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## **The Power Bloc in Iran: A Reply to ‘The Changing Formations of the Power Bloc in Iran and the Neo-National Bourgeoisie’ by Hessam Daryani and Nima Nakhae**

*Farhang Morady<sup>1</sup>*

The article ‘The Changing Formations of the Power Bloc in Iran and the Neo-National Bourgeoisie’ provides an interesting insight, especially in the latter part, into the current political situation in Iran. The article focuses on the formation of class blocs and the Neo-National Bourgeoisie following the 1979 Iranian revolution.

There are theoretical and practical issues with the article which need further clarification. The first key point of the article is the concept of comprador bourgeoisie, which is associated with underdevelopment. It is not clear whether the author’s analysis is based on the dependency school, nor whether Iran is a dependent or underdeveloped country. If this is the case, there are implications on the nature of the state as a whole and different blocs in particular. I think the project would benefit by developing an analysis of capitalist development in Iran and the nature of the state under the Islamic Republic. I, therefore, have divided my response into different sections: a) assessing, very briefly, the development of capitalism and the nature of the Islamic Republic’s state; b) examining the role of oil industry in the development of capitalism; c) applying Gramsci and Neo-Gramsci to examine the emergence of class blocs and its implications in post-1979 revolutionary Iran, especially since 2009.

### **Islamic Republic: orientalism, modernisation, dependency and uneven development**

The implications of the continuing political battles between the competing factions within the Islamic Republic have heightened the debates on the nature of the Islamic Republic’s state. Indeed, the ‘revival of Islam’ in Iran since the Iranian revolution in 1979, occurring in one of the most modern and secular countries in the Middle East has raised questions regarding the nature of the regime, Iranian society and its economy. Iran’s apparent retreat from modernity and return to ‘fundamentalism’, or ‘traditionalism’ has posed a challenge to theoretical propositions ranging from traditional ‘orientalism’, to modernisation, to dependency theory.

The modernisation analysis emphasised the effects of economic growth on ‘traditional’ society resulting in a process of change from simple to complex technology, industrialisation and urbanisation. Hence, this would lead to modernisation, decline of family influence, separation of the economic arena from domestic or religious sphere, increased stratification, and the rise of trade unions and political parties. The establishment of the Islamic Republic in Iran posed a huge question to this analysis postulated by modernisation.

Others, such as orientalists, have expressed the view that a country like Iran is unable to adapt to modernity and capitalism. The idea that the Islamic Republic of Iran or any other current Islamic movement is a product of the past with no relevance

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to the present made very little sense in an era of globalisation. Indeed the Islamic Republic explicitly rejects all modern political models as Western products, yet their own political ideas and organisations are all based on the modern nation-state. Hence, it is naive to characterise the Islamic Republic of Iran as inherently anti-modernist. Equally, capitalist development is not a linear process but mediated by specific, historically situated local institutions. Thus, capitalism is characterized not only by growth, but tension, resistance and stagnation too. This tension can express itself in various ways, sometimes in the form of secular nationalism as during the 1940s and 1950s, and sometimes through Islamism. Movements in Iran have often reacted to the west, via anti-imperialism and a struggle for independence, but this does not mean a return to pre-modern existence or destroying a supposed authenticity by acculturation; rather, it is an 'Islamising modernity' or another way of putting it would be reconciling Islam to a modern world (Roy 2004: 19).

This, however, poses an important question as to the nature of the state under the Islamic Republic. This is partly because it is difficult to define exactly what religion in general and Islam in particular actually is. The obscurity of religion has made analysis of such a phenomenon complex because the traditional class, the rich as well as the poorer groups in society may all observe it. The support that religion receives from the poor has led some to the belief that this revival is progressive and liberating. As such, the Islamic Republic is sometimes seen as a 'progressive', anti imperialist force in the world. The different interpretations naturally appeal to those from different social classes. Islamism has grown within societies feeling the impact of imperialism and capitalism, a transformation of social relations, the rise of a local capitalist class and the formation of an independent capitalist state. This is in a country where there have been huge social changes since 1979: Iran's population has more than doubled to 70 million of whom 80% are below the age of 40 years; 70% are under 35 years and 50% are under 25 years. The literacy rate has also rocketed from 48% at the time of the revolution to 90% now, with 60% of young Iranians attending college or university, whilst the number of Iranian women attending university has risen to over 60%. Indeed it is this magnitude of social change that has now cornered the Iranian elite and led to the creation of different blocs jostling for power.

The developing economies including Iran while integrated into the world economy, have stayed on the periphery of it. The 'world system theory', writers such as Frank and dos Santos based their analysis on the apparent underdevelopment of the 'Third World' as a result of their historical and geographical position within the global division of labour. Frank argues that the division of the world system into metropolises and satellites resulted in the misuse and squandering of resources throughout the system. In particular, the expropriation and appropriation of a large part or even all of the economic surplus of the satellite by its local, regional or national metropole. However, although influenced by the dependency school, Jazani (1980) rejected the view that Iran is unable to adapt to capitalism and acknowledged Iran's transformation from feudalism to capitalism, with industrialisation, albeit, dependent on core countries. For Jazani the character of dependency is inseparable from the capitalist system, foreign exploitation and imperialist domination in Iran. The dependent capitalist is found in the form of the 'comprador bourgeoisie', the agents of imperialism who cooperate together to exploit Iran.

The analysis of Iran cannot start from the premise that it is the external forces of imperialism, or the internal character of the society that are the cause for the underdevelopment of Iran. Pre-capitalism has been transformed in Iran into the

capitalist mode of production, albeit in uneven form. The expansion of the European capitalist mode of production and its impact on Iran in the 19th and early 20th centuries, promoted the transition from pre-capitalism to modern capitalism i.e. generalisation of the commodity market, growth of wage labourers, capitalist class, urbanisation, modern nation states with modern bureaucracy, army, educational system, adaptation to new technology and emergence of political institutions such as parliament. This transformation is based on a view of the mutual causality of the internal logic of pre-capitalist Iran and the external impact of western capitalism. Hence there is no simple correspondence between imperialism and the progressive erosion of pre-capitalist economic and social relations. The process of capitalist development cannot be explained by taking just one factor – both internal and external relations should be considered. Capitalist development has been an uneven process, involving great contradictions.

### **Oil and development of capitalism**

Capitalism develops at a different speed throughout the world, in different nations and sectors, but not in isolation from each other. This development does not necessarily need to take the same form in every part of the world. The capitalist development in Iran was concentrated around the oil industry and this may be different to those countries without oil. Uneven development is the striking feature of capitalist development, a result of the way that capitalism can incorporate even the remotest area into the global division of labour. This development occurs at different times and with different dynamics, inevitably creating contradictions in the economic, political and cultural areas of the society. Capitalism has different features in different parts of the world and some of these features have survived from pre-capitalism to modern capitalism. The form and role of the state, social classes, traditional institutions such as bazaar, religious establishment and monarchy are not static but dynamic and change under different circumstances.

The oil industry has shaped Iran's transformation from being in a weak economic and political position into a powerful, dynamic and relatively autonomous state in the region. Iran possesses the world's third largest oil reserves at 11%, and the second largest natural gas reserves, standing at 16%. Oil accounts for over 80% of the country's foreign exchange receipts, while oil and gas together make up about 70% of government revenue (Morady 2011). The oil revenue has helped the state and its institutions by providing economic and political power, reducing its dependence on other revenue sources. Indeed the current ruling faction rests on two pillars of power: the security forces and the oil industry. These two pillars form the main support base for the regime at the present time and they are not separable. However, this has not been without contradictions as the recent political turmoil shows. Indeed, as Gramsci asserts, the ruling elite is only able to have hegemony or exercise control over the space that they rule through using both coercion and consensus. This space is contested, as it is also where individuals can organize counter-hegemonic challenge to state authority. Gramsci uses the notion of civil society to denote not only institutions such as religious centres, mosques, social welfare and political parties, but also the fact that ideas are structured and interpreted within these institutions. Civil society also provides the space for ideological struggle, where competing blocs may contest popular 'common sense' or create a new hegemony with a different history. This may even transform into a new structure of power.

### **Political discourse in 1979: competing powers and emerging hegemony**

In Iran, political discourse during the 1979 revolution covered diverse ideological interpretations, encompassing Islamic-left ideology, liberal-democratic Islam and socialist guerrilla groups of both Islamist and secular variants, not forgetting secular constitutionalism in socialist and nationalist forms. Islamists led by Khomeini presented a radical argument: although his social base was mostly in the traditional sections of society (the bazaar and landowners) he was able to capitalise on the revolutionary fervour of mass protests and thereby widen his appeal to other sections of society, including those members of the working and middle classes who originally had reservations. A bloc secures hegemony through assertion of the ideas of ‘common sense’ appears to the populace as real and mobilizes them into a new direction. Here again Gramsci points out that the ideologies comprising ‘common sense’ could be in the form of conservative, populist or progressive with different meanings and interpretations accordingly, meanings which are often fragmentary, fluid, heterogeneous and contradictory. Khomeini’s populism gave the Islamists the real possibility to compete with the left and secular organisations and win ever-greater support throughout society. Without the backing of substantial numbers from the major social classes, the revolution could not have succeeded – in other words, the triumph of the revolution necessitated the coalition of several classes. The ability to articulate class unity was only one factor in making the revolution successful. Revolutions arise as a result of class conflict, a crisis of hegemony and the failure of the ruling blocs to continue to operate in the face of the strength of oppositional forces. Gramsci uses the term a war of position to illustrate the way the ruling bloc is able to maintain legitimacy while being contested in civil society by other reconstructions of popular ‘common sense’ from the other political and social groups. There are, as Gramsci points out, dialectical relations between national and international forces where the latter plays an important role in the transformation of national politics.

The Iranian revolution had a huge international dimension: anti-imperialism was at its core because the Shah was a Western ally, installed and supported by the West through a military coup in the 1950s. Iran’s revolution was thus the most severe threat to Western interests, with over 60% of conventional oil reserves located in five states around the Persian Gulf, and the energy supply security so vital to the modern world. Hence, the USA set itself a geostrategic imperative to prevent Iran from being able to influence the other states in the region. It was under these conditions that the new revolutionary leadership came to power in 1979. During the Iranian revolution of 1979 Khomeini’s bloc or faction was able to build a hegemonic or dominant role domestically, to a degree regionally and even internationally. It is rather difficult to use the term comprador bourgeoisie for Iran at least during this period. Indeed the US has been actively trying to force states such as Iran, a counter-hegemonic forces, to subordinate to its hegemonic rule. Neo-Gramscians correctly point to the articulation of social forces, forms of the state and world order. They adapt Gramsci’s view of hegemony from national state to international system (Cox 1987).

### **From alliances to factionalisms**

Whilst Khomeini was alive, he was able to stand above the competing factions: the Islamist right and a moderate or pragmatic right led by Rafsanjani, representing big business interests. The Islamist left led by Mir Hussein Mousavi, who was prime

minister during the 1980s, mixed religious slogans with nationalism. Crucially, during the early part of the revolution, the factions had managed to put aside their differences in order to outmaneuver their competitors, the secular nationalists and the Marxists. These groups have a common interest to support the Islamic Republic and many have continued to give allegiance to Khamenei as long as their own benefits are protected. The oil income has given the state enough power to be relatively independent from civil society but it has also created tensions between different blocs ranging from the Islamic Revolutionary Guards (IRG) to moderate and traditional Islamists (Morady 2005). Those who have access to oil income are able to combat both internal political opposition and any external challenges which may arise. They have also used the oil income to buy support from different social groups. The alliance of Khamenei and IRG provide the latter with inflated salaries and social positions given to individuals, especially in the religious schools, in order to become part of his support base.

This alliance has out-manuevered Rafsanjani, Khatami and the Green opposition. Ahmadinejad's allies from within the IRG make up the majority of the cabinet and more than a third of the current parliament wield real business and economic power, with control over huge oil and chemical industry projects. Under Ahmadinejad's presidency, the IRG also benefited handsomely from his privatisation policy and have expanded their reach to the oil and gas industries. Ahmadinejad was committed to accommodating the interests of an emergent bourgeois class, fuelled by oil income and consolidated by the skyrocketing oil prices of the time. The increase in windfall revenues from oil empowered the conservatives, which in turn served to intensify the competition over this resource. The IRG have thus emerged as a central organisation in this new class, which consists of a symbiosis of the clerical and traditional classes, supplemented by the IRG's military power and their auxiliaries, namely the Basij. However, the split in the ruling elites is no longer between two groups: at the present time, there are more factions emerging within the Ahmadinejad/Khamenei camp. Indeed, attempts by the IRG and conservative factions to isolate him on many occasions since 2009 is a reflection of the instability within different blocs. It remains to be seen how long the Khamenei/IRG alliance will be able to use its coercive apparatus, backed by significant financial resources – oil and gas income – to avert the protest. This will not be easy, as there is little cohesion within the current political elites.

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