iran) and Isfahan (in the central part of Iran), a road tax (rahdari) had to be paid six times--in Rasht, Qazvin, Tehran, Qum, Kashan, and Isfahan. There were also other dues in the form of direct taxes that the Iranian merchants had to pay, such as weighing taxes (Qapondari). This lack of concern by the Iranian government toward the local merchants of course was advantageous for foreign traders: "Being exempted from internal duties and taxes of all kinds, foreign goods penetrated unhindered all towns and regions of Iran" (Abdullaev, 1963, p. 47).

In terms of affecting bazaar economic activity directly on the one hand, and of being essential to the British economy on the other, the "tobacco concession" was of major importance. In regard to the significant role of the tobacco concession on the British Economy, Curzon commented that:

indifference to Persia might mean the sacrifice of a trade that already feeds hundreds of thousands of our citizens in this country and India. A friendly attention to Persia will mean so much more employment for British spindles (Curzon, 1969, vol. II, p. 64).

On the other hand, according to the concession and under the new conditions, the Iranian merchants and growers were forced to meet the foreigners' terms, which proved to be highly detrimental to Iranians. As an article in Ahktar, one of the banned newspapers published outside of Iran, declared at the time:

It is clear enough that the concessionnaire will commence the work with a small capital and will purchase the tobacco from the cultivators and sell it to the merchants and manufacturers for higher prices, and all the profit will remain in the purse of the English. As Persian merchants have no right to export tobacco from Persia those who were formerly engaged in this trade are now obliged to give up their business and find some other work for themselves. The concessionnaire does not take into consideration how many merchants who were formerly engaged in this business will be without employment and will suffer loss in finding other occupations... (quoted in Keddie, 1966, p. 49).

Keddie cites another document referring to the bazaar merchants' loss of business, a letter printed in the Financial Standard of March 7, 1891. The letter was written by a correspondent holding a high official position in Iran, whose

sympathies were entirely with the British (Keddie, 1966, p. 51). This letter ends with the following remarks:

Having no experience of the laws and usages of Europe, the Persians who only consult immediate interests are always exposed to the perils of signing with European contacts, the purpose of which they do not understand, nor do they consider the consequences. Such has been the contract signed with Major Talbot of the Tobacco Monopoly. Undoubtedly, then this will be a matter of dispute in the near future. It will create for the Persian Government a thousand and one difficulties and embarrassments, without counting the great losses which it will cause to the Persian agriculturists and merchants (Keddie, 1966, p. 52).

The concession not only created political difficulties for the Iranian government, but for the British as well. It sparked off the first Iranian protests against imperialism, which eventuated in, according to Keddie, "the first successful mass movement in modern Iranian history" and "led to a total cancelation of the concession" (Keddie, 1966, p. 1).

Bazaaris staged another fierce struggle in opposition to foreign dominance of Iran and internal oppression in the Constitutional Revolution of 1905-11. This struggle brought a major bazaari achievement in regard to the foreign economic relations of Iran. A constitutional principle was enacted making explicit the ways that decisions about such matters could be made;

Signing any treaty, providing any concessions and monopoly in regard to trade, industry, and agriculture, be the partner Iranian or foreigner, must be approved by the Majlis except those treaties that are prove to be in the interest of the gov-

ernment and the nation (principle 24 of the Constitution).

Though this law was a great achievement for the constitutionalists, the foreign domination of Iran, especially by the British, continued until 1925. Since then, with the government becoming much more centralized and, moreover, with the new political condition of Iran, the British chose to be less visible in the political scene of Iran.

4.4 THE BAZAAR AND THE NATIONAL ECONOMY: 1925-1951

Even though in Principle 24 of the Constitution (see above), there was no mention of state monopolization of the national resources and the economy, Reza Shah during his reign disregarded those principles, and his very first move was the imposition of a trade monopoly by the state. This was the beginning of various campaigns for the creation of a highly centralized nation state probably for the first time since 1500, with the whole economy falling into the control of the government. On the while, the bazaar entrepreneurs were seriously limited by the state actions. However there were some who became "dependent" on the government for their growth. It was only the government (banks) which could grant loans, credits, licensing, and insure them against competition:

The economic enterprises launched by Reza Shah suffered from overcentralization and bureaucratic inefficiency. He and many of his subordinates profited from government-sponsored enterprises by both legal and shady practices. Government

protection and financing of industry often discouraged efficiency. The practice of paying out all profits as dividends and then turning to the government for funds was, and remained, characteristic of Iranian enterprise (Keddie, 1981, p. 101).

On the other hand, in the encouragement of investment, Reza Shah's policies inevitably favored the growth of commerce more than industry:

Government help and guaranteed high profits to semiofficial trade monopolies favored investment in commerce, rather than in the more essential industry, as commerce required less capital and promised quicker returns (Keddie, 1981, pp. 101-102).

Keddie says that in 1940 there were twice as many commercial companies as industrial corporations, and the former's total capital was twice as high as that of the latter (Keddie, 1981, p. 102).

Reza Shah's economic policies included the state monopolization of foreign trade. This created limitations for the traders who wanted to be independent from the state. That is, under the Foreign Trade Monopoly Act of 1933, the government acquired a monopoly over all importing and exporting transactions. Traders in the private sector under the same law could also engage in foreign trade if they were "suitable persons" approved by the government, provided in addition that they paid the duties and taxes (Area Hand Book for Iran, 1971, p. 500).

Some merchants were seriously damaged by this combination of centralization and laws. This was shown when, in 1930s, the bazaari merchants, in a letter to the Majlis, complained that the monopolization "has caused the decay of large amounts of imported goods in customs storage" (Jami, 1976, p. 16). Some later reports, in referring to the incident, commented that the damage was the result of Reza Shah's measures to protect his own investments. One such report was given by the newspaper Setareh:

For the sake of the Chalous Harir (silk) weaving company the government put a ban on releasing the silk from customs storage, which already had government permission for importation. This act caused the bankruptcy of the importers (Jami, 1976, p. 17).

Moreover, the newspaper charges, the monopolization of trade, instead of lowering them, increased prices substantially. For example, "Whereas before the monopolization imported foreign silk was sold at 30 rials per meter, when it came under the state monopoly it was sold at 60 rials per meter" (Jami, 1976, p. 17).

Most of the industrialization programs were undertaken by the government-owned plants.²⁰ These plants were primarily involved in producing goods for domestic consumption, or

²⁰ but the state industrialization plan was limited because of its close alliance with the landlords. For instance, the members of the 15th Parliament, according to Razm magazine (August 5, 1848 No. 3), were composed of 62 big landlords, 10 factory owners, 22 high-ranking government officials, 28 Ministry of Justice attorneys. Half of the last group owned trading companies.

they were light industries such as textiles, foodstuffs and leather factories, or they produced construction materials. The textile industry enjoyed more than two-thirds of total employment of the country (Sodaqar, p. 188). And of all industries, the state -owned plants employed almost 40% of the work force and possessed 80% of the large factories (Ashraf, 1970, p. 330).

Some of the biggest plants were owned by Reza Shah himself. The funds to run them were often allocated from tax revenues. For example, as one newspaper bitterly commented in 1941, through establishment of a department named "Advancement of indigenous textiles," the state imposed 10% taxes on woolen goods, haberdashery, hats, etc. The money, again in the name of contributions to indigenous textiles, went to the silk industry of Chalous which was privately owned by Reza Shah.

On the other hand, the centralization of the economy created problems for cultivators and some other privately owned industries. In regard to agriculture, the newspaper, wrote that because of the government monopoly on rice in some northern parts of Iran the cultivation of this product was prohibited in Isfahan and other places (in Jami, 1976, p. 57). As for privately owned industries, government activity in the production of some important items like tobacco, made them increasingly subject to control and finally

state ownership. As Shahri remarked, before Reza Shah's rule the tobacco industry was in the hands of bazaaris who had some modern technology, like facilities for cutting tobacco and rolling cigarettes. When Reza Shah came into power he took the industry away from them and made it state-owned (Shahri, 1978, pp. 222-223).

In sum, Reza Shah's industrialization plan had three decisive effects on the national economy:

1. The existence and strengthening of landlords, Reza Shah himself becoming one of the biggest landlords of all.²¹
2. The encouragement of trade more than industry.
3. Government centralization of the economy.

Finally, Wilber's conclusion about Reza Shah is reasonably accurate: "The merchants lost freedom of enterprise as they were drawn into the government system of monopolization and of control over industry, commerce and trade" (Wilber, 1967, p. 126).

After WWII, with the signing of the 1943 commercial treaty between the United States and Iran in favour of the former and with the appointment of Millspough as general man-

²¹ Reza Shah by passing various land laws strengthened the position of the landlords. Examples of such laws were the new legislation of 1928 that established proper title to urban land in the Tehran area. The major landholders benefited enormously from these laws. For example, according to these laws a landlord could claim land as far as it could be watered (Graham, 1979, p. 47).

ager of the Financial Department of Iran, the role of the U.S. in the national economy of Iran increased substantially. Millspough, in his mission was given the full power to draw up the national budget, hire and fire employees, etc. Later on, his authority increased even to the extent of intervening in the whole economy: for example, controlling internal and external trade, access to raw materials, the distribution of industrial products and food stuffs and prices. His involvement coupled with the first seven year development plan designed by the U.S. government in 1948-49, made Iran's economic development increasingly dependent on the U.S.

4.5 THE BAZAAR AND THE NATIONAL ECONOMY: 1951-1963

During the two year premiership of Mossadeqh (1951-1953), the overall structure of the Iranian economy was changed and the bazaar gained importance as the economic and political center of the society. The structural changes of the economy and its development were a rather direct result of diminishing foreign, especially British and U.S. ties with Iran. This situation is consistent with the theses of Frank, Baran, and Sweezy in regard to the role of imperialist countries in the Third World. As Frank remarks:

the satellites experience their greatest economic development and especially their most classically capitalist industrial development if and when their ties to their metropolis are weakest. This hypothesis is almost diametrically opposed to the generally accepted thesis that development in the underdeveloped countries follows from the greatest

degree of contacts with and diffusion from the metropolitan developed countries. This hypothesis seems to be confirmed by two kinds of relative isolation that Latin America has experienced in the course of its history. One is the temporary isolation caused by the crisis of war or depression in the World metropolis. [The second] is the geographic and economic isolation...[from the imperialist powers] (Frank, 1972, p. 10).

By the same token, as a consequence of the oil boycott in 1953 by Western countries, especially the British, and a consequent diminution of foreign exchange and decline in government revenues, rigorous restrictions on imports were imposed (Nirumand, 1969, p. 109). One of the important effects of this policy was a positive balance of trade during the two years of Mossadeqh's government, compared with the past and after his overthrow. According to Table 3, the export level in 1952-53 was almost twice as high as the 1949-50 level, and stayed high even in the few years after his downfall.

Mossadeqh's trade policy opened up internal economic activities and development. The new policy relied on encouraging exports. Thus, previous taxations on exported goods were removed (Sodaqar, p. 263). Moreover, the government exempted the exporting companies from paying taxes for five years (Sodaqar, p. 263). Agricultural products increased and the country almost became self-sufficient as export industry changed from oil to agriculture, that is, from capital intensive to labor intensive industry. In 1954 the

TABLE 3

Imports vs. Exports, 1949-1961

Year	Imports*	Exports*
1949-50	6243	3494
1950-51	7011	4319
1952-53	5031	5721
1953-54	5324	8318
1954-55	7425	10288
1955-56	9125	8033
1956-57	20081	7930
1958-59	33578	7941
1960-61	52675	8363

* value in millions of rials

Source : Nirumand, 1969, p. 110.

non-oil export of Iran reached its highest point ever (Sodagar, p. 263). Using Mahdavi's expression, it is possible to say that Iran changed from a "rentier state" to an independent one (Mahdavi, 1970).

As was noted above, exports of non-oil products increased during Mossadeqh's time. However, oil exports declined sharply as a result of the Western and the U.S. oil embargo on Iran. Table 4 shows that this balance reversed after the Shah returned to power in 1953.

Banks, rather than being foreign creditors of the state and the big merchants, had no choice but to comply with the domestic financial needs of the entrepreneurs during Mossadeqh's government. For the bazaaris this meant more political and economic autonomy and less reliance on the Western countries and the state.

TABLE 4

The Export of Oil and Non-Oil products: 1952-1961

Year	oil export	non-oil export	%oil export	%non-oil iexport
1952	12*	6,000	2	99.8
1953	263	8,500	3	97
1954	2,588	10,000	16.5	84
1955	9,500	8,000	54	46
1956	16,000	8,000	67	23
1957	19,000	8,500	70	30
1958	23,000	8,000	74	26
1959	49,500	8,000	86.5	13.5
1960	53,390	8,500	86.5	13.5
1961	56,451	9,500	85.5	14.5

* million rials

Source: Year Book Statistics of Iran's Foreign Trade,
Ministry of Economics (in Sodaqar, p. 378)

After Mossadeqh's fall, Iran again went under the control of foreign powers by signing the 1954 oil treaty.

Retired Exxon corporation executive Howard W. Page testified on March 28, 1954 that Exxon, Standard Oil Co. of California, Texaco, Mobil and Gulf began joint production in Iran in 1954 as part of an international consortium with British Petroleum because Great Britain and the U.S. thought such a step was necessary to prevent Iran from falling under Soviet influence (Senate Foreign Relations Subcommittee hearing on multinationals corporation, NYT, March 29, 1973, 47:1.)

The increase of oil export became, by 1961, more than 80% of Iranian exports (Sodaqar, p. 263).

In addition, due to large loans from the U.S. the imports of goods also increased to an unprecedented high. The average share of Iran in World imports (except the Socialist countries) increased from 27% in 1950-54 to 43% in 1962-66.

This size of export, according to Vaqar, was the largest increase in foreign trade in the Middle East (Vaqar, 1971, p. 35). It was for this reason that Jerrold Walden pointed out that:

Despite large-scale American aid (provided as soon as Mossadeqh had been overthrown), Iran is now in more desperate financial straits than at the height of her misadventure in nationalization. When Mossadeqh departed, despite a national debt of some \$210 million, the country nonetheless still possessed reserves exceeding \$150 million in gold and foreign exchange. But by the end of 1960, Iran for all its great oil income,... (had) nearly exhausted its foreign currency reserves... Moreover, the nation had built up an enormous external debt, despite foreign aid (Walden, quoted by Nirumand, p. 95, 1969).

The economic bankruptcy to which prime minister Amini had admitted in 1961, was not a coincidence. Since 1953, in addition to the reversal of the ratio of imports to exports, emphasis was put on the export of oil and import of military hardware. The latter as at the time of Mossadeqh, was for protection and defence. Yet, Mossadeqh himself remarked that "Iran needed only a little army that could handle border incidents, as it would be unable to ward off the military attack of a great power anyhow" (Nirumand, 1969, p. 95). Referring to Mossadeqh's view on the army, the Shah later wrote in his book, *Mission for My Country*, that security forces in 1952-53 outbreaks "under Mossadeqh's orders were reduced to the role of spectators" (Pahlavi, 1960, pp. 85-86). The Shah's emphasis on the military and the "open door" policy of his government in regard to imports, as well

as his lack of interest in an independent economic development and the success of independent entrepreneurs, led to countless economic problems after Mossadeqh's fall. Even the reformer and pro-American prime minister Amini, in Nirumand's words, criticized his predecessor for mishandling the economy (Nirumand, 1969, p. 70) he commented that:

The biggest economic problem in Iran, which afflicts nearly the whole population, is the low standard of living and the lack of vitally necessary goods. The excessively high prices of food, the rapid rise of the general cost of living index, and finally, the inability of the responsible authorities to draw up an accurate and workable plan for lowering and stabilizing prices and for preventing the threat of inflation are the primary and most important problems that are to be considered (Nirumand, p. 96, 1969).

Finally, after 1955, the economic activity of the government again increased substantially. Between 1955-61, the share of government capital investment increased from 7.4 to 17.8 percent, compared to the increase of private investment from 10.4 to 13 percent. Table 5 shows this trend.

TABLE 5

The Comparison of Private and Public Investments (1955-61)

Year	Private investment	Public investment
1955	10.4*	7.4
1956	10.8	13.3
1957	10.9	16.9
1958	23.3	21.4
1959	30.5	20.5
1960	21.9	27.2
1961	13	25.6
1962	13	17.8

*billions of rials

Source: Plan Organization (Sodaqar, p. 384)

4.6 THE BAZAAR AND THE NATIONAL ECONOMY: 1963-78

The Shah's program of land reform, launched in 1963, was a continuation of efforts made in this connection by Amini in 1961. The purpose of the reform was primarily more political rather than intended to bring any long-run economic development. In general, scrutiny of the nature of the land reform reveals that the reform was a process by which, according to Jazani (1978), the conflict between the landlords and the dependent bourgeoisie on the one hand, and the conflict between the British and the U.S. on the other, were resolved to the benefit of the latter in each case.

Both forces, in close collaboration with each other and with the Shah as a stabilizing force and a partner, attempted to consolidate their hold on industry, agriculture, and trade, and to devise and control new distribution centers. The aim was to guarantee a maximum profit for the dependent bourgeoisie and the imperialist powers. These economic activities interfered with the bazaaris in the following ways:

1. competition in production
2. competition in the distribution of goods
3. competition in trade activities
4. increasing control of the bazaar through Guilds.

Competition in Production

The Shah and his foreign and domestic partners, by centralizing most branches of the economy, brought all industrial initiative under their control. A pamphlet published by the International Trade Center (1970), in regard to investment opportunities for Americans, remarked that:

The Iranian government plays a vital role in the economy in the following ways: a) Control of the economy through monetary and fiscal policy. b) Carrying out development projects through the Plan Organization, a government agency. c) Government approval for all industrial investments--in the case of foreign investments, the Council of Ministers must issue a licence or authorization. d) Occasional fixing of prices of essential consumer foods and regulation of the country's international trade (International Trade Center, 1970, p. 15).

This centralization provided foreign capital with favorable conditions for investing in Iran. Various protective regulations were issued by the Iranian government in order to guaranty a safe return of profit. Two such laws were passed on December 4, 1955, and February 28, 1964.

Moreover, in most instances the foreign investors' annual profit as well as invested capital could be remitted in foreign exchange (Nirumand, 1969, p. 145). The foreign investors' privileges vis a vis the independent Iranian investors, combined with their large capitals, did not permit domestic firms to grow beyond a certain size (Nirumand, 1969, p. 145).

More specifically, the establishment of large plants either by the foreign investors (mostly multinationals) or the government, produced and sold goods in competition with the more enterprises of the bazaar, this weakened the economic power of the bazaaris and the "independent producers".

The shoe industry is a good example. Traditionally, shoe production was concentrated in the bazaar work shops and their small factories. In 1965 the government, the Shah, and the dependent bourgeoisie put several shoe factories into operation, protecting their development by banning shoe imports and levying heavy duties on imported leather products. As a result, the bazaaris could not compete with the government and other private firms and their importance

in shoe production and sales declined sharply. The shoe making companies like Kafsh-i Melli, Bella, Vien, had their own distribution systems and chain stores all over the country. These firms were able to export shoes in large quantities by 1968 (Area Hand Book, 1971, p. 447).

Other large plants were established in the extractive industries like vegetable oils, sugar, dried food, dates, etc. The establishment of these plants weakened the already declining position of the small producers who had specialized in those goods in the bazaar.

Government centralization programs during this period led to a substantial decline in the ratio of private to public investment. Looney reports that this ratio declined from 1.53% in 1959 to 0.76% in 1972 (Looney, 1973).

The competitive advantage of the large scale industries lay, as well, in the movement of credit away from smaller entrepreneurs. This, coupled with their capacity to take over markets, deprived small merchants, independent traders and bourgeoisie, small factories, and workshops of the materials and incentives necessary for their further development. The centralization of the economy by the state made it inevitable for any successful entrepreneur to depend on the state, such enterprise required, as Graham points out,

the influence of the Court and political pull; and as a result few could be called self-made men in a Western business sense. Some who achieved success through their own initiative were then drawn into

the royal orbit and were used directly by the Shah to initiate specific industrial activities (Graham, 1979, p. 47).

There are ample cases of failed enterprises that lacked connections with the court on the one hand, and were unable to obtain sufficiently low interest rates on the other hand. For example, one bazaari with whom I have personally been acquainted for a long time, on the advice of his father (himself once a bazaari), started his business activities in 1960. He bought a small shop from a friend of his father and started producing greeting, wedding, and postal cards, on a very limited scale. After a few years, he was able to rent additional space in the back of his store and convert it to a workshop with a few employees. After eight years experience in the bazaar, he decided to expand his business activities. He used his savings to establish a new industry based on his invention of an automatic dough-kneading machine. In spite of the importance of this device for public hygiene--dough had been customarily kneaded by hand--government-determined interest rates were so high that he could not obtain adequate funding and went bankrupt within a few years.

State Competition in Distribution

Despite the fact that the bazaar still dominates the national market and functions as a center for the nation-wide

distribution of goods, in recent decades it has met increasing competition from chain-store super-markets and specialty stores (Handbook, 1971, p. 476). For instance, Ahmad Khayami, a close partner of the late Shah, after establishing Irannational auto industry, moved at the request of the Shah into chain-stores. It was the first attempt in Iran to introduce such large-scale retailing outside of the bazaar. The goods sold by these stores were produced by their own large factories (clothing, furniture, etc.) and agrribusinesses (Graham, 1979, p. 48).

In addition to the privately owned chain stores, and as early as 1956, the government stepped into the distribution business in order to obtain more control over the economy. As Fisher points out,

Meanwhile various attempts--so far largely unsuccessful--have been made to find alternative credit and distribution mechanisms to replace the bazaar (Fisher, quoted by Amirsadeqhi, 1977, p. 182).

But later, in 1973, the government successfully managed to control the bulk of the distribution of goods by establishing a state corporation for that purpose. Graham writes that,

State corporations were set up to import and distribute basic foodstuffs like wheat, sugar and meat, or to import essential raw materials like cement or steel. These corporations appeared in the wake of the 1973 boom when the subsidies on foodstuffs were increased and the need to manage raw material supplies was paramount (Graham, 1979, p. 221).

To supplement this policy, in 1976, the government made plans for building a new market in Tehran modelled on London's new Convent Garden (Graham, 1979, p. 221)

State Competition in Trade Activities

The engagement of the government in the distribution system of the country was closely related to its involvement in trade activities. The carpet industry is a good example. The competition between the government and the bazaar in the export of this important item started at the time of Reza Shah's rule, with the establishment of the Carpet-Weaving section in the School of Fine Arts. Later, "in 1936, the government established the Iranian Carpet Society, with a monopoly over production and export" (Area Hand Book, 1971, p. 436). Though at this period the Carpet Society did not have enough power to substantially damage the bazaar (as the only major center of carpet transactions and export), it continued to control a rather large part of the exports.

At the end of 1960 the Iranian Fine Arts Administration supervised carpet production. In 1968 there were nearly 120,000 carpet weaving stands or looms in the country; and, as estimated by some officials, about 1.5 million people were employed or earned part of their income by weaving carpets (Area Hand Book, 1971, p. 435). As noted, because of the high profitability of carpet production, domestic con-

sumption, and export, the government increased its activities within this enterprise. Thus, the state-owned company, the Iran Carpet Company, was established and became engaged in production for domestic use and large scale export. It operated dye factories in Mashhad and Arak and a wool-processing plant in Karaj. In 1968-69 the Iran Carpet Company expanded further and became strong enough to establish cooperatives for carpet weavers, particularly in the rural areas. (Area Hand Book, 1971, p. 436). What was a blow to the bazaar was that by taking over production directly the government could control not only the prices, but was able to monopolize carpet export. Another government measure which worked against the bazaar was that in 1970 carpets were sold directly by the government to civil servants through long-term loans, in order to dispose of the government's surplus stock (Area Hand Book, 1970, p. 436).

The second major problem for the bazaar producers and the small scale peasant agricultural producers, was the involvement of the government in large scale imports of consumer goods, food stuffs and other items, as we will see later in this section.

The government exerted influence on import by direct control over the money supply in the following ways (Year Book of Iran: 1971):

1. Raising the bank interest rate on import transactions, as was done in 1968-69;
2. "Financing interest rates range between 8% and 25% depending on the assets and reputation of the borrower";
3. Increasing the "required stationary deposits of banks with Central Bank of Iran (Bank Markazi Iran)";
4. "Preferential treatment, such as relaxation of credit rules for firms dealing in capital goods" such as radio and television parts, refrigerators, pharmaceuticals, agricultural equipment, industrial machinery. (The credit term for these goods ranged from two months to two years.)

Nirumand summarizes the effect on imports of the above government action since 1950:

In the 1950s the foreign exchange condition permitted the importation, virtually without restriction, of imported products, mostly consumption goods, light industry, and luxuries like machinery, electrical equipment, spare parts and iron and steel comprised 36.1% of the exports in fiscal year of 1962-63; imports of these products rose to 45.6% of the total in 1968/69 (Nirumand, 1969).

The imports of goods from other countries increased from \$4.966 billion in 1973-74 to \$15.517 billion in 1976-77, that is, imports almost tripled within three years. In March 1975, the U.S. and Iran signed a major economic agreement that committed Iran to spending about \$15 billion on U.S. goods and services over the next five years. Proud

of the deal, Henry Kissinger noted that it was the largest agreement of this kind that had ever been signed by any two countries. Kissinger and Ansari (minister of finance) confessed that the "current level of non-oil trade was running overwhelmingly in the U.S.'s favor and almost all of the \$15 billion will be to the United States' advantage" (NYT: March 5, 1975, 1:4). Ansari also commented that in the last year (1974) Iran had sold only \$50 million in non-oil goods to the United States and purchased \$700 million in civilian goods and \$1.5 billion in military equipment and services (NYT: March 5, 1975). In general, in 1973-74 the Iranian exports only amounted to \$548 million, which further declined to \$462 million in 1976-77 (Graham, 1979, p. 99). On the other hand, according to another agreement between Iran and Britain in 1974, the British agreed to a multimillion-dollar oil agreement, but "only" in exchange for providing commercial goods to Iran such as textile fibers, steel, paper, petrochemicals and other industrial goods with a total worth of \$240 million (NYT, Jan 26, 3:1, 1974).

Finally, the import of goods and foreigners' economic activity in Iran was harmful even to the big dependent bourgeoisie. A survey of the responses of some 106 top Iranian businessmen in 1971 found, for the 78 businessmen who responded, that 49% gave a high priority to being protected against foreign investments and imports. This is shown in Table 6

TABLE 6

Perception of the Government's Role

<u>Expected Government Role</u>	<u>Respondents</u>	<u>%</u>
protection from foreign competition	78	49
provision of technical know-how	69	11
provision for export promotion	99	23

Source: Vaghefi, 1975, p. 122

Ultimately, the dependence of Iran on foreign sources for most of her essential goods, in a context of increasing state control, made the country vulnerable to periodic shortages of imported goods, inflation, and price instability in the market. This, in turn, contributed to the decline of the economic viability of the bazaar.

Guild Control

In order to curb inflation and lower the price of goods, the Shah established a guild chamber in 1975, and named it Otaq-e Asnaf (O.A.). From 1975 on O.A. was used to lower the prices of consumer goods. No less important was the establishment of the National Commission for Consumer Protection as another coercive instrument targeted at the bazaar-is. Being entrusted by the Shah with a repressive apparatus in order to maintain lowered prices, the two organizations enforced their decision by finiq bazaaris,

closing down their stores, and introducing the guilty parties to military tribunals to be tried.

Though O.A. made the smaller businesses the main victims of the governments' economic failures, it also served as a political instrument to increase the state's control over the only independent politico-economic organization in the society that had escaped government domination. For instance, O.A. expanded its range of activities from licensing, fixing prices, etc., to assigning the working hours for business. Thus a law was passed in December 1976 which permitted the businessmen to work in their shops only from the government's set schedule, that is, in most cases from 9 to 5 or in some cases from 9 to 7. The violators, the law said, would be fined from 10 to 30 thousand rials by the court. The government justified the passing of the law by arguing that it was necessary in order to secure the guild's health, conserve water and electricity, and improve the condition of traffic. But according to a survey conducted by the government itself in 1976, of 150 businessmen in and around the bazaar district in Tehran, 95% were opposed to the application of the new working hours and thought that this was not the way to solve the problem of electricity shortage, etc., (Ittilaat, Dec. 12, 76).

The dissatisfaction of the businessmen with the new law was largely disregarded by O.A., and the enforcement of the

law, with some changes, continued. The imposition of the law interfered with business activities, for example, the Tehran bazaar, like other bazaars throughout the country, used to start its daily activities at 6 o'clock in the morning. This means that the apprentices and the clerks would come to the stores at this time and clean up the front and inside and then begin business transactions at 7:30 or 8 when the employers got there. The whole bazaar would close before sunset. In this way the bazaaris had enough time to get home and prepare for the evening prayer which was either conducted in their houses or in the nearby mosques. According to the new rule, they had to open their shops at 9 o'clock and close them at 7 o'clock in the evening. To prevent any raising of prices as a result of the new schedule, O.A. formed a task force to crush violators ruthlessly.

O.A. also created serious difficulties for both the issuance and renewal of licences for the guilds. As three members of a guild union asserted in 1978:

Previously, anyone who did not have a bad civil and penal record was able to receive a licence or renew his former one, but now it is said (by the government) that the union's board of directors should guarantee that applicants will not commit any offences and wrong doing in the future. This new requirement has become an obstacle either to acquiring a new licence or to renewing it (Itti-laat, Dec 1, 1977).

The second problem for the renewal of licences was, according to guild members interviewed in 1977, that "the applicants by all means should obtain formal permission from a

bank which required the payment of some money..." (Ittilaat, Dec 1, 1977).

Even though the bazaar had, since the nineteenth century, been subjected to government interference with prices, licensing, etc., this had never reached the extent it did in 1975-78. For example, for some years prior to 1973 there existed a Department of Price Review in the Ministry of the Economy. It monitored the prices of goods and services purchased by the government departments, but it did not intervene in market prices (Johnson, 1980, p. 32).

In 1973, when the price of oil (as the only major export and source of foreign exchange) tripled and the inflationary effects became apparent in other sectors of the economy²² the Shah, for the first time, warned the nation about rising prices. He established the Price Commission as an independent advisory body of the Ministry of Commerce. Its job was "to review and advise on how prices should be fixed..." (Johnson, 1980, p. 32). These measures proved to be insufficient in practice to cure the rising prices. Thus on August 6, 1975, the Shah began a campaign against profiteering

²² When the price of oil increased the American corporations also increased the price of their exports to Iran such as consumer goods, foodstuffs and others. Another cause of inflation as a result of the increased oil export (and thus increase of oil revenue) was the rise in the salary of the civil servants, and especially army officials. The political implication of this raise might have been an attempt by the regime to buy loyalties of the officials.

and hoarding, calling these measures the Fourteenth Principle of the White Revolution of the Sixth of Bahman of 1963. It was concurrent with this principle that a Rastak-hiz party²³ Committee (mostly composed of Students), the National Commission for Consumer Protection, and the Guild Chamber (O.A.) were established. This was the first guild that was totally managed by the government, run mostly by government employees with their own headquarters and courts. Thousands of O.A. employees were in the streets and bazaars as inspectors to check prices, fine the guilty and close down their shops.

An article in Ittilaat (Sep 26, 1978) reported that O.A., in its short life, filed some 220,000 violation cases against shopkeepers for raising prices and swindling. The report adds that the "boundless and countless fines" which the shopkeepers were charged were used to pay the employees' salaries and create a corrupt beaurucracy. O.A., the article charges, interfered with the guilds, municipal and parliamentary elections and forced the guilds to participate in gatherings to support the Shah. In another report (Ittilaat, June 27, 78) again it was pointed out that the budget of O.A. was totally provided from fines. The report, quoting a textile seller in the bazaar, stated that these fines had caused more inflation and higher prices, because the

²³ This party was established by the Shah in 1975. It was imposed on the people which party membership was compulsory for all Iranian citizens.

shopkeepers who were fined would raise prices still higher in order to compensate for the loss of money. Moreover, he added, O.A. was undemocratic and exploitative. If it was a "guild" it should have functioned with majority vote (Ittिलात, June 27, 78).

A textile seller commented that it was not clear on whose recommendation O.A. raised the prices of goods and nobody knew who got the benefit of this (Ittिलात, June 27, 78). A third merchant believed that

The existence of a high discrepancy between prices of goods in Tehran and other provinces has caused less shipment of goods from these provinces to Tehran. As a result of this each day the supply of some goods is insufficient in the market and the prices go up. If the prices of goods became decontrolled the different products would be shipped to Tehran and with the increase of supply not only the skyrocketing of prices would be prevented but the prices would even go down... (Ittिलात, June 27, 78).

The establishment of O.A., with its control both of prices and of political life, resulted in unprecedented indignation and anger of bazaaris toward the Shah. In a meeting with the secretary general of the Rastakhiz Party, on August 23, 1977, the representative of the bazaaris, while complaining about the unfair and unjust tax payments, pointed out that the government's fixed prices of goods were mostly unrealistic and said that the demand of all the bazaaris was the removal of price control (Ittिलात, June 27, 78).

Finally, the imposition of forceful price control not only did not bring about any solution to the problem of rising prices, but resulted in masses of people feeling deeply dissatisfied with O.A. and the government. A survey conducted in Shiraz (the capital city of the province of Fars) by the government in 1978, showed that 99% of the consumers had complaints about the O.A. and thought that O.A. had been responsible for the rising prices. On the other hand, the news of the dissolution of O.A. in 1978, was widely welcomed in Isfahan (Ittilaat, July 27, 78).

By the beginning of September 1978, it had become clear that the establishment of O.A. not only had been a complete failure in the implementation of its original plans, but it had built up a blatant opposition to the regime in which the bazaaris and street shopkeepers were the major part. Thus, on September 2, the O.A. chairperson (Rahimi) resigned. Concurrent with the resignation of Rahimi the committee's campaign against swindling dissolved as well.

The government's economic competition with the bazaar resulted in political opposition. The nature of this opposition and its means of protest will be the topic of the next chapter.

Chapter V

THE BAZAAR AS A POLITICAL ORGANIZATION

5.1 THE POLITICAL CHARACTER OF THE BAZAAR

Whether one wishes to identify the bazaar with traditionalism and as the center of Persian orthodoxy in social, political, religious and intellectual terms, as Miller does (Miller, 1969), or question that identification, one must look especially at the political convictions expressed in the various movements for an independent Iran. These beliefs reflect two aspects of Iranian society: foreign domination and the integration of the bazaar in the society.

Foreign domination was generally manifested in the influx of mass-produced goods to Iran and the foreign governments' use of their powers to obtain concessions (see Chapter, three). This coalesced, according to Abrahamian, "the many regional bazaars into a cross-regional middle class conscious for the first time of its statewide interests and its foreign competitions" (Abrahamian, 1979, p. 393). That is, the influx of mass-produced commodities to the Iranian bazaars unified the traditional handicrafts and small manufacturing industries, against a clearly-defined enemy, foreign competition (Abrahamian, 1979, p. 393). Through that

competition, the regional markets, hitherto isolated from each other politically, became integrated into a unified national market with a unified interest inconsistent with foreign penetration of the Iranian economy.

Second, the bazaar had always been an integral part of Iranian society. The bazaar--the center of Persian orthodoxy--was the place that landlords, governors, tribes people, villagers, clergy, poets, laborers and foreign visitors, mingled; and this intercourse, according to Miller, "inevitably engendered those changes necessary to keep the bazaar abreast of the political movement" (Miller, 1969, p. 162).

Both the bourgeois and petty bourgeois bazaaris were always more politically conscious than their class counterparts outside the bazaar, if only because of the special unity of the bazaar.

Among the bazaar bourgeoisie there have traditionally been those whose opposition to the regime, whose financial contributions to the poor (and more importantly, to the ulama, as we will see), and whose cultural identification with Islam made them different from other segments of the bourgeoisie outside of the bazaar. That is, the nature of the bazaar demanded a greater sense of political obligation from the bazaari than from the non-bazaari bourgeoisie. Thus it was more likely that the latter would side with the govern-

ment and accept a share of the fruits of foreign investment.

The political character of the bazaar bourgeoisie was, by contrast, mainly determined by their business relationships with the petty bourgeoisie who were suppliers of goods, and their daily relations, especially through daily attendance at the bazaar mosque, with other, unprivileged, classes and religious elements whose outlook in regard to foreign exploitation and internal repression they came to share, though not necessarily for the same reasons. The bazaar bourgeoisie enjoyed a much greater opportunity to acquire political awareness, in view of these contacts with relatively progressive, anti-imperialist, forces, than did the dependent bourgeoisie outside of the bazaar.

The petty bourgeoisie in the bazaar were, in many respects like their street shopkeeper counterparts. However, despite the threat to their businesses and way of life posed by an imperialist/capitalist pattern of development, the bazaaris were better off. In fact, many Iranian sociologists, such as Jazani (1978), refer to them as well-to-do or comfortable (morrafah) petty bourgeoisie. Furthermore, because of their economic centrality to the bazaar, the petty bourgeoisie were more upwardly mobile and more able to move into the bourgeois class than the street shopkeepers. Yet, like most bazaaris, the petty bourgeoisie, were under eco-

conomic pressure from outside the bazaar, and were in constant contact within the bazaar mosque with the poor. These two experiences contributed to an anti-government outlook.

These are some of the reasons that the bazaaris, in particular the bazaar petty bourgeoisie, have been a constant source of opposition, since the nineteenth century, to state-sponsored imperialism as well as to the dependent bourgeoisie.

One important factor which contributed to the relative independence of the bazaar as a political organization and to the maintenance of the tradition of political activities in opposition to their rivals (mainly outside of the bazaar) was that, while formal political organizations, universities, factories, clubs belonging to intellegentsia, and others, were all closely controlled and checked by the regime, the bazaar and bazaaris were relatively immune to the regime's infiltration and control. This enabled them to remain relatively unified and often efficient in their protests.

During the years preceding the 1978/9 Revolution, workers, peasants, government employees and professionals were not exempt from government surveillance. The managers of the factories, if not directly controlled by SAVAK, were under close scrutiny by them. In the work-places and factories as well as the universities and government offices,

there were large numbers of workers who either were undercover agents or potential informers. Distrust and fear ruled in the factories, especially in the big industrial plants, and prevented any major workers' initiative against the regime. The condition of peasants in the villages was, from 1963, the same as those of workers in the cities. The government agents and bureaucracy played an increasing role in controlling the villagers' everyday life. In addition to the cooperative banks, agricultural cooperatives, and other organizations, the establishment of the Educational and Religious Corps brought village life more than ever under government authorities and the army.

The uniqueness of the situation of the bazaar lies in the fact that neither the government bureaucracy nor its agents were able totally to infiltrate the bazaar. As one bazaari put it, "It was extremely hard for undercover agents to conduct surveillance either as businessmen or apprentices or in any other form in the bazaar" (informant, 1981). The reason for this is that the son usually inherits the business from his father; and newcomers are closely checked and investigated by the members of the *senf*. These investigations are usually directed at the newcomer's previous social status, occupation and his family's credentials in other respects. Great attention is even paid to the hiring of apprentices, and recommendations play an important role in it.

These precautionary measures, necessary for the bazaaris to protect themselves from outside government threat and infiltration, had reached the point by 1960, where the bazaaris looked upon outsiders with suspicion and sometimes fear. As a result of their precautions, they had more reasons to trust each other, and so were more likely to discuss politics and to attempt to influence their apprentices and give them political guidance.

No matter what political character the bazaar might have had, it could never have been a significant political force in Iranian society had it not had the ability to draw support from the unprivileged classes.

5.2 PUBLIC SUPPORT FOR THE BAZAAR

The bazaaris enjoyed high esteem and respect among the masses for several reasons. First was the bazaar's importance in satisfying the daily needs of the consumers of downtown areas and supplying goods to the street shopkeepers and other retailers, like vendors. Second, they maintained close business relations with the villages.²⁴ Third, the bazaaris were pledged to provide funds for the religious functionaries. Last, they were known to have opposed the repressive and unpopular regimes of Iran.

²⁴ Many of the bazaar shopkeepers sell items necessary for village life. These shops, 90% of which are located in the bazaar, have predominantly rural clientele (Rotblat, 1972, p. 72).

Bazaaris tended not to detach themselves from the poor and the masses. Many of them refused to live in the northern and rich neighborhoods where the ruling circles lived. Because of this, these bazaaris, though well-to-do, separated themselves from the non-bazaar rich in favor of association with the masses of people in downtown areas and the bazaar districts.²⁵

The bazaaris' houses might have been bigger than those of working class people in the neighborhood, but the buildings themselves and the furnishings were often devoid of luxury. In compliance with public opinion and religious norms, the bazaaris' households observed public morality and religious duties prevalent in the neighborhood, as, for example, with the use of the chador (veil) in its proper and formal manner.²⁶ There were also some advantages for the bazaaris living among unprivileged classes. Their wealth gave the bazaaris influence and enabled them to gain their neighbors' political support. This was often done by building masjids in the neighborhood, and by giving rowzeh khani once a year for ten days either in their houses, in the neighboring masjids, or in the empty lofts prepared for this purpose.

²⁵ It was in regard to these poor (the disinherited) that the Khomeini regime based one of the fundamental ideologies of the Revolution.

²⁶ The bazaari and his household were usually known in the neighborhood as religious and sometimes served as an example of honesty, integrity, etc., which had strong appeal among the people.

On Ashura or Tasua (two holy days when Hossein and his family were martyred in Kabala), in addition to mourning, the bazaris might give free food. Likewise, free food and sharbat were served on other religious ceremonies, such as the birth of the Twelfth Imam. At the end of the holy month of Ramazan bazaaris would contribute to the poor in the neighborhood by giving them food or money--Fetriyeh. (This of course was a religious duty for all Muslims). Slaughtering of sheep on the holy day of Ghorban (Aid-e Ghorban) was another way for the poor to receive an extra portion of food. Free food was also given to neighbors on the day a bazaari returned from Mecca and became a haji. Of major importance in the bazaaris' financial contribution to the poor were the religious taxes on business transactions (khoms)²⁷ which will be discussed in the next chapter.

The bazaaris also obtained public support by contributing to the construction of neighborhood mosques and by financing the establishment of:

1. More than hundreds of primary and high schools, called Islamic schools, throughout the country, that offered courses in religious teachings.

²⁷ Most of the above-mentioned benevolent activities and religious observances were conducted by the bazaaris, but none of them were exclusive to them. The bazaaris, being devout Muslims and relatively wealthy were able to conduct the ceremonies to a greater extent than others.

2. The Kānnun-e Dars-ha'i as ousul-e Din (The Center for Lesson from the Principles of Religion) (Thaiss, 1971, pp. 206-207).
3. The Dar ol-Tabligh-e Eslam (The Center for the Dissemination of Islam), an organization whose aim was "to disseminate knowledge of the principles of Shi a Islam not only within the country but abroad as well."
4. Hosseiniyyeh Ershad and Tallar-e-Tabligh, organizations that taught Islam in modern language and thereby played an important role in socializing the younger generations into religious radicalism.

In sum, in all these ways a close relation between the masses and the bazaaris was maintained, a relation that would, on occasion, lead to mass support for the bazaaris' political actions, protests, shut-downs, and the like.

5.3 BAZAAR SHUT DOWN

Bazaaris usually close their stores for two basic reasons: first, for religious reasons, and second, for political reasons. In the first type of case, bazaar close-down takes place on the days of religious fetivals or lamentations. The lamentation days in the Shii calender are numerous, and the most important ones are official holidays. However, it is only in the bazaar where on some other religious occasions the appropriate ceremonies are observed--raising the black flag on top of stores, close down, etc.

Some of these occasions are the anniversaries of the deaths of some Imams that are not usually observed by the government, or the deaths of prominent ayatollahs.

The second type of bazaar close down occurs as part of a political protest against the government. Here it is important to note that although bazaar shut-down for religious reasons may occur a few times a year, the close down for political protest depends on the political conditions of the country. It may be avoided under some unfavourable political circumstances, such as repression, low key popular opposition to the regime, and disunity among groups of bazaaris concerning the particular issue that is the subject of protest.

While the first type of bazaar close-down is a manifestation of bazaar autonomy from the state in regard to the observance of religious holidays, the second type is a sign of bazaar opposition to the government and foreign domination.

But how, one may ask, in the absence of formal political organization, could the closing down of the bazaar occur and be coordinated? And what is the mechanism by which, under the oppressive rule of the Iranian monarchs, all the bazaaris could be informed about the bazaar close-down? And lastly, who makes the decisions concerning the strikes?

The following is based on interviews and letters from bazaaris. In every Iranian bazaar small or large, in town or city, there are one or a few merchants who are highly respected. These merchants are known among the bazaaris as honorable businessmen who perform their religious and social duties (see chapter two). It is these merchants, the moe-tameds, who usually make the decision to close down the bazaar.

The traditional place to disseminate the news concerning the decision was the bazaar mosque. That was so because it is the religious duty of Muslims to pray three times a day, one time being at noon. Thus all the bazaaris gathered in the bazaar mosques at noon for prayers, and there the news about the bazaar close-down informally spread among them by word of mouth. This "information network"--rumor--has been so effective that even in the major bazaars, like the Tehran bazaar, news concerning a bazaar close-down could circulate in hours. The business interconnections among the bazaars throughout the country facilitated the diffusion of close-down news nationwide.

Bazaar strikes were not merely the results of price fluctuations, inflation, restrictive import quotas, etc. They have taken place in the broader socio-economic and political sphere (of exploitation and oppression by foreign powers and the state). In other words, bazaari protests, which at their peaks have been manifested in bazaar close-down, were

a reflection of and determined by the condition of the society as a whole. It is for this very reason that bazaar strikes have had the support of most of the people, especially the urban population. In one sense the bazaaris protest has affiliated itself with public protest.

Because of the extensive public support for the bazaaris' strikes the regime was extremely fearful of these actions. In almost all cases of bazaari close-down for political reasons the government attempted forcefully and with all available means to prevent the close-down. For instance, in the series of political upheavals and bazaar strikes before the Constitutional Revolution in Tehran in 1905, the town criers (jarchi) were proclaiming in and around the bazaar that "in accordance with the order of the governor of Tehran, whoever closes-down, his store will be plundered the next day" (Kasravi, 1975, p. 64).

The political implications of the bazaar strike have been much more important than its economic effects on the society. The bazaar strike has been one of the most effective means of protest against the government in the modern history of Iranian political struggles. The power of this means of protest within Iranian society has been such that its occurrence meant serious political instability in the country. Could the strike continue for 10 days, it was widely believed, the government would have been at the verge of collapsing.

Normally, after the bazaar close-down, there followed the close-down of the street shops. When the stores shut-down, the people would assemble on the streets, especially around the bazaar areas. In both the protests of 1891 and the Constitutional Revolution the bazaaris, by closing their shops, paralyzed the government. They forced the government to comply with their demands and in other instances encouraged the opposition.

Other instances occurred in 1952, when the news reached the Tehran bazaar that Mosadeqh had been forced to resign. The bazaaris, as a sign of protest, closed their stores and then assembled in the parliament square (see, Abrahamian, 1968, p. 205). In Kermanshah, the bazaaris, after closing their stores, took sanctuary in the telegraph office. The National Front deputies, encouraged by the bazaar close-down, called for a general strike. It was only after this initiative that the Tudeh Party joined the movement, and summoned its supporters to join the bazaaris in their protest and demonstration against the Shah (Abrahamian, 1968, p. 205). The bazaars in the provincial towns and cities closed-down like the Tehran bazaar.

In sum, if the 1952-53 protests are typical, we can say that revolt first starts "with strikes and riots in the bazaars of most towns." At this time, "It snowballed into general strikes and mass demonstrations as the working class joined the protest" (Abrahamian, 1968, p. 206).

Taking Sanctuary (Bast)

The second most effective means of political protest against the government by bazaaris (among other groups) during the past 100 years has been the action of taking sanctuary (bast). The place of sanctuary has varied from places like the British legation in Tehran to holy places like mosques and the shrines of the Imams' descendants. On the surface the action of taking bast has had the political implication of seeking the mediation of the authorities who are in charge of the place of sanctuary. But underneath it was really the mass gathering and assembly of people in one place which both furnished a sign of political protest and facilitated a unified political action against the government.

Bazaaris, with the moral support of the ulama, had the leading role in utilizing this means to its political ends.

The following event is the best example of taking bast. It occurred in 1904 and was among the major precipitators of the Constitutional Revolution of 1905. This incident started when the price of sugar in Tehran and other cities increased from 5 qheran to 7. Sugar was imported from Russia and the reason for the price increase was the Russo-Japanese war. Following this, the governor of Tehran, who was known among the Tehranians for his use of oppressive measures against them, decided to force the sugar merchants to reduce the price of sugar.

In December 1904, following the governor's summons, 17 bazaaris appeared in the governor's office (some of them not even sugar merchants). Among them was the highly respected Hajj Seid Hasan Ghandy, who was one of the biggest sugar traders and who was also known for his beneficence, i.e., building three mosques in Tehran and other charitable works (Kasravi, 1975, p. 58). The governor asked Haj Ghandi angrily why he raised the price of sugar. Haji answered that the reason was the decrease of imports of sugar from Russia because of her war with Japan. The governor asked him again if he had the monopoly of sugar in Tehran. Haji answered that he did not and that he bought sugar from another merchant. The conversation between the two continued and the governor, who was not willing to accept the Haji's explanations, asked him to submit a written commitment guaranteeing that he would sell the sugar at its previous price. Haji refused but declared that he was willing to give the governor as a present the 100 boxes of sugar which he had in storage and leave the bazaar for ever. The governor, angry and fearful of the bazaaris' meddling in politics and determined to give them a lesson, rejected the Haji's explanations and offers altogether and ordered Haji and another merchant to be bastinadoed (beaten on the feet). The news of the bastinado of Haji soon reached the bazaar and the bazaaris immediately closed their stores and gathered in the Masjid-e Shah, a large mosque which is located in the bazaar. The next day the bazaar remained closed and the peo-

ple again assembled in the Masji-e Shah. That day a respected preacher gave a heated speech in which he mentioned the brutal behavior of the governor to the two merchants. The crowd became agitated and the governor, who was threatened by the widening of the people's protest throughout the city, issued an order to his employees to force the bazaaris to open their stores and if, he assured them, anybody refused, the government agents had permission to plunder that store. Following the order, bazaaris opened their stores. However, their opposition to the government rose, in alliance with the ulama, to the point of demanding reforms from the Shah. The most important of these demands were: the establishment of a justice department throughout the country, the removal of Mr. Nuse who was in charge of the Custom House and Financial Department, and, lastly, the removal of the governor of Tehran (Kasravi, 1975, p. 67).

These demands were not met, partly due to the fierce contravention of the governor and the prime minister, who were influential in the court. The struggle between the bazaaris and the court increased. This conflict reached its peak when two well-known bazaaris, who also were in close connection with the ulama, decided to take bast in the British Legation, a few miles north of Tehran. Following the decision, on July 18th 50 merchants and some members of the clergy joined them. In a little more than a week the number of basti protesters in the British legation reached 5000,

and four days after that the number increased to 13,000 people. From the day of taking bast, tents were set up and each basti resided with his own quild. The estimate is that nearly 500 tents were set up and with the bazaaris' money all the bastis were fed during this period (Kasravi, 1975, p. 110). In fear of endangering his throne, the Shah ordered the establishment of a House of Justice and later on the Parliament.

5.4 POLITICAL ORGANIZATIONS OF THE BAZAAR

Secret Society

In the period of Mozaffar al-Din Shah's rule (1896-1907), and as a result of his relatively liberal policies, the first oppositional political organizations were formed. These organizations were mostly underground and semi-clandestine. Abrahamian discusses these organizations and their political role in his article "The Causes of the Constitutional Revolution in Iran" (Abrahamian, 1979, p. 401). The most important were as follows:

1. The Secret Society (Anjuman-e Makhfi).
2. The Secret Center (Makaz-e Ghaibi).
3. The Social Democratic Party (Hizb-e Ijtemayun-e Ammyun).
4. The Society of Humanity (Jama-i Adamiyat).
5. The Revolutionary Committee (Komiteh-e Inqilab).

The most active and powerful of these organizations, according to Abrahamian, was the Secret Society, which was formed in 1905. This organization was composed of bazaaris with close connections to the trading and craft guilds as well as to the more progressive members of the ulama like Behbahani and Tabatabai. The organization's demands, which became the basis of the goals of the Constitutional Revolution, were the demand for a written legal code and a House of Justice, a just tax structure, dismissal of provincial governors, encouragement of commerce, reorganization of customs, and implementation of the Shariah (Islamic law) throughout the country. The Secret Society used every possible means both to publicize the bazaaris' demands and to implement them. By hiring famous and respected preachers, it used the masjids to inform the people about the political developments of the day. The organization also provided the expenses of the people's taking bast in the British Legation and other places. It provided the expenses for some 2000 people, many of them members of the clergy (including Tabatabai and Behbahani), who took bast in the shrine of Abdul Azim some few miles south of Tehran.

The Secret Society lost its importance after the Constitutional Revolution and the alliance of the bazaaris and the ulama diminished due to Reza Shah's oppressive rule. Forty years passed before these groups could formally join each other and become part of the National Front.

The National Front

The National Front did not formally belong to any one political group. It was a political front formed in order to unite all the different political persuasions under one umbrella. Its two most important factions, which at the same time were Mossadeqh's two pillars of strength, were the Iran Party and the Mujahedin Islam Society (Abrahamian, 1968, p. 205). The Iran Party's members were recruited essentially from the "liberals" or "bourgeois nationalists." Their political goal was the protection of the constitution of 1905-11, and they were not significantly religious in nature (Katouzian, 1979, p. 544). This faction was symbolized by respected and popular figures like Mossadeqh.

The second group--the Mujahedin Islam--were religious nationalists, mainly bazaaris, who were "more entrenched in the religious institutions, committed to the preservation of the constitutional achievement," and less flexible in their political demands:

These men were not religious obscurantists who might have been harking back to the early or middle Qajar socio-cultural arrangements. On the contrary, they were quite uncompromising on the issues of the defense of Parliamentary government and decentralization of power (Katouzian, 1979, p. 544).

By attracting the allegiance of the religious nationalists, the bourgeois nationalists (Iran Party) became the heirs of the bazaar-ulama opposition to imperialism and cen-

tralized political authority which dated back to the late nineteenth century. Though in theory there was some difference between the Iran Party and the Mujahedin Islam, in practice the latter group found itself in alliance with the former, with whom it shared a good many political objectives (Abrahamian, 1968, p. 205). In the 1940s, the Mujahedin Islam was led by Ayatollah Kashani.

His activities were centered in the mosques and the traditional schools of the bazaar, and his followers were mostly mullahs, shopkeepers, traders and workshop owners. Even his proclamations calling for demonstrations made a special point of appealing directly to the merchants, the traders and the guilds of the bazaar (Ittilaat: July 10 1952, quoted in Abrahamian, 1968, p. 205).

But the alliance, of bazaaris, especially the bazaar bourgeoisie, and clergy in the National Front weakened as Mossadeqh requested whole-hearted support from the National Front and the Parliament in order to consolidate his power within the system. Many bazaaris emerged in favour of Mossadeqh's demands despite some of the clergy's reluctance and even blatant opposition to those demands. Not surprisingly, some members of the clergy followed the line of Mossadeqh and the clergy split within their own ranks (Abrahamian, 1968, p. 205).

The National Resistance Movement

Though the fall of Mossadeqh was a blow to the National Front, some small groups and political factions did survive. One of these groups was the National Resistance Movement (NRM), which was composed of members like the Ayattolahs Taleghani, Zanjani and Mahdavi, and the liberal nationalists like Samii, Atai, and Bazarqan. All these people enjoyed high respect among the bazaaris and it is probable that the party had some bazaari members and financial backing. This party's membership and supporters indicate that it had a significant social base and would probably have grown in political power had it been left immune from the regime's attack. In the first year of its activity (1953), Fatemi, Zanjani and Bazarqan were detained and then imprisoned. In 1954 Fatemi, the strong man in the party, was executed. Later on Zanjani and Bazarqan were released from prison, and NRM was able to survive until the Revolution of 1978. But it never had the strength to strike at the regime. The members of this organization actively participated in the Bazarqan provisional government of 1979.

Dowreh

Dowreh was a particular political organization whose members were exclusively drawn from the politically active bazaaris--moetameds, guild heads and guild members. It gained

popularity following the end of World War II. The members of a single dowreh were close and trusted associates whose number did not exceed 16 people. They met on a regular basis 1-3 times a week. Their places of meeting circulated each time from one member's house to another and this circulation of meeting places literally has been called dowreh (Miller, 1969, p. 164). The main function of the dowreh was to discuss politics, exchanging ideas and information. Since each member of a dowreh would as a rule participate in at least a few other dowrehs, more people were involved and news transmitted rapidly. This network of dowrehs then, under conditions where the government controlled the radio and TV. was a reliable means of transmission of political news and information to the bazaar (Miller, 1969, p. 164).

Heyat or Tekveh and Rowzeh Khany

The bazaaris were also organized in other informal and loosely institutionalized forms such as the heyat. The heyat is a place of gathering for religious ceremonies in the two holy months of the Shii calander.

Active bazaaris are organized in a number of missions called "Heyat," each in charge of hundreds of religious gathering places other than mosques (Zabih, 1979, p. 29).

Most often the gatherings are held in the numerous bazaar passages and caravansaries, but also in vacant lots and private houses throughout the city. The gatherings are in most cases organized and financed by the bazaaris. These relig-

ious ceremonies take place during two different periods. The first one lasts forty days, starting with the first day of Moharram (the month of the martyrdom of Imam Hosein), and ending on the 10th day of Safar, which formally terminates the mourning period. Of this forty days, the first ten days, when Hosein was martyred, usually call for mourning in the heyat (see Zabih, 1979, p. 29). The second period, which is in the month of Ramazan, takes 30 days. During both Moharram and Ramazan various well-known preachers give talks. In this period, because bazaaris would participate in takayas (religious ceremonies) held during the day, business transactions especially in the passages would not follow their normal course.

During times of political upheaval all these places, including, as mentioned before, mosques, served for politicizing the public and advancing criticism of the government through various subtle hints and analogies. The contrasting personalities of Yazid and Hosein and the latter's insistence on social justice have always been used to describe and define oppression, showing who is an oppressor and who is oppressed. The preachers go on to describe how Hosein as an oppressed person (mazlum), with only 72 disciples, courageously fought against Yazid the oppressor (zalim) and thousands of his soldiers. Hosein was killed, but his blood watered the tree of Islam, of freedom, and of struggle against tyrants. Hosein was martyred because he resisted the unjust ruler.

Sometimes hey'ats were used for weekly meetings among the bazaaris to discuss the economic and political condition of the bazaar. With guilds becoming ineffective under government centralization, the hey'at took over some of the guilds' functions, helping bankrupt merchants, meddling in disputes, and the like. In addition, money might have been raised for religious (political) purposes. An observer in one of the hey'at's meetings reported:

At a hey'at I attended on the anniversary of the death of the Sixth Shi'a Imam, a group of bazaaris and others were asked by a religious leader to help build a school where the ulama could control the teaching of religious doctrine. Within half an hour, someone had donated 1,800 meters of land, another had contributed all the bricks necessary, another all the plaster, another lime, and several offered to share the cost of steel girders and beams. It was then proclaimed to the group that more than 400,000 tomans (about \$53,500) had been pledged. The school is now nearly completed (Ihaiss, 1971, p. 203).

Many bazaaris sponsored rowzeh-khani in their homes during the holy months, especially the first ten days of Moharram. This was a series of talks by preachers (voaaz), from each night for 10 days. The last ten minutes of each talk would be about Hosein, and people would cry. (During Ramazan they would talk about the bravery and unconciliatory nature of Ali, who was martyred in Ramazan.)

Because of the political nature of rowzeh-khani, during Reza Shah's reign it was declared illegal. After his fall in 1941, rowzeh-khani began to operate again, but sometimes

it was under severe government control. To enforce the performance of rowzeh-khani as a purely religious matter devoid of any political implications, the Shah started to conduct this ceremony for ten days in the court in every holy month of Moharram.

All these political means used by the bazaaris had an ideological center derived from the bazaaris' interest in nationalism and political and economic independence.

Chapter VI

BAZAAR NATIONALISM

Aside from the bazaaris' means of protest, mentioned in the last chapter, there were other bases for bazaaris' opposition to the government and the imperial forces. Among these were the following: 1) establishing close ties with the religious institutions which eventually led to the emergence of religious nationalism. This ideology mobilized the masses during the nineteenth century as well as in the 1979 Revolution. 2) The promulgation of Secular nationalism, which was manifested in the alliance of the bazaaris and the National Front and other secular political organizations.

It should be noted here that the employment of these two means has not been in evolutionary order nor has the use of one channel, in one historical epoch, entirely excluded the utilization of the other. It is only the degree of use of one ideology over the other, depending on the political conditions and the nature of the class struggle, that differentiates one era from another.

6.1 THE BAZAAR'S ALLIANCE WITH THE CLERGY AND THE EMERGENCE OF RELIGIOUS NATIONALISM

The alliance of the bazaaris with the ulama started with the emergence of two basic social and religious institutions:

1. the institution of ijtehad
2. the institution of khoms.

Institution of Ijtehad

The institution of ijtehad (independent judgement by the ulama in the interpretation of Islamic law) was fundamental in establishing the unification of the bazaaris and the ulama and bringing about religious nationalism. That is, the emergence of this institution was the basis for the clergy's independence from the state and their later alliance with the bazaaris.

On the relations between clergy and state, it should be noted that, between 1500-1722, the Shii ulama were quite dependent on the state and there existed no fundamental contradictions between the two. The ostensible reason for this coexistence was that the Safavid kings made Twelver Shiism their state religion for the first time since the advent of Islam (Lambton, 1969, pp. 126-127). Waqhf-land, which was one of the clergy's sources of income, increased substantially. This was a result of the new land appropriation policy of the Shah Abbas I: "The state lands, the crown

lands, and the waqflands were expanded at the expense of the suyurchals and private lands" (Ashraf, 1970, p. 314; see also Lambton, 1969, p. 126).

The fall of the Safavids in 1722 was if nothing else an end to a formal Shii state. It not only weakened the status of the clergy, but began an era which slowly built up their opposition (as we will see later on) to the state:

Religious feeling against the government was clearly on the increase throughout the nineteenth century. The reasons for this have not been studied, but it is clear that the Qajar never had the religious aura or control over religious classes which characterized the Safavids, who had established Twelver Shiism as the state religion of Iran (Keddie, 1966, p. 10).

The concept of ijtehad was initially a result of the conflict between the two branches of Shiism, Akhbari²⁸ and Usuli²⁹ (18th century). The conflict ended in the victory of the latter, who established their belief in the institution of ijtihad and assumed the role of vasi and marjai-taqhlid. The notion of ijtehad enjoyed articulate social and political support when in the late 18th century Iran fell under the foreign domination.

²⁸ Akhbari is a branch of Shiism established in 1624 A.D. that held the mojtahed to be an invalid feature of Shiism and minimized the clergy's role.

²⁹ Usuli is a branch of Shiism that insisted on the mujtahids and a broader role for the ulama in society.

The clergy's justification for assuming the new role as mujtahids or guardians³⁰ was based on the concept of Shiism formulated at the time of the Imam Jafar al-Sadeq, who constituted the notion of Imamate in 765 A.D. The Imami believe that after the death of the Prophet Mohammad, the succession for ruling Muslims continues through his cousin Ali to their descendants thereafter, of whom, they hold, there were twelve. The cycle of the Twelfth Imam came to an end in 874, when the infant son of the eleventh Imam disappeared from view. Nineteenth century Shii ulama argued that continuity with the rule of the Imam is assured "by the authoritative interpreters of the religious law" and "that the highest ranking members of the clergy in effect possess the key to right conduct by their superior knowledge and ability to deduce ordinances to logical proof" (Akhavi, 1980, p. 10). The qualified clergy then are in a position to guide the people in their everyday socio-political life. The people in turn were "prohibited from engaging in discussive and deductive reasoning from basic principles to specific details (ijtihad)." Concomitantly a guide or some guides (one or more mujtaheds) must be available for the people until the return of the Twelfth Imam (Akhavi, 1980, p.10).

³⁰ The ulama who interprets Islamic law is called mujtahed, vasi, or marjai-taqhlid.

Here it should be noted that describing the emergence of ijtihad and mujtaheds in Iran "as a natural process of historical evolution" as Akhavi has suggested (1980), is a mistake. Algar (1969), Binder (1962), and Keddie (1966) exhibit the same misconception, asserting that the clergy's authority in the nineteenth century derived from their having an appointment ex ante from the Imam Jafar al-Sadeq in the 8th century, as the ulama themselves believe. Moreover these authors see in the independence of the ulama from the state and their opposition to the state and foreign powers mainly in terms of the clergy's own interests as an autonomous force within the society. Eliash in an excellent study (1979) documents that first, "the Imams did not prepare the way for the clergy to become their agents or deputies; instead the clergy gradually (in the nineteenth century) assumed among their own ranks that they were, indeed, the deputies of the Imam" (Eliash, 1979, p.11). Secondly, the new role of the clergy, according to Eliash, arose as a result of the socio-economic, educational, military, and political situation in Iran in the 18th and nineteenth centuries not because of "the Twelver Shii doctrines of the Imamate" (Eliash, 1979, p.24).

In sum, the process of the clergy's assuming the role of vasi (guardians of the believers) under the institution of ijtihad can be best explained as a consequence of the foreign powers and the state's economic competition with the

bazaaris (see chap. three). The question here is how the clergy became independent from the state and an ally of the bazaaris.

Khoms

At the outset, the independence of the clergy from the state was not possible without the emergence of a financial source other than the state. The emergence of this financial source in the nineteenth century was contemporaneous with the rise of the institution of ijtehad. This financial source, called khoms, in turn facilitated the development and existence of ijtihad.

Though many scholars believe that the history of khoms, like the other rights of mojtaheds, ie., ijtehad, can be traced to Imam Jafar al-Sadeqh and the Great Occultation (the period since 874 century, when the twelfth Imam disappeared from view) Eliash points out that

in Twelver Shii jurisprudence there is an absence of any decree in the name of the Imams that confers on an 'agent' the right to receive the canonical payment of the khoms during the Great Occultation (Eliash, 1979. p.18).

That is, the particular socio-economic conditions which gave rise to the emergence of ijtihad (e.g., foreign domination) necessitated the development of social institutions and organizations, like khoms, that could provide for the clergy a source of power and income independent from the government.

khoms, by definition, is one fifth of all profit earned in trade, to be levied as charitable tax (Alqar, 1969, p. 253). Clearly then, the bazaaris would have been the main contributors of khoms, which had to be given to mujtaheds. Keddie in regard to the main contributors of khoms to the ulama, says:

Although this [khoms] has been little studied for the Safavids time, it is known that later the ulama were able to use a combination of moral and minor physical pressure to collect, especially from the merchants and other well off bazaar traders and artisans, the khoms (Keddie, 1981, p.17).

Bazaaris throughout the country accelerated the growing independence of the clergy from the state through the institution of Sahme Imam ("the portion of the Imam"). This was a kind of tax that bazaaris would pay to ulama to purify their earnings on business transactions in one year. According to this practice, one-half of the khoms, or, in effect, 10% of the profits on trade, was designated for the social reproduction of the clergy and the religious institutions themselves. The money was used for the purposes of upkeep and the construction of mosques, stipends for theological students, faculty salaries, and other institutional purposes.

Thus, the bazaaris became the main financial backers of the religious institutions. Khoms and sahme Imam had two important roles: 1) They were, as mentioned above, the backbone of the financial independence of the clergy from the state; and 2) They played a major role in connecting the un-

privileged classes with bazaaris and with the ulama. The mechanism of this interconnection was the intermediate role of the ulama as an agent to dispense the received khoms and sahme imam from the bazaaris to the poor people and poor mullahs all over the country, in both cities and villages.

In general, the clergy's financial ties to the bazaaris furnished the latter with the lever to use the religious taxes, i.e., khoms, to enforce their political views on the ulama if the latter did not abide by the bazaaris' notion of political orthodoxy. The following is a case in point.

In the days of Shaykh Abd al-Karim Hairi the venerable Ayatullah resolved to teach the students of the hawzah in Qumm foreign languages and certain nonreligious subjects so that they could go out and proselytize more effectively in the name of Islam. However, no sooner did he decide on this course of action than a delegation of bazaar merchants and artisans descended from Tehran and threatened to withhold the khoms if he did not retract. The reason they did this was that they feared the students, their children, would be contaminated by foreign habits and viewpoints (M. Mutahhari, quoted in Akhavi, 1980, p. 228)

Religious Nationalism

The two abovementioned institutions of "ijtihad" and "khoms" were of prime importance in promulgating religious nationalism. This ideology acquired support from among the unprivileged classes for the bazaaris' political struggles against imperialism and the state. Ulama, as the marjai-taahhids (mujtaheds) and due to their close connections to

the poor masses were able to organize them on the grass-roots level in the masjids.³¹ For example, in the nineteenth century, the mujtahids gained support among the public when they regarded all temporal rulers as usurpers, and maintained that "legitimate rule, pending the return of the twelfth imam, can only be exercised by those leaders of the ulama who are competent to interpret this will" (Keddie, 1966, p. 10). Their reasoning was clearly geared against the Shahs who had almost sold the independence of Iran to foreign powers. Another more revealing example of the role of the ulama in facilitating the people's opposition to the imperialist domination of Iran was the incident which resulted when the Shah gave the tobacco concession to the British in 1891. The Tobacco Crisis started when the leading ulama declared all tobacco to be "religiously unclean, as were the servants and employees of Europeans" (Keddie, 1966, p. 95). Keddie, describing the effectiveness of the decision made by the ulama in boycotting tobacco, writes:

Following the lead of their ulama Isfahanis now became the first to boycott trade in, and smoking of, tobacco. Within the city smoking and trade in tobacco evidently ceased almost completely after the leading ulama announced their religious prohibition. Europeans were insulted in the bazaar and placards by Aqa Najafi were posted declaring

³¹ Sunnit ulama lacked this quality and in the view of the Shii they were powerless and passive ratifiers of truth as mere dogmatists without any creative power of innovation (Akhavi, 1980, p. 12). According to Brown, the Shii ulama were more active politically and had far more influence and authority to command the people "as part of their religious doctrine principle" than Sunii (Browne, 1928, vol. 4, 353).

all employees of Regie [the concessionaire] to be unclean, and saying that they should not be allowed into public places (Keddie, 1966, p. 95).

At the same time the mullahs in the masjids were preaching against the sale of Iran to the infidels (Op. cit, 57). The protest and the boycott of tobacco reached its peak and became nationwide when Ayatollah Shirazi, a prominent mujtahid, issued a fetva (a religious order) asking all the believers to abstain from smoking.³² Immediately after the announcement of the fetva it was observed:

The observance of the boycott was so universal in Iran that it amazed Iranians and foreigners alike. Eyewitnesses told of even the Shah's wives and servants refusing to smoke, and nobody dared to be seen on the street selling or using tobacco. Even Christians and Jews were said to observe the religious ban (Keddie, 1966, p. 96).

The same force of religious nationalism was mainly responsible for the Constitutional Revolution of 1905. The 1891 tobacco protest was the celebrated test of bazaari-ulama power and their triumph prepared the ground for the political change yet to materialize in 1905-11.

Religious nationalism declined in importance with the emergence of Reza Shah in 1925. Instead secular nationalism grew in power and strength.

³² The text of the fetva read simply: "In the name of God, the Merciful, the Forgiving. Today the use of tanbaku in any form is reckoned as war against the Imam of the age (may God hasten his Advent!)" (Keddie, 1966, p. 96).

6.2 THE EMERGENCE AND DEVELOPMENT OF SECULAR NATIONALISM

Reza Shah's rule (1925-1941) was not very different from his predecessors' in that, by centralizing the economy, he did not facilitate the development of independent entrepreneurs and small industries. However, the bazaaris' struggle against state centralization and their growing opposition to the oil concession which continued into the 1940s, was in the form of secular nationalism rather than religious nationalism. This form of opposition was mainly the result of Reza Shah's policies of imposition of secularization and his introduction of some industrialization.

The two Iranian movements of 1891 and 1905 eventually led to the establishment of the Majlis and a constitutional government, but neither the Majlis nor the country remained immune from the interference of the imperial powers. With the support of the Russians the Parliament Building was bombarded by the Iranian Cossack Brigade, and later on (1907) Russian and British troops arrived in Iran in order to safeguard their interests both against each other and against the Iranian nationalists. The country continued to be occupied by the British and Russians throughout the First World War, and it was not until the Russian Revolution of 1917 that the threat from the north ceased. But then the danger from the British in the south increased, when the British were the only imperial force in Iran.

British decision-making after 1917 was dependent, in part, on their realization that Iranians were very nationalistic and wanted independence. In May, 1924, the British ambassador to Iran, discussing British prestige in Iran, pointed out the extent of Iranian hostility against Great Britain. In his address he declared that these feelings:

resulted from a spirit of exaggerated nationalism which was a reaction to the former attitude of instinctive deference to Westerners and Western ideas and opinions (Wilber, 1967, p. 71).

Curzon then concluded that, "the British would have to learn to meet this insurgent spirit of nationalism and to adapt to it" (Curzon, 1969; quoted in Wilber, 1967, p. 71). Curzon's comments, as Wilber remarks, were most prophetic, and that was one reason the British supported Reza Shah as the ruler of Iran.

Reza Shah from the start declared that he was independent of foreign powers and was a nationalist. However, his nationalism emphasized the creation of a powerful central state and state-owned industrialization with the help of the Germans. The Germans' presence in Iran and the British (now less visible on the political scene than before) preoccupation with the oil exploitation in the south, led the public to question Reza Shah's declaration of independence.

The conflict between the nationalists of the bazaar (and the ulama) and Reza Shah ended in the ruthless suppression of the former. That is why most of Reza Shah's support was

secured from the professional middle class and bureaucrats who emerged when Reza Shah took power. As Banani remarks, Reza Shah

was inspired, encouraged and supported by an articulate majority of the intelligentsia, and his actions were approved and applauded by a majority of the urban middle class--government officials, army officers, professional men and students (Banani, 1961, p. 47).

With their support especially with that of the army, Reza Shah was quick to monopolize trade and industry, and took measures to destroy the physical structure of the bazaar as well as its handicrafts and manufacturing (see chapter III).

One of Reza Shah's major steps in his centralization program was an attack on the clergy's power. Thus he attempted to root out the two most fundamental religious institutions--the judiciary and educational--and replace them with secular institutions and values borrowed from the West. As Banani points out, "Nowhere is the impact of Western civilization upon the institutions of Muslim Iran more apparent than in the form of her judiciary system" (Banani, 1961, p.68).

Clearly any opposition to the judiciary system of Islam was a direct attack on the institution of ijtehad and thus on the power of the mujtaheds. This is because mujtaheds, in the field of Islamic code, as noted, are expert scholars whose judiciary powers cover, on the one hand, personal conduct, criminal and civil laws (Shariah), and, on the other

hand, matters pertaining to politics and state affairs (Urf). These individuals are also called "foqhaha" or experts in Islamic jurisprudence.

Reza Shah's campaign against the clergy started in full measures in 1936 when the Majlis enacted a law which reorganized the judiciary system and compelled its permanent secularization. The legislation also imposed new qualifications for the employment of judges (Banani, 1961, p. 73). The real aim of the latter law was to bar the clergy from a role in the judiciary system by requiring that judges hold university degrees. In addition to this, the power of the clergy in general and that of mujtaheds in particular further declined with the substitution of civil and penal codes for the shariah law:

If the reorganization of the Ministry of Justice in 1936 removed the final vestiges of authority from the clergy in such a way as to make no provision for shariah courts, the Civil and Penal Codes of 1939 and 1940 finally left no room for shariah law at all. The deviation from shariah patterns were all explained and justified from Western secular, humanistic viewpoints (Banani, 1961, p. 79).

In his attack on the clergy, Reza Shah prohibited the clergy from wearing their traditional clothing (aba and ammameh) which would have identified the occupation and status of the wearer (Upton, 1965, p. 57). Finally, by force, on July 8, 1937, he abolished the veil (head dress) and replaced it by the kolah Pahlavi, a cap similar to the French military kepi (a kind of hat) (Upton, 1965, p. 69).

Educational reform by Reza Shah was another blow to the power of the clergy and their influence in the society. In the past, elementary education was confined to the maktab, a single classroom, with the teachers called akhund. The maktab in the urban areas were usually located in the bazaars and were totally free of any government control. The teaching in the maktab was mostly religious in nature. The only institutions of higher education were the seminaries or madrasah in Qum and Isfahan, where the major subject of study was theology (Banani, 1961, p. 88).

Furthermore, the madrasah and other religious functionaries were brought under state control. As Akhavi maintains, the educational reform "bore consequences for the madrasah system and began a period of intervention, subsidizations and direct control over an increasing number of the religious schools that persisted to the end of the reign of Mohammad Reza Pahlavi" (Akhavi, 1980, p. 56). Other religious functions such as the control of religious endowments now fell under the jurisdiction of the Department of Endowment (Idareye Oghaf).

The clearest indication of the declining power of the ulama at the time of Reza Shah was their decreased participation in the Majlis. According to one report, "Whereas the 'ulama' constituted forty percent of the deputies in the Sixth Majlis (1926-1932), the Eleventh Majlis which met in

1937 did not include even a single well-known and important figure from the 'ulama'" (Faahfoory, 1978, p. 82; quoted by Akhavi, 1980, p. 59).

Reza Shah's anti religious measures resulted in the emergence of secular national leaders and the decline of the clergy's participation in politics in the decade after Reza Shah's abdication in 1941. Along with Reza Shah's attempt at centralization of the economy and the political power, other developments were at work which were rooted in the Constitutional Revolution. Ever since the Constitutional Revolution and the establishment of the Majlis, the bazaaris' and other nationalists' concern was to protect the independence of the Majlis from the despotic monarchs and from foreign influence. As one bazaari put it:

The feeling that we had for the Majlis was the same as the feeling of a mother toward her only child, but a child that could hardly be saved from the despotic Shahs (informant: 1978).

George Allen, the U.S. ambassador in Tehran in the period of 1946-48, commented in one report that the Majlis was the "greatest safeguard of Iranian independence and its continued existence and full legislative authority is almost important..." (George Allen, quoted by Amirsadeqhi, 1977, p. 66).

Since it was so important in the eyes of the constitutionalists, the Majlis with their support sometimes was the cradle for the development of revolutionary ideas and per-

sonalities. One of these individuals was Mossadeqh, yet to emerge as the leader of the 1953 nationalist movement.

These men, Katouzian points out, "were deeply committed to the preservation of the constitutional achievements of the Persian Revolution" (Katouzian, 1979. p. 544). Mossadeqh, while serving his term as a congressman, was imprisoned because of his zealous nationalism and his criticisms of Reza Shah. But when Reza Shah abdicated in 1941 (as a result of British pressure), Mossadeqh tirelessly continued his opposition to the foreign powers and the government. Mossadeqh became the figure-head of the nationalist movement partly because the clergy were no longer holding their pre-Reza Shah socio-political status. They were unwilling to participate in the political affairs of the country wholeheartedly; in 1949 a large conference was convened in Qum to discuss the controversial issue of whether the clergy should be involved in politics at all. This assembly was held at the request of Ayatollah Brujerdy, the most prominent mujtahed in Iran at that time, and some 2000 or so members of the clergy attended. In this session

the members adopted a firm non-interventionist position that prohibited all members of the clergy from joining parties and trafficking in politics. It mandated that opposition to this resolution by clergymen would result in a withdrawal of recognition of the offender's status as a professional in the religious institutions--a kind of Shiit excommunication that presumably Burujerdi and the Qumm establishment would implement (Akhavi, 1980. pp. 61-62).

Despite this, there were some ulama who did not abide by the above resolution and were encouraged by the bazaaris to involve themselves in politics. Ayatollahs Khansari and Kashani are good examples in this respect, as the former at one point "released his fatva in response to interrogatories submitted to him by a number of merchants in the central bazaar [where he resided] in Tehran" declaring that "he who upon waking without concerning himself with the affairs of the Muslims is not himself a Muslim" (Akhavi, 1980, p. 64). Kashani too, and with the support of Ayatollah Khansari, came out in favor of oil nationalization. These examples were, nevertheless, rare. Some members of the clergy became involved in politics, but the majority remained passive and were mostly engaged in religious matters.

Additionally, even some ulama who were active in politics became Mossadeqh's supporters. This support manifested itself in March 1953, when Ayatollah Kashani, who was the Speaker of the Majlis, broke with Mossadeqh over the latter's demand for extraordinary powers from the Parliament. It was on this occasion that the eight-man ulama contingent in the Parliament sided with Prime Minister Mossadeqh on this issue, in order to strengthen the power of Mossadeqh's government against the British and their plot to prevent oil nationalization (Akhavi, 1980, p. 69).

On the other hand, the weakening political position of religion and the clergy, and the emergence of a class of wage workers as a result of state industrialization, helped the development, after 1941, of the secular and powerful Tudeh Party. Moreover, the Tudeh Party's political activity among the workers was so pervasive that the bazaaris' traditional support among the workers was damaged to a considerable extent. That is, whereas the bazaaris, in their protests against the government in the previous two movements of 1891 and 1905, had obtained the support of the rank and file of the wage earners (mostly in the bazaar), in 1953 they lost their support (see Abrahamian, 1968, p. 205).

The Tudeh Party attracted a large following and in 1945 nine Tudeh members were elected to the Majlis (Upton, 1965, p. 96). In the same period, Abrahamian reports, there was a total membership of 400,000, which is unprecedented in the modern history of such an organization (Abrahamian, 1968, p. 202). In 1949 the Tudeh Party was declared illegal by the government. However, their activities continued, and the nationalization of oil on May 2, 1951, provided the party with an opportunity to establish broad popular support and develop popular agitation against both the oil company and the British government (Upton, 1965, p.97). Absence of a powerful religious leader also resulted in the alliance of bazaaris and Mossadeqh.

The alliance between the bazaaris and Mossadeqh can be traced back to as early as 1945, when he was a Majlis deputy. Abrahamian reports the following events, "after a speech in Parliament in which he [Mossadeqh] denounced his fellow members as 'corrupt' and described the House as 'a den of thieves', the following day the whole bazaar came out on strike in his support..." (Abrahamian, 1968, p. 204). When, in 1951, Mossadeqh became Prime Minister, the bazaaris became by far the most active group supporting him and his policies. To prove their support, bazaaris in September 1951 issued the following statement:

Because on Thursday the 29th of September, the government of Dr. Mossadeqh was present in the Majlis in order to give its report on the issue of oil, and unfortunately some corrupt deputies by their lack of participation in the general assembly of the Majlis caused the general assembly not to convene, we the traders, guilds and manufacturers of Tehran in order to prove our support for Dr. Mossadeqh and to declare our condemnation of the above deputies have decided to close our businesses on Sunday from 7 a.m. to 12 noon. This is a general strike and we request all Tehran residents to join us in front of the Majlis (Ittilaat, September 29, 51).

In June 1952, when Mossadeqh came back from Europe where he had successfully defended the Iranian case concerning the oil issue in the Hague Court, 62 bazaaris, and the only non-official group of this size, visited him at his home and declared their support for him (Ittilaat: June 29, 52).

The bazaaris' (especially the traders and bazaar bourgeoisie) support for the leadership of Mossadeqh was so strong that when the speaker of the Majlis, Ayatollah Kasha-

ni, and the Majlis rejected Mossadeqh's demand for one year's extraordinary powers, the bazaaris closed their shops. As the daily newspaper Ittिलाat reported, the bazaaris went to Ayatollah Kashani's house to ask him to reconcile his differences with Mossadeqh. Kashani in that meeting asserted that he was a supporter of Mossadeqh and his purpose in opposing Mossadeqh in the Majlis had been to preserve the constitution. Now, Kashani continued, "in order to block any abuse of my statements in the Majlis by the enemies of Iran tonight I will send a message by the radio and newspapers reiterating my support for Mossadeqh." Following these developments the bazaaris issued a statement which read: "The bazaaris will call a general strike from Tuesday, January nineteenth, until the ratification of Mossadeqh's demand for one year's extraordinary power is met" (Ittिलाat, Jan, 19, 53).

Bazaaris not only supported Mossadeqh politically, but also economically in the following way. One result of Mossadeqh's oil nationalization was the Western countries' economic sanctions against Iran by which Iran could not export her oil. This put Iran in a vulnerable position and Mossadeqh appealed to all Iranian people for financial help. Bazaaris, of course, with their wealth made the most contributions. Thirty-four bazaaris whose names appeared in Ittिलाat contributed between \$700 and \$30,000 (50,000-2000,000 rials) (Ittिलाat, March 1951).

In general, the strength of the bazaaris in the political affairs and mobilization of the masses declined in comparison to the movements of 1891 and 1905-11, both because of the weakening position of the clergy and because of the loss of the support of the workers. It was for these reasons that the bazaar petty bourgeoisie was not as strong as before (prior to Reza Shah's rule). However, the bazaar independent bourgeoisie became Mossadeqh's leading supporters and were the avant-garde of the movement.

6.3 REVITALIZATION OF RELIGIOUS NATIONALISM

Religious nationalism began to grow again when Reza Shah abdicated in 1941. It became increasingly powerful after 1953 as a result of, first, the destruction of secular political organizations such as the National Front by the Mohammed Reza Shah's dictatorship, and second, the increasing role of the government and imperialism in dominating the economy.

In the first instance, the defeat of Mossadeqh and disintegration of the National Front severely damaged the bazaaris' channel of secular political opposition. For instance, the Tudeh Party, which was one of the strongest oppositional factions and which had started its political activity in 1941, did not take the return of the Shah seriously after Mossadeqh's fall. They hoped, according to Jazani, to start their political opposition again in the near

future. The Tudeh Party had consisted of the most active intellectuals and workers, and had more underground experience and was more highly centralized than the other parties in the National Front. Furthermore, they had more members and could continue their opposition more systematically (Jazani, 1978).

Jazani also points to the fact that the 1953 coup was a more obvious defeat for the National Front and Mossadeqh's supporters than for the Tudeh Party. This is because Mossadeqh and his associates had held government offices before the coup, and thus had at their disposal all the means of communication which could have been used for propaganda purposes. After the coup, due to the Shah's pressure, the house arrest of Mossadeqh, and the detention of other National Front leaders, they lost almost all their privileges (Jazani, 1978, p. 25).

After the coup, the Shah, with the full support of the United States and the British, emerged much stronger than before. His first attack was on the National Front. In 1954 he executed Fatemi, the second strongest man in the National Front after Mossadeqh and imprisoned Bazarqan and Zanjani. It goes without saying that the Constitution and the Majlis, the only strongholds of the nationalists, were undermined and the old familiar absolutism was encroaching on the daily life of the people. Under these conditions, and with the establishment of SAVAK in 1957, there seemed to

be little hope among the people for the comeback of the National Front and slim chance for any political organizations to survive. The political condition of Iran after Mossadeqh is summarized by Halliday:

Since 1953 the Shah has been able to strengthen the state's power throughout Iran. All legal and constitutional freedoms were aborted and within a few months the main centers of opposition had been crushed. For seven years after 1953, the regime concentrated on restoring its position (Halliday, 1979, p. 26).

After the 1953 coup the Tudeh Party and other such communist-oriented organizations were rendered ineffective as they were either infiltrated by SAVAK, or the members were bought off. Otherwise the guerrilla groups like Mujahedin and Fadaeyan were ruthlessly crushed by the regime.

Thus there was no political organization to absorb the unsatisfied, exploited and oppositional groups and classes like the intelligentsia, students, wage workers, peasants and the nationalists like the bazaaris. The regime, however, took short term measures to deal with most of the above groups. Its strategy with groups and classes other than the bazaaris was to make separate deals with each of them. To the intelligentsia the government offered opportunities for government employment and high salaries (cooptation). To students it offered monthly stipends for living expenses (in return for two years service in the government) and various kinds of loans. To workers it offered a share of the factory profits, higher wages, bonuses (especially in

the large factories). This law was one of the six laws of the White Revolution. Peasants were offered the land distribution law of 1963.

Not only did the regime not offer any deal to the bazaaris, but it competed with them (see Chapter Three) in distribution, production, trade and other areas. The regime directly confronted them with the anti-profiteering campaign and also various plans for the physical destruction of the bazaar. Keddie summarizes the government's actions against the bazaaris as follows:

Over the years the Pahlavis tried to reduce bazaar power by building new streets, shops, schools, and institutions away from it; by imposing grid patterns to bazaar streets, by controlling distribution, and by campaigns against "profiteers," chiefly bazaaris rather than the really rich, and by restrictions of cheap credit to bazaaris. Although major shift in economic power to the modern section occurred, bazaaris were neither cowed nor reduced in number (Keddie, 1981, p. 246).

Losing all the means for political opposition and being undermined by the regime, the bazaaris began seriously to build up their old alliance with the clergy.

6.4 THE BAZAAR ALLIANCE WITH THE CLERGY

Until his exile in October 1963, Khomeini made fiery speeches in Qum against the Shah and his arbitrary rule and against American imperialism, and these speeches gained him enormous popularity, especially among the bazaaris. During this period, the Tehran bazaar was one of the most

important centers of opposition. This was dramatized with a close-down. But it was also the place where most of the street demonstrations took place and from which many processions began. It was in this area that, according to some accounts, thousands (one estimate was 15,000) of people were killed in various clashes with the police and army in Tehran in 1963.³³

The opposition was defeated and the Shah, assured again of the support of the U.S. government, sharpened his attack in order to uproot the resistance. In regard to the religious opposition, the crackdown started with the bureaucratic reform of 1964, in which the Endowment Department, formerly part of the Ministry of Culture, was made independent. While this reform made it easier and more effective for the government to limit the clergy's power, one important consequence of it was a closer clergy-bazaar alliance. The mechanism was as follows.

³³ Some Iranian experts like B. Rubin, believe that events of 1963 were the result of the land reform: "land reform decrees set off large demonstrations led by Muslim clerics, including Ruhallah Khomeini" (Rubin, 1980, p. 109). However, Lambton in her extensive study and research on the land reform maintains that "meanwhile discontent prevailed among the religious classes and others. Land reform was not the only cause, the fundamental issue was a feeling, justified or not, that the use of arbitrary power by the government had exceeded all reasonable bounds" (Lambton, 1969, p. 112).

With the reform, the endowment properties were appropriated and some were sold to the government or people close to the regime. In the 1970s Azmun, the Director of the Endowment Organization and a close associate of the Shah, appropriated more than 30 million square meters³⁴ (3000 hectares) of waqf land in Tehran and its vicinity. These lands were sold to various people and agencies including the famous court singer, Haydah, artists of the Imperial Court, the private office of Empress Farah, the Lions Club, Army commanders, and generals (see Akhava, pp: 132-134).

In addition to the appropriation of endowment properties and their revenues, the regime from 1964 on became increasingly involved in allocating to itself the revenues from awqaf. For instance, the mutavalli (a mutavalli is an administrator of shrine and endowment lands) of the shrine in Qum, who was appointed in 1968 by the Shah, embezzled with two of his associates about \$500 thousand in one year in the name of salaries. In addition they were engaged in the practice of selling the endowed properties adjacent to the shrine to their relatives, government officials, and SAVAK agents in Qum (Akhavi, 1980, p. 134). Between 1974 and 1975 at the Shah's order, some land worth \$176,470 in Qum

³⁴ This is out of the total of about 16,000 hectares of real properties in waqf land in the whole country. The 16,000 he hectar figure is of course according to 1964 statistics, but the figure could not have gone up, considering the government's constant appropriation of the waqf lands (Akhavi, 1980, p. 133).

was sold by the mutavalli and the money invested in the Cement Company of Fars and Khuzestan which belonged to him (Fisher, 1980, p. 115).

The other reason for the decline of the clergy's revenue, according to Fisher, in the 1960s and 70s:

was that (unlike under the Safavids and Qajar) high officials of the state were no longer making significant endowments for religious purposes or putting under religious administration such endowments as existed (Fisher, 1980, p. 117).

All these measures diminished the clergy's revenues, properties, and subsidies to madrasahs. In view of this and the regime's anti-Khomeini campaign, bazaaris themselves under the regime's attack (as shown in Chapter III), increased their financial support of the clergy and established a closer alliance with them especially with Khomeini. On the other hand, with the Endowment Organization tightening its allocations to the Madrasahs, khoms and sahme Imam which were paid directly to the clergy by an increasing proportion of bazaaris, played an important role in subsidizing the religious functionaries and preventing their total collapse. For instance, in 1975 funds distributed by Ayatollahs to Qum students from sahme Imam averaged five times more than the state's monthly stipend in 1972-73 (1467 rials to 228 rials) (Akhavi, 1980, p. 141).

In sum, the regime's opposition to the clergy which partly manifested in the restrictions on the clergy's financial

resources and the banning of secular political organizations, facilitated the close bazaar-clergy alliance. This alliance, which reminds one of turn of the century events, was active in the struggle to prevent the Bank Saderat, known as the bazaaris' friend, from falling under the control of one of the Shah's close friends, Hozhabr Yazdani. On the order of the ulama, the bazaaris

organized a campaign of sustained withdrawals. The campaign was so effective that the Central bank, Bank Markazi, was obliged to intervene and Yazdani--reportedly on the Shah's order--sold out his interest in Saderat. (Graham, 1979, p. 223)

The alliance of the bazaaris and the clergy can best be seen in the various informal political organizations in the 1970s.

6.5 REVOLUTION OF FEBRUARY 1979

The 1979 Revolution would not have happened in its religious form without the widespread grass root organizations. The two most important of them were religious organizations and mosques.

Religious and Islamic Associations

Religious organizations which took shape in 1969 were religio-political in nature and were known by the name of Religious Associations (Anjomanha-e Mazhabi). The growth of these associations was so rapid that in 1974 according to

one estimate there were already 12,300 religious associations in Tehran alone (Arani, 1980, p. 13). These associations together with the Islamic Associations (the latter were more formal and had branches in many Western countries including the United States) provided one of the networks for the mass mobilizations of Sept. 1978-Feb. 1979. (Ghobtbzadeh, who became Foreign Minister after the Revolution of 1979, was active in one of these Islamic Associations in the United States.) A line of communication was set up between Khomeini and these associations, and it was through the latter that the cassette tapes and directives of Khomeini and other religious leaders were distributed. The cadre and personnel of these associations, wearing green armbands, organized the mass marches and enforced discipline during the demonstrations and processions (Arani, 1980, p. 13).

Alongside these associations the mosques increase their activity and became another major organizing force.

Mosques

In 1975, just after the announcement of the establishment of the new single party by the Shah, a pamphlet by Khomeini was smuggled into Iran denouncing the party as simply a tool for tightening the Shah's dictatorship. The condemnation was preached by voaz (preachers) in their mosques to such an extent that SAVAK "tried to keep systematic track of all ak-

hunds who referred to the issue in their preaching" (Fisher, 1980, p. 124). In 1976, after the Iran-Iraq hostilities concerning the three islands in the Persian Gulf ended, the pilgrimages to Iraq (where Khomeini had been exiled in 1963) resumed (Keddie, 1980, p. 242). These pilgrimages made it much easier for Khomeini's tapes, pamphlets, and writings to reach Iran, and mosque preaching hostile to the Shah became more frequent. The mosques became more active in anti-Shah protests. Using the religious practice of cheleh (a gathering of mourning forty days after someone has died), the mosques organized mass demonstrations to mourn those slain in protests, and to declare them martyrs. For instance, after the publication of an article defaming Khomeini (Ittilaat, January 9, 1978), a confrontation between the police and a group protesting the publication occurred in Qum. More than a hundred theology students in Hoziyeh Qum were killed. Several cities answered the call of the religious leaders for a commemoration of their deaths forty days later. At each of these commemorations more people were martyred, who were in turn mourned forty days later at other huge demonstrations, which continued until the fall of the Shah (Brun, 1978, p. 35).

The mosque also played other important roles in organizing the masses in the 1979 revolution and after. At the outset, it should be noted that in every neighborhood in Iranian cities there is at least one mosque, and there are

mullahs everywhere throughout the country, even in rural areas where there are fewer mosques. The numbers of mosques and of mullahs have been estimated differently by two scholars. In 1965, according to Akhavi (1980, p. 129), there were 20,000 mosques, 10,000 mullahs, and 100 mujtahids in Iran. Another account gives the number of mosques in the 1970s as 60,000 (plus over 1200 other shrines) and the number of mullahs as 180,000 (Halliday, 1979, p. 18). These mosques held prayer every day and in most of them preachers gave daily talks concerning religious and/or political matters.

Though the mosques had long played an important role in organizing the masses politically, they had never before been utilized in this role to the extent that they have been since 1975. Of the important role of the mosque in the 1970s, Halliday declares:

With growing popular resentment to the regime's social and political policies after 1973, the mosque found itself the focus of opposition, the only institution able to give voice to popular discontent in a situation where every political activity was prohibited (Halliday, 1979, p. 18).

The mosques' effect on the social and political life of the people continued even after the revolution. Mosques kept their pre-revolutionary roles as political organizations in the neighborhood as well as in the society as a whole. These mosques, which were/are usually the center of the neighborhood committee (comite), provided everyday economic necessities both during and after the revolution. For

example, they provided food during the revolution, food coupons during the Iran-Iraq war, and they organized neighborhood security patrols. All these activities sprang from the situation in 1978 when strikes shut down the country's economy and the army and police were destroyed.

The Role of the Bazaaris in Revolution

The bazaaris were active in the religious associations and mosques in many ways. They, to begin with, were the main funders of the mosques throughout the country. It was with their money as khoms, and sahme Imam that the upkeeping of the mosques was possible. Many of the religious associations' meetings were held in the houses of the bazaaris. They made other financial contributions at the time of Revolution, including financial support to the families of victims killed in the demonstrations. They also financed strikes by various groups and social forces:

More importantly, the bazaar was willing to finance the strikes. At first in May 1978 it was the university students and teachers. Then in autumn, from September onwards, it helped support large sections of the striking workforce, whether civil servants or oil workers (Graham, 1979. p. 223).

Another crucial role the bazaaris played in the revolution was providing inexpensive food to the Islamic corporations, local groups which sprang up to provide food for the people (Ittilaat, 7/79).

Clearly, the bazaar was many times the scene of protest shutdowns between 1978 and the 1979 revolution. On May 11, 1978, the Tehran bazaar, because of its major role in building up the opposition to the Shah, was occupied for the first time by tanks (Graham, 1979, p. 223). On Sept. 4, 1978, all the bazaars throughout the country closed down, and in Tehran alone, according to Ittilaat (9/4/78), 3 million people marched in the streets. Warnings were issued by the governors of Tabriz and Isfahan, asking the bazaaris not to close (Ittilaat 9/10/78). However, the bazaaris throughout the country used the weapon of shut-down many times during September and the months of revolution which followed.

In sum, the bazaaris were the major forces behind the Revolution by

1. supporting the political activities of the clergy, mosques, and the revitalization of religious nationalism, etc.
2. financial support to the clergy (with khoms, sahme Imam) and strikers.
3. direct political protest, ie., closing down the bazaar, etc.

Chapter VII

CONCLUSION

The implication of my thesis in conceptual terms can be summarized as follows: The bazaaris, as a result of their declining economic and social status, began opposition to the government and imperialism. Their opposition was effective because they were rooted not only in commerce, but they had connection with people in urban areas, villages, and with religious institutions. They supported the latter financially and were orthodox Muslim. The bazaaris were more than a political party. They were a source of welfare through loans, charity, etc., for not only the bazaaris but also the poor.

The bazaaris protected themselves in their political resistance against SAVAK by being a cohesive enclave, by loyalty, kinship ties, and trust. Their functioning was the equivalent of a revolutionary vanguard dressed in religion. They consolidated their power against centralization of the government which was imposed on Iran.

* * *

The 1979 revolutionary process widened the underlying class differences between different groups in the bazaar. This process began when Bakhtiar took power and became the Shah's prime minister in 1978. Bakhtiar, as an active member of the National Front, was supposed to represent a true constitutional government with the Shah being a monarch who, as the Shah himself repeatedly declared, should reign not rule. This was Mossadeqh's basic demand from the Shah during his term as prime minister in 1951-1953. Thus, when the constitutionalists assumed power, from the start it seemed of little doubt that bazaaris who had previously been ardent constitutionalists and supporters of Mossadeqh in 1953 would confirm Bakhtiar's premiership. One reason Bakhtiar was not confirmed was that, unlike the situation in 1953, when Mossadeqh, as a powerful leader and politician, felt that it was necessary for the national interest to negotiate with the rather young imperialist power of the U.S. (which in the eyes of many Iranians was not as devilish and exploitative as the British), in 1979 not only could they not trust Bakhtiar, but the U.S. was their foremost enemy.

Secondly, the core of Bakhtiar's supporters were the merchant bourgeoisie (traders or *tojjars*), and the remnant of the dependent bourgeoisie. These forces were satisfied with the establishment of a constitutional monarchy that Bakhtiar was supposed to facilitate. To them the non-reconciliatory position of Khomeini towards the Bakhtiar government

could regenerate and ignite a new revolutionary fervor encompassing all exploited and oppressed groups and social classes of the society, many of whom had already been drawn in to it. Therefore, the excess militancy of the workers, peasants, petty bourgeoisie and/or the bazaaris was a major threat to the constitutionalists.

Caught in the revolutionary process, the Bakhtiar government was not able to satisfy the historical needs of the above classes and groups. Thus, the course of the revolution increasingly alienated Bakhtiar to the point that he and the remnant of the dependent bourgeoisie joined their predecessors by leaving the country. With Bakhtiar's defeat, the monarchy was eliminated and the U.S. lost its previously undisputed privileges over Iran. The roots of the U.S.'s economic and political influence, however, still remained almost intact. Upon this condition the provisional government of Bazarqan was founded. In retrospect, Bazarqan did not make any major attempts to change it. On the contrary, the U.S.-Iran arms sale continued though on a smaller scale, and goods were pouring into the country like before through the remaining traders, but with even more profit as an outcome of the revolutionary upheavals. In the political sphere the United States, though not in total control, through its embassy in Tehran was able to exert influence on the course of political development in Iran.

Bazargan, Sanjabi and other members of the former Mossadeqh National Front made serious attempts to maintain the status quo, but their authority from the start was increasingly challenged by the ever more powerful Islamic Republican Party, the party of the (bazaar) petty bourgeoisie. The Party not only had its own Revolutionary Committees and other executive and judiciary organs; it was the major political body in the country. The IRP was in power and was leading the Revolution ahead in order to achieve the goals and objectives of its own class base, in outright disregard of the Bazargan government. As Bazargan himself pointed out, in one of his speeches, his government was "like a knife without the blade" and the blade was certainly in the hands of the IRP. Bazargan throughout his premiership had complained repeatedly about the existence of a government within the government and had always insistently urged the dissolution of Revolutionary Committees and the Pasdaran. Bazargan, however, was not only under IRP pressure but was in fact pressed between them and the fierce attack of the left Marxist groups. Bani Sadr's election as president drove him, under the same pressures, to the same destiny as Bazargan.

None of Bazargan's or Bani Sadr's attempts to solve the economic and political problems of Iran appealed to the petty bourgeoisie, especially to the bazaar petty bourgeois orthodoxy. That was because Bazargan's and Bani Sadr's liber-

al and "open minded" nationalism would have made it inevitable for Iran to remain dependent. In a word, their assumption was that Iran should move quickly to enforce economic development even if it meant to rely on the U.S. and Western nations. The IRP did not share the goal of the liberals, which was to lead the country to rapid capitalist development in collaboration with the Western capitalist countries, on the one hand, while instituting Western democracy, bourgeois liberty, etc., on the other. In regard to the latter, Khomeini, in an answer to Bazarqan, who had proclaimed at the beginning of the revolution that Iran should be called the Democratic Islamic Republic, said that, "Islam is democratic by nature; thus there is no need to add the adjective democratic to Islam."

The IRP intention was to lead the nation toward small-scale capitalist development, independently and in a slow process of capital formation.

However, Iran after the Revolution did not have the ability, i.e., the technology, capital, manpower, etc., to follow the line of capitalist development independent from foreign powers. Most of what was called capitalism in Iran collapsed with the overthrow of the Shah. Then the nearly disintegrating economy of the post-revolutionary period which had already created a large number of unemployed, increased inflation, and raised rural-urban migration became even

worse as a consequence of the U.S. and European economic sanctions against Iran.

Incapable of solving the economic problems and unwilling to rely on the West (for economic development), the IRP then subscribed to the ideas of obedience towards authority (Khomeini) sacrifice and high praise for martyrdom. As Khomeini, in many of his speeches, reminded the people, "we did not make this revolution for economic purposes. We made it because of Islam" (Khomeini speech on the Radio Iran, August 27, 1980). In sum, it was only in this way that the country could survive without falling into the hands of the dependent bourgeoisie and their ideologues, the liberals.

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