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Alternate Routes

A Journal of Critical Social Research

PRESENTATION AND EDITORIAL POLICY

Alternate Routes is a refereed multi-disciplinary journal published annually by graduate students in the department of Sociology and Anthropology at Carleton University in Ottawa, Canada. Our mandate is to make Alternate Routes a forum for debate and exchange among graduate students throughout the country. We are therefore interested in receiving papers written by graduate students (or co-authored with faculty), regardless of their university affiliation.

The editorial emphasis is on the publication of critical and provocative analyses of theoretical and substantive issues which clearly have relevance for progressive political intervention. Although we welcome papers on a broad range of topics, members of the editorial board work within a feminist and marxist tradition. Therefore, we encourage submissions which advance or challenge questions and contemporary issues raised by these two broadly defined perspectives. We also welcome commentaries and reviews of recent publications.

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Call For Student Papers

Alternate Routes is seeking submissions for Volume 13, 1996. The editorial collective is interested in papers that address current theoretical and substantive issues within the social sciences. Manuscripts will be anonymously reviewed by faculty members from academic institutions across the country. Please use the American Psychological Association (APA) referencing system and keep endnotes to a minimum. Papers should be submitted double-spaced and in triplicate. Floppy disks formatted in WordPerfect or Microsoft Word are required for papers accepted for publication.

We also welcome responses to recent publications, book reviews and discussions of work in progress.

Responses to this invitation to contribute should be postmarked no later than **October 1, 1995**.

Alternate Routes est à la recherche d'articles pour sa publication de 1996. Nous sommes intéressés à recevoir des analyses interdisciplinaires portant sur un vaste éventail de questions théoriques et substantives propres aux sciences sociales. Les manuscrits seront critiqués de façon anonyme par des professeurs de diverses institutions académiques du pays. Nous vous invitons à suivre le système de référence de l'American Psychological Association (APA) et à limiter la quantité des notes de fin de document autant que possible. Les articles devraient être présentés en format double interligne et en trois copies. Une disquette devrait accompagner le document et contenir le texte sur logiciel Wordperfect ou MicroSoft Word.

Nous apprécierions par ailleurs des critiques des récentes publications, comptes rendus et travaux en cours.

Les réponses à cette invitation devraient être postées au plus tard **le 1 octobre 1995** (le cachet de la poste en faisant foi).

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Alternate Routes

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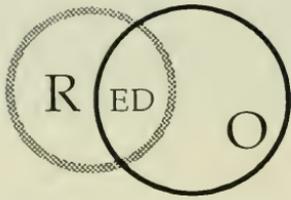
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*A Marxist Triquarterly of Theory,
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Editor's Introduction

This issue of *Alternate Routes* appears at a time marked by a continuing rightward drift within North American politics. Backed by recent electoral successes, the self-proclaimed 'revolutionaries' of the Right are busily setting about to dismantle what little remains of the post-War consensus. They have zealously begun their project of "re-inventing" government by slashing welfare rates to pay for upper class tax breaks, repealing employment and pay equity programs, attacking immigration and refugee policies, and abandoning the social programs and services that were designed, albeit imperfectly, to nevertheless increase the equality of opportunity amongst all citizens.

The sheer scope of this recent ideological and intellectual assault has successfully drowned out many progressive voices. And as the emerging regime of privatization and deregulation gains greater hold, the few public spaces currently available for those of us committed to an alternative social vision will continue to shrink. That is why it is important for us to maintain *Alternate Routes* as a forum in which critical scholars can present research and engage in debate that is both challenging and politically motivating. I think all the essays collected here fulfill that mandate.

Hamid Abdollayan, a Ph.D. student in Sociology at Carleton University, asks why underdevelopment remained a problem in Iran after the economy moved from pre-capitalist to capitalist production. He concludes that chronic underdevelopment persisted in Iran because of the new dominance of international capital and the subsequent peripheralization of the rural economy.

Susan Dodd, a doctoral candidate at York University, details how transnational corporations have successfully evaded legal accountability for their negligent actions. Examining the cases of the Union Carbide gas leak in Bhopal, India and the sinking of the *Ocean Ranger* oil rig off the coast of Newfoundland, Dodd proposes a number of concrete actions states can take to better police corporate behaviour.

Todd Dufresne, a graduate student at York University, surveys the appropriation (or lack thereof) of Jacques Derrida's deconstruction by anthropologists. Dufresne argues that a better appreciation of Derrida's work can help anthropologists overcome some of the persistent debates appearing within the "invention of culture" literature.

In his commentary piece, however, Wade Deisman shows less enthusiasm with Derrida's work. By comparing and contrasting Derrida's deconstruction with Theodor Adorno's concept of "negative dialectics," Deisman concludes that the latter's work is more valuable as he avoids the "abyss of endless analysis" associated with post-structuralism.

Finally, three brief articles drawn together from a work-in-progress seminar held at Carleton University last year provide key insights into contemporary debates within critical feminist theory. Catherine Browning's article surveys the difficult issue of same-sex partner abuse and details the special problems confronted by abused lesbians. Diane Enns provides an insightful overview of recent feminist debates on the "body," and Dominique Masson challenges us to re-think traditional feminist conceptions of the "state."

D.C. Robinson
June, 1995
Ottawa

Capital Accumulation, Technology Transfer and the Peripherilization of Sharecropping Agriculture in Iran

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Changes in the chronic patterns of capital flow from the rural economy of Iran in the traditional (pre 1950s) and capitalist (post 1950s) eras is the central focus of this paper.¹ I will develop the argument that chronic underdevelopment in rural areas of Iran prior to the 1950s can be attributed to the dominance of absentee landlords who transferred rural capital into the urban economy, rather than to the structural characteristics of rural economies in general.² The structural incapacities of rural economies to engage in the development process was an assumption that was incorporated into the Iranian state's development planning by giving priority to land reform programs. As it was assumed that the rural economy was structurally incapable of development due to the prevalence of low-productive practices, the only solution to low productivity, and consequentially, to underdevelopment, was seen to be an often radical transformation of the structure of agricultural production (e.g. Kazemian, 1968; Ajami, 1976: 131-7; Baldwin, 1967:70). This paper will argue that chronic underdevelopment persisted well into the late 1970s because the conditions of capital accumulation that existed prior to land reform remained intact: not still, however, in the form of traditional landlord-merchant relations, but rather as an extension of modern international capital.

Two socio-economic processes have contributed to the low productivity and underdevelopment of rural Iran: a) the dominance of merchant capital on the Iranian economy prior to the 1950s and its affect on the rural economy through landlord-merchant relations; and b) the dominance of international capital and the peripherilization of the rural economy in the post-1950s period. The first process that affected capital accumulation in the rural

economy prior to World War II can be identified within the social relations of agricultural production. The domination of absentee landlords and their close relations with the urban merchant class caused a shift of capital from the rural to the urban sphere. In the second process, it was the development of dependent capitalism in Iran and the priorities of international capital that affected capital accumulation in rural Iran (e.g. Foran, 1993 and Clawson, 1980).³ These two processes of loss of capital in rural Iran will be briefly discussed in this paper in order to: (i) examine the question of low productivity in the pre-capitalist agriculture of Iran: this is a question that has been answered in the development literature by examining the inability of agricultural production for mass production (as described by Todaro, 1989); (ii) examine new forms of capital loss in the post-land-reform period of rural Iran; and (iii) finally, to indicate that the underdevelopment of agriculture in the pre-capitalist era should be assessed by a reference to rural-urban exploitative relations in the pre-land-reform period. Similarly, the continuity of agricultural underdevelopment in the post-land-reform era should be viewed via a reference to the process of dependent capitalism in the same period.

4 AGRICULTURAL PRODUCTION AND THE PROBLEM OF CAPITAL ACCUMULATION PRIOR TO 1960

The 1950s mark a critical transitional period in the socio-economic formations of Iran, because not only did it coincide with the changes of the post-war international division of labour that would redefine the position of Iran in the world economy, but also it was the period of a coup and the transformation of power. The internal consolidation of the Shah's power and his new close relations with the U.S. affected the objectives and direction of post-war development processes (Katouzian, 1981).

It was not until the beginning of the 1960s however that these changes really began to redirect socio-economic formations in Iran. It is because of the significance of this time period that an analytical distinction is made between the post 1950s in general, or the period after 1960 in particular, and the period before the 1950s.

Agricultural production in Iran prior to 1960 was dominated by the pre-capitalist mode of production known as 'sharecropping.' Under this system, absentee landlords contributed to the production process by leasing their land and, sometimes, other means of production to peasants and then appropriated surplus product. The surplus was appropriated either as rent or as a share of

the product (Amid, 1990:47; Hooglund, 1982:11; Vali, 1980:23, 32-49). At the same time, the rural dominant classes (i.e. the absentee landlords) were themselves subject to domination by merchant capital for two reasons. First, the merchants were becoming a new force in agricultural production and were gaining control over the land (Lambton, 1969:262-263; Hooglund, 1982:12). Perhaps it was because of the effects of the changing structure of the landed property class that a great number of landowners lived in urban areas and were often involved in other economic activities there (Amid, 1990:9; Hooglund, 1982:12). Second, the merchants were dominant over the market in which the agricultural product had to be marketed (Vali, 1980:36). The dominance of merchant capital, therefore, meant that the contributions of absentee landlords were directed more toward the urban economy than toward agriculture. This landlord-merchant dominance has had repercussions on the land concentration and exploitation of the peasant labourers in Iran.

Kautsky (1980) argues that 'land,' one of the fixed means of production, can not be exploited for generating more than a specific amount of surplus product unless it is enlarged through land accumulation (see also Newby, 1978; Najmabadi, 1987:143). But this is not the case with 'labour' or other qualitative and variable means of production. Sodagar (1990:1-12) describes the process of the transformation of labour into value as a primary characteristic of the capitalist mode of production. If the creation of surplus in the production process happens as a result of the undervaluation or the exploitation of labour this could be true of a pre-capitalist mode (see Vali, 1980:13).

For example, in the sharecropping system five factors of production, i.e., land, water, oxen, seed and labour are combined to organize production. At harvesting time, when the division of the product is carried out, each factor's contribution to the production process is evaluated evenly regardless of the fact that most of the time labour's actual contribution might vary (e.g. Najmabadi, 1987; Vali, 1980:32-38).

Historically, the dominant classes of Iranian peasantry accumulated land and left the peasants dependent on land and land-use rights (Lambton, 1969:261-262; Hooglund, 1982:10-35). Hooglund (1982:12) points out that in the twentieth century the large landowners who constituted only 2 per cent of all landowners controlled 55 per cent of all cultivated land.¹ As a result, the concentration of land and consequent competition (Hooglund, 1982:11) over land-use rights (i.e. 'Nasaq') reinforced a particular type of communal

organization of production known as 'buneh' or sharecropping (Hooglund, 1982:23).⁵ In the sharecropping system of production, the need of the dominant classes for extraction of the profit from the production process was met through exploitation of the labourer (as opposed to land). In other words, in this system the varying labour input was evaluated the same as the fixed land and water input into the production process. But as Lambton (1969:295-296) indicates, without the labour input the land would not have been productive. Therefore, regardless of the amount of labour that the labourer embedded into the production process, the land, water and the labourer were allocated the same share from the product. There is also much evidence that indicates that the labourer could not even get the same share as the landowner received, because;

Various subterfuges were devised which effectively permitted landlords to keep up to three-quarters of the entire harvest by the twentieth century (Hooglund, 1982:11).

Hooglund argues that these conditions worsened in the twentieth century as a result of greater concentration of landownership and an increase in the rural population. He concludes that "[t]he peasants' economic dependence facilitated their political acquiescence to a highly disadvantageous agricultural regime," (Hooglund, 1982:11). Thus, the peasant did not gain the full value of his or her labour because of the dominance of the landlord over the production process.

Most of the time the Nasaq-holder's right (i.e. land-use right) to cultivation, which was attached to the landowner's land drove him to engage in a contract with the landowner, who controlled land and water. The labourer never calculated how much labour he or she had to invest in the production process. It is inferred that regardless of the extent of labour that the labourer (peasant) put into the production process it transpired that he or she won only a fifth or less share of the product.⁶ The reason for this calculation and the underevaluation of labour power was that labour was contrasted with land. In other words, while land was a fixed and objective factor which could be presented as the object of ownership, labour was a varying factor that could only be identified when it was attached to the labourer and to 'land.' Therefore, the labourer could not make a visible and measurable factor out of his or her labour in order to compete with the landlords who owned land and water. The invisibility of labour in relation to land and water gave a secondary significance to the role of labour power in the production process.

This secondary role of labour power was combined with its need (i.e., the labourer's need) for subsistence and put the labourer in the position where he or she was seen as an individual who was obliged by need to use the land even under these conditions (see also Vali, 1980:32-38).

In Iran ideological rhetoric surrounding the peasant's participation in the production process suggested to the peasant that he or she was not being exploited, but rather was fortunate for being able to work on the land. Being able to participate in the production process was considered a privilege since the peasants did not own the land and not many peasants had the chance to work on the land. Hooglund (1982:22) indicates that about 60 per cent of the rural population were the sharecroppers (i.e. *nasaq*-holders) in addition to another 40 per cent of the households which constituted the landless labourers:

While peasants thus constituted an absolute majority of all villagers, it is reasonable to assume, given the size of the population without cultivation rights, that possession of '*nasaq*' was a valuable asset.

Thus, the ownership of land and water and the abundance of labour power (in relation to the available land) brought the landowners such power that they were able to impose their terms on the labourers. Usually the process ended in the peasants receiving an unequal share that would keep them at the subsistence level (Hooglund, 1982:25-28). Their economic status placed them where they could not make ends meet and had to turn to the moneylenders or the landlords (Amid, 1990:42-47; Najmabadi, 1987:54-57; Vali, 1980:32-38). The landlords, however, received sometimes four-fifths of the product as their share and had the opportunity to accumulate wealth and power as the elites of the village (Hooglund, 1982:26).

The position of landlords and peasants outlined above leads to the conclusion that the realization of surplus product became possible after the following relations were met: 1) the existence of power differentials over the production process that derived from the land-ownership status; and, 2) the reproduction of the sharecropping system of production and its relations of production that guaranteed the dependency of the peasants on production and the dominance of the landlords. The question that remains is what happens to the surplus product and how does it contribute to the reproduction of the system?

From the late nineteenth century to the beginning of the land reform programs in 1962, the surplus product was marketed through landlord-merchant relations.⁷ This linkage between the pre-capitalist mode of production and merchant capital had two effects on the rural and urban economies. On the one hand, it further contributed to the concentration of land in the hands of a few landlords (Amid, 1990:28-33) because land accumulation was historically the only way by which the peasantry was dispossessed and became dependent on its labour power. Further, the exploitation of the agricultural labourer was facilitated by the dispossession of the peasants from the land. Once the collective labour power of the peasants was linked together and once the labour power was undervalued through factor-evaluation,⁸ then the generation of surplus product became inevitable. Hence, the concentration of land and the exploitation of peasants' labour became the necessary condition for the realization of surplus product. In other words, in order for the surplus to be produced and appropriated by the landlords and be marketed by the merchants, more land had to be accumulated.

8 On the other hand, landlord-merchant relations also facilitated the concentration of merchant capital in the urban areas, which contributed to the failure of the development of the means of production and the productive forces in the rural economy (Vali, 1980:32-49). Amid (1990:9) notes that absentee-landlordism and the fact that many landlords were involved in the economic activities of the cities (i.e., in cooperation with the merchants), resulted in a lack of capital and investment in the rural economy (see also Hooglund, 1982:12).

This had serious consequences for the rural economy. While more than 65 per cent of the population of Iran in the 1960s lived in rural areas (Amid, 1990:4), the productivity of the rural economy was so low it caused severe poverty and undevelopment (Ibid:44-48).

A number of theoretical approaches have sought to further understand the situation. Marxists assumed that traditional agriculture failed to approach the qualities of the development of a higher stage of feudalism⁹ (there is still controversy over the nature of pre-capitalist formations in many third World countries including Iran).¹⁰ This stage was considered to be a necessary stage for the total transformation of feudalism to capitalism in which the development of productive forces was crystallised in the conflict between new classes which were not historically present in the former modes of production (Nakhaie, 1986:78-84).

The developmentalist view, on the other hand, equated a development of social and economic structures and an upgrade in living standards with the level of production (see Todaro, 1989; Jenkins 1987). This development would occur primarily in industry and also in agriculture with the intensive application of modern technology (Jenkins, 1987; Kazemian, 1968:12-15; Najmabadi, 1976:105). Tofigh (1976:57-67), for example, compares economic growth to level of urbanization, the growth of the labour force, the growth of GNP and the growth of agricultural production which by any means can be put into one sentence, i.e., the growth of production in agriculture and in industry.

These two different views (i.e., Marxist and developmentalist) nevertheless share the assumption that the penetration of the pre-capitalist modes of production was an historical consideration that originated, in one way or another, from the differential levels of progress between the capitalist and pre-capitalist modes of production. In other words, there was a gap between two different modes of production whose conception was based on 1) a lack of technological advancement, and, 2) the presence of low productivity on the part of pre-capitalist modes of production. In Free Trade theories of development, for example, it was a necessity for the pre-capitalist economies to be penetrated by the senders of high technology (e.g. see Jenkins,¹¹ 1987 and Todaro, 1989). These theorists even suggested that not only should the Third World states not resist the effects of this penetration, but rather should cooperate so that the proper transfer of technological progress might be facilitated (see Todaro, 1989; Jenkins, 1987).¹²

Basing their critiques on the assumptions of the lack of technological capabilities and the existence of low productivity, the two approaches came to the same conclusion: the necessity of transformation by external forces.¹³

In fact, it was not the existence of low productivity in agriculture that rationalized the penetration of the Third World economies. Marxists and non-marxist researchers neglected the fact that low productivity in pre-capitalist sharecropping in Iran was caused by the process of capital outflow from the rural economy and the accumulation of capital in the urban economy.¹⁴ Accordingly, it is wrong to assess the efficiency of Iranian sharecropping on the basis of low productivity, because this low productivity was not a consequence of the practice of sharecropping. In short, the low productivity of agriculture was not a structural problem embedded within the rural economy. As noted earlier, in the period before the 1950s, the surplus product of agricultural production in Iran was extracted from the rural economy and

was transformed into merchant capital.¹⁵ Hence, this part of the surplus could not contribute to increased agricultural production. Thus, the low-productivity assumption based on historical evidence is unsupported on the grounds that it was not a consequence of production process, but rather it was a result of outward capital flow.

The outflow of capital took place where the agricultural commodity had to be marketed under landlord-merchant relations. As a result of the transformation of agricultural products into merchant capital, investment in and the development of agricultural technology was limited (Amid, 1990; Vali, 1980:32-49). It is for this reason that attributing the low-productivity to the embedded factors within the production process, without referring to the larger context of rural-urban relations, is flawed.

Disregarding these exploitative relations between the urban and rural economies of the pre-World-War II era, the development literature blamed the structure of the rural economy for the failure of the national economies of the Third world (see Todaro, 1989). The problem of low socio-economic standards that existed in the rural economy was well noted in this literature. They also identified the inability of the rural economy to improve the peasants' socio-economic standards. These facts, however, were theoretically misunderstood.

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The exploitative relations between rural and urban economies existed where merchant capital was imposing its own terms on agricultural production.¹⁶ It was an indication of the dominance of merchants who were thus able to determine the level of capital accumulation in the rural economy (see Najmabadi, 1987:44). This is a unique situation where merchant capital controlled accumulation in the rural economy without exerting actual political power, as opposed to the typical landlords elsewhere whose presence in the rural economy was known by their economic and political power (Hooglund, 1982).

What has been the import of this misplacement of low productivity and low living standards on understanding of the post-1950s socio-economic development of Iran? One concrete effect was that the government of Iran deemed necessary the transformation (i.e. capitalist penetration) of agriculture as a prerequisite for the elimination of low-productivity and low living standards (see Kazemian, 1968).

The development literature of the 1950s which suggested that a penetration of Iranian pre-capitalist agriculture by the capitalist economies was a necessity (see Kazemian, 1968) was based on a flawed understanding

of the situation.¹⁷ It was this misinterpretation of the rural economy that led both state officials and scholars to conclude that capitalist penetration was a necessity. The historical consequence of this was the development of dependent capitalism and the emergence of a dependent bourgeoisie in Iran.

Post-war development also highlighted the fact that only the patterns of capital loss from various sectors of the economy changed. In other words, a new socio-economic underdevelopment took place that did not alter the conditions (i.e., loss of capital) under which the destruction of the former agricultural-based economy was considered a necessity. The new patterns only differed in that the rural and the urban economic development processes were even more closely integrated. This was because the forms of capital appropriation from the rural economy had expanded to an appropriation of capital from the national economy in which a distinction between the rural and the urban economies hardly existed.

CAPITAL MOVEMENT, TECHNOLOGICAL CHANGE, AND NEW MODES OF CAPITAL OUTFLOW

There is considerable evidence which documents the growth of manufacturing products and rise in GNP in Iran in the 1970s (see Najmabadi, 1976). Compared to the previous periods, a different type of capital accumulation was occurring and the economy was functioning in an environment completely different from the earlier one—i.e., under the direct domination of merchant capital. But, many of the same sources also indicate much higher inflation rates, unemployment, and unequal distribution of incomes in the post-penetration era (Looney, 1975:3 and 1982:3-5).¹⁸ We have already seen that the assumption of agricultural inefficiency was put forward by the post World War II development literature, where it was assumed that the successor of the traditional agriculture would improve rural conditions (Todaro, 1989:62-78). But, as Looney (1982) indicates, it was not necessarily the case, at least not in Iran, and certainly not in the instances of income distribution and unemployment. The gap between rural and urban income groups widened (Mohtadi, 1986; Looney, 1982:247) and unemployment, especially in the modern sectors, increased (Looney, 1982:3-5). This is contradictory to the development objectives of the post-World War Two period and should be addressed.

The inconsistency between the assumption of agricultural inefficiency and the historical evidence can be addressed as a reflection of inconsistency

in the practices based on the flawed premises of post-war development literature. The post-war development process in Iran indicates that the problem of agricultural inefficiency had not been conceptualized properly. That is, as the development plans, inspired by the assumption of the inefficiency of the pre-capitalist mode were implemented, the economy developed new problems which were not supposed to exist. There is, then, a link between improper conceptualization of inefficiency in the pre-capitalist modes, the qualities of the post-war development process (i.e. choosing import-substitution industrialization and land reform policies) and the emergence of these new problems.

How can these new problems be conceptualized? One possible answer is that since the 1950s, the economy has been transformed into a dependent capitalist economy and centre-periphery relations have developed (or were reinforced) between Iran and the capitalist economies. I situate myself in this theoretical framework where the post-war inefficiencies in the economies of the Third World are addressed by a reference to the exploitative relations between these economies and the capitalist countries (e.g. described by Turner, 1984:13-14; Foran, 1993). There are two points that should be made here in order to shed more light on the theoretical position of the debate as follows:

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- 1) The post World War II development literature lacked originality in the sense that it was based on a flawed conception of the historical phase with which some of the LDCs were dealing.
- 2) They reflected the requirements of a new phase of capitalist development which was based on the extraction of profit from foreign countries by the capitalist countries.

Having clarified the theoretical position of the debate, it is necessary to further explore the new forms of capital outflow from the unified national economy of the 1970s.¹⁹ A review of how pre-capitalist agriculture was treated in the development literature (including Marxist and non-Marxist) reveals the shortcomings of the current studies.²¹ The majority of these studies deal with pre-capitalist agricultural production as a transitional stage in the history of socio-economic progress (described by Vali, 1980:37). Nakhaie (1986:4), for example, tends to contribute to the orthodox Marxist discourse and attributes feudalism to the pre-capitalist relations of agricultural produc-

tion in Iran. And he looks at the current changes (i.e. from 1960 on) as a transitory period that failed to replace feudalism.

Consequently, from this point of view, the changes that occurred in the 1960s and 70s (i.e. land reform and the modernization of Iranian industry) were those historically lacking the typical characteristics of a post-feudal society because they deviated from the historical process of development.²¹ This stream of thought assumed that this happened because the latest structures of agricultural production (prior to land reform) lacked the characteristics compatible with a feudal-based society. The Iranian agrarian case did not reach the mature level of feudalism and was, instead, penetrated by international capitalism. This meant that the external factors (as opposed to internal forces) contributed to change in the pre-capitalist mode of production. This approach identified a lack of the developed productive forces prior to the implementation of land reform in Iran. It was considered the missing factor that contributed to the establishment of dependent capitalism in Iran. Because of this loss, the development of capitalism (similar to that which occurred in the European context) with an involvement of the Iranian national bourgeoisie was out of the question.²² But, this premise of Orthodox Marxism (i.e. transitory character of peasant economies) has been challenged by Taylor (1979) who believed in the persistence of agricultural-based economies.

It is worth mentioning that Marx's accounts of the historical transition of agricultural production leads to a logical consequence which is the disappearance of the peasantry as capitalist development affects the process of production (Newby, 1978). But the capitalist development at the world scale, as Taylor (1979) indicates, has reinforced many features of the agricultural production-based economies through the articulation of socio-economic structures in peripheral areas. This is in contrast to orthodox Marxism's account for a total transition to capitalism.

Following this challenge, one can suggest that it was not even the lack of a national bourgeoisie that contributed to the socio-economic deficiencies. Rather, it was the formation and the existence of a dependent bourgeoisie that played a determining role in these socio-economic changes (i.e., underdevelopment or any other version of backwardness). The formation of a dependent bourgeoisie should, therefore, be given more theoretical credit than the lack of a national bourgeoisie. By putting this premise first, one will be able to pay attention to the external processes, i.e. capitalist development and the penetration of Less Developed Countries (LDCs) that resulted in the forma-

tion of a dependent bourgeoisie (e.g. described in Turner,²³ 1984:13; Foran, 1993). This would also help one to base a theoretical debate on the existence of a dependent bourgeoisie and not on the lack of a national bourgeoisie. Moreover, as indicated above, looking for the formation of a national bourgeoisie may lead to a misinterpretation of the structure of the rural economy.

These debates are provoked by the assumption of a unilinear process of change and transitory character of peasant economies that orthodox Marxists support. It is thus possible to put aside the assumption of transition and look for the processes that affected production and accumulation in rural Iran. One of these processes is the new form of capital extraction. This is, then, a contribution to the dependency discourse that focuses on structural underdevelopment and examines the differential levels of capital accumulation in 'centre' and 'satellite' economies.²⁴

The post-land reform agricultural formations can be excluded from the earlier formations on the grounds that they were constructed as a result of the import of foreign capital (Clawson, 1980:143-171). To the extent that these formations contribute to the outflow of capital (or redirection of capital accumulation), they will be appropriate tools for our understanding of the current socio-economic structures. In other words, there is no necessity to rely on the transitory assumption that necessitates historical analysis of the changes in different modes. As already noted, the transitory assumption has theoretical limitations. A reliance on the structural analysis of capital accumulation, however, would be more appropriate especially in the case of Iran because, it does not have to solve the theoretical dead-end that Orthodox Marxists encountered when they suggested that the pre-capitalist mode in Iran was a feudal mode.

The transitory characteristic of agriculture in the historical progress of societies has been examined by Lahsaeizadeh (1984) with a reference to the articulation of the different modes of production. Lahsaeizadeh (1984) refers to the socio-economic structures of rural Iran as the pre-capitalist mode of production that is being articulated through the effects of capitalist penetration. In his work, the transition is not the major theme but the pre-capitalist mode is considered unable to remain stationary and eventually will change. He allocated a chapter of his Ph.D dissertation to account for the effects of transitory agriculture (Lahsaeizadeh, 1984:314-346). Again, he has taken for granted that progressive capitalist enterprises would wipe out the remaining old forms of non-capitalist production. Although he accounts for the persist-

ence of a pre-capitalist mode of production, he contributes to the idea that the persistence of the pre-capitalist structures only postpones the total transformation of agrarian structures. In other words, the transition of these structures will eventually happen.

Despite this difference between his work and the work of orthodox Marxists (i.e. his emphasis on the reproduction of pre-capitalist structures after the penetration), he appears similar to the latter when he promotes his argument based on the assumption that the pre-capitalist agriculture in Iran will be replaced by capitalist enterprises (Lahsaeizadeh, 1984: 5, 435-462).

Turner (1984) has also studied pre-capitalist agricultural production in Iran. His work remains in agreement with the theoretical position of Weber (Turner, 1984: 153-186). Once again, the pre-capitalist agricultural production in Iran is identified in his work as the feudal mode of production (Turner, 1984: 172). He develops his criticisms of the Orientalist approach of the development literature. In so doing, he situates himself among those who not only disagree with the stationary notion of the socio-economic structures of the East, but rather assume that the East has been as dynamic as the West. Thus, his agenda for studying the East has been to identify the dynamics of change from agriculture to a more complicated socio-economic structure (Turner, 1984: 1-15). Although he is unwilling to repeat the same unilinear assumption of historical processes of change, Turner attributes the feudal mode of production to the Iranian peasantry when he examines them. Therefore, the notion of progress once again is encapsulated in the definition of agriculture as a system of retarded production which eventually evolves into a progressive one.

The transitory premise in the developmentalist (described by Todaro, 1989) and in the Marxist discourses can be criticized here based on the question of why agricultural production has to be taken as the transitory stage of progress. It is not a question of the validity of this consideration, but rather the methodological effects of this consideration. I would consider the Iranian case of agrarian structure as one which could have developed the means of production but was interrupted by two different socio-economic processes in two different historical periods. While I categorize these two processes under 'pre-capitalist relations of production' and 'dependent capitalism' I would argue that the latter need not necessarily have been a successor of the former. International capital acted as a catalyst to facilitate the transformation of agricultural production. The credit should, therefore, be given to the require-

ments of international capital that reinforced the transformation of agriculture in Iran.

A shift from reliance on agricultural production (until 1950s) to the industrial production (in 60s and early 70s) and from diversified production (from the 1960 to 1973 oil boom) to the production of oil, provide us with some clues about: 1) the formation of counter-productive forces, i.e. dependent bourgeoisie, their function in the process of circulation of capital (i.e. import activities) that led to the outflow of capital from the national economy; 2) subjugation of national economic forces to the international capitalist enterprises, and; 3) the course of change from production to consumption in the late 70s as the consequence of the two former processes.²⁵

These observations seem to support world system theories that interpret the social formations of the LDCs as those manipulated by the international forces. But, I would also suggest that these theories too (e.g. as described in Todaro, 1989; Turner, 1984; Taylor, 1979), put much emphasis on the importance of external forces. In order to contribute to these discussions, an application of the internationalization of capital approach would be more appropriate. Such a position would not only consider the external forces that are involved in the internal formations of the LDCs, but also the movement of capital.

CONCLUSION

Historical specificities of pre-capitalist Iranian agricultural production make it difficult to theorize in accord with the existing traditional Marxist and non-Marxist perspectives. The significant patterns of the outflow of capital that were hidden within the complexity of different modes of production have not been dealt with by these theories. Within these modes of production exist the dominance of merchant capital that contributed to the peripheralization of the pre-capitalist mode of production. The emphasis rather has been put on outlining the obstacles that agricultural production has encountered historically in the process of transformation into a more socio-economically developed formation. The post-transformation agricultural production of the 1960s and the 70s, however, indicated that the new patterns were not necessarily compatible with those which the traditional Marxists or non-Marxist state planners expected to happen. The development of dependent capitalism and the peripheralization of agricultural production continued to

be the major pattern of the development process under the dominance of international capital.

The most significant conclusion to the above is that two types of structural underdevelopment have occurred in Iran in two entirely different historical contexts. The outflow of surplus product under merchant-landlord relations was the major tendency in the pre-capitalist structural underdevelopment of the rural economy, then the dominance of international capital and various forms of capital loss contributed to a new type of the structural underdevelopment of rural Iran. In other words, the traditional mode of rural peripheralization was changed as a result of the development plans of the 1960s and developed into a new type of peripheralization and underdevelopment of agricultural production.

NOTES

1. I would like to thank Bruce McFarlane, Jacques Chevalier and Allen Steeves who gave me helpful criticism on an earlier version of the paper.
2. This assumption of the causal nature of structural characteristics can be observed in examples of both marxist and non-marxist theories -e.g. as described by Todaro, 1989.
3. Clawson explains the general laws of motion of capital which does not necessarily study rural economy separately. Nevertheless, his ideas support the point about the effects of international capital on internal, including rural, formation.
4. More details on the concentration of land is presented by Halliday (1979) and Amid (1990).
5. Communal, as opposed to individual and household independent producers, implied a situation in which the peasant did not own the land but his previous land-use practices gave him the right to work on the land with others with the same status. Each of these working groups were called 'buneh' or 'sahra' and these peasants were called 'nasaq-holders' (Hooglund, 1981). Working in these groups did not guarantee the use of land for the next year; it depended on the landlord's decision (Lambton, 1969:295-305). Most of the time the decisions concerning production were also made by the landlords. The important fact is that the peasants were bound to the production process through their dependence on land-use rights.
6. For more information about the arrangement on the distribution of produce see Hooglund, 1982, Nakhaie, 1986, Lahsaeizadeh, 1984, Lambton 1955.
7. Vali (1980:36, 43) describes the situation of the market but very loosely as he argues that the merchants were functioning as a middleman or agent of the landlords. Nevertheless, he indicates that the relations between the two linked the production to the market.

8. In the sharecropping system, five factors were combined in order to get production under way. These factors were as follows: land, labour, water, seed and oxen.

9. Nakhaie (1986:78) maintains that one of the obstacles to the development of a capitalist mode in Iran (in earlier periods) has been the incomplete private ownership of land.

10. It may be said that they assumed that the existence of a conflict between classes in the feudalist mode was a prerequisite for the transformation from a feudalist mode to a capitalist mode. Or, some even deny that there has been a feudalist mode, for example, in Iran (Ashraf, 1978). This is the reason Marxists can not envisage the transformation of agricultural production without it having passed through that level.

11. See descriptions of Jenkins (1987) about pro-Transnational Corporations (TNC) approaches.

12. Jenkins (1987:22) explains how Pro-TNC theorists developed the idea that state intervention with TNC operations in the host countries can be a detriment to the development process.

13. In the Iranian case, the Marxist approach did not take the penetration as a necessity, but rather, they suggested the idea of a spontaneous transformation of agriculture that was facilitated by the penetration of the Iranian economy (See Nakhaie, 1986 and Ashraf, 1978 for more details). Ashraf (1978: 311) appears more firm than others on the issue of forceful transformation as he quotes Marx, although he (Ibid) later indicates that the penetration did not create a Western typical bourgeoisie in Iran.

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14. The free trade theorists for example, took for granted the backwardness of agriculture in relation to the urban economy. They did not consider that, in Iran for instance, the surplus product was appropriated by the absentee landlords and was transferred to cities (see Todaro, 1989 for more details on the assumptions of development literature about agricultural production in the Third World). This was a fact that contributed to backwardness in agriculture.

15. I have already argued that the surplus product was transferred by the landlords to the urban economy. Since many of the large landowners were absentee (Hooglund, 1982:14), they tended to invest their capital in economic activities other than agriculture, i.e. mostly trade activities (e.g. Amid, 1990).

16. Najmabadi (1987:44) explains that from the early 19th century, the merchants got involved in agricultural production through buying land. She agrees with Gilbar (1987:312-365) that the merchants' interests contributed to a shift in cultivation patterns which encouraged the production of certain crops such as opium, tobacco, cotton, dried fruits and spices. The influence of the merchants in agriculture has remained throughout the twentieth century in Iran.

17. See Kazemian, 1968 for the details on the necessity of transforming Iranian agrarian structures considered by the state. This was an idea that was sponsored by the local and

international developmentalists at that time and was supported by the American agencies for the development of the Middle Eastern countries.

18. See also Looney (1977a and 1977b) for more information about the Post-1950s economic conditions of Iran.

19. 'Unified economy' refers to a situation where the process of capitalist penetration integrates the rural and urban economies. In this situation, rural and urban economies would be identified with the national economy that dominates both and determines the direction of capital accumulation at local levels.

20. In the following argument, we will see that these studies discarded the notion of structural underdevelopment of the 1970s economy. Because they were more concerned with the transition of pre-capitalist mode to a capitalist mode than they were about the structural underdevelopment. It was because of this that they only critically examined the failure of capitalism in Iran, and the development of dependent capitalism and the outflow of capital were given secondary consideration.

21. Nakhaie (1986) bases his theoretical debate on the logical appearance of capitalism that should have happened right after the disappearance of feudalism in Iran. Modernization of Iran, however, did not reflect the characteristics of typical capitalism. Therefore, he concludes, the historical socio-economic development in Iran deviated from its line and fell into a new phase i.e. dependent capitalism.

22. Ashraf (1978) explains this in terms of the obstacles that prevented the growth of a national bourgeoisie.

23. Turner (1984:13) presents a combination of both the external and internal factors involved in the socio-economic formations.

24. This is a combination of what Frank (1975 and 1981) and Foran (1993) present in dealing with, especially, the problems of underdevelopment and the post-World-War-Two crisis of the Third World.

25. The role of oil in this change is of some importance, but we will not discuss it in detail here.

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