

# THE LOCAL IN THE GLOBAL: AGRICULTURE, STATE AND REVOLUTION IN IRAN\*

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## THE THREE COLONIALISMS OF HISTORICAL CAPITALISM

This article explores the local dimensions of a global process, namely the reorganization of world agriculture in the second half of the nineteenth century and its connection with the transformation of state and society in Iran. While this work is a prelude to an analysis of global agrarian change and revolution in Iran in the late twentieth century, space allows me to focus only on the late nineteenth century.

Methodologically, advances in the sociology of agriculture and food in recent years (McMichael 1994, 1995; Friedmann 1993; Araghi, 1995, 1997, forthcoming; Bonanno et al. 1994; Goodman and Watts 1997) inform this analysis. While the new literature does not provide a single analytic framework unified by common assumptions, the following reconceptualizations – some of which are nascent and some more developed – represent a break with traditional rural sociology and are important for my analysis:

- (1) Reconceptualizing “place” as a *global* and *uneven* process; that is, social and political spaces, such as “the nation-state” or the “agrarian sector,” do not simply exist, they are *produced, reproduced, constructed and deconstructed* through social struggles. Globalization involves “uneven space formation” such as “Colonization,” “Third-Worldization of parts of the First World,” “super-urbanization of the Third World,” and “global deruralization.” Rather than being assumed, place, and its process of formation and differing forms, are the subject of historical analysis.
- (2) The bringing of rural and agrarian phenomena from the margins to the center; the hegemony of modernism together with the rise to dominance of urban industrial capitalism in the late nineteenth century Europe led to the equation of “civilization” and human progress with urban phenomena. Industrial capitalism, however, transformed world agriculture not only technologically, but also in connection with lowering and rationalizing the reproductive costs of labor power. The restructuring of world agriculture, in turn, led to global class restructuring and a radical transformation of state, economy, and society in the colonies and semicolonies.

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- (3) The question of “agency;” paying attention to the politics of class struggles within and without the state avoids both the reification of the world economy, as in the early world-system analyses, and teleological reasoning, i.e., making deterministic assumptions about the direction and outcome of social transformation.
- (4) Seeing the local within the global and vice versa; examining such “politicomic” movements and struggles, allow us to see the contradictory unity of local and global phenomena; that is, divergent local conditions within a unified, but not uniform, global process. Much of the controversy on the relationship between the local and the global stems from a mistaken equation of the global with the general and the local with the particular, and thus a replication of the nominalist-realist debate. Seeing the global in the local and vice versa means seeing the particularity of the global and the generality of the local and vice versa. This perspective is an alternative to modernist views, which privilege generality, and its postmodern critiques, which privilege particularity.

I begin my analysis by briefly distinguishing among what I call “the three colonialisms of historical capitalism.” This will allow us to specify the global and local coordinates of social transformation in nineteenth century Iran.

*The First Colonialism* extended from the sixteenth century up until the nineteenth century and was the *condition* of the rise of European industrial capitalism. It was highlighted by “primitive accumulation” of capital at the national level, such as the dispossession of peasantries in Tudor and Elizabethan England, and at the international level, the dispossession of Native Americans in the Americas and enslavement of African labor. The latter was characterized by violent confiscation of non-European lands and resources, especially precious metals, the subjugation of native crafts and industries, and forcing a specialization of labor and trade in primary agricultural products.

*The Second Colonialism* was a *consequence* of the rise to dominance of industrial capital in the nineteenth century. As European industrialization, proletarianization, and urbanization matured in the nineteenth century, trade with colonies was reorganized in accordance with the law of value. Thus mercantilist trade in luxuries gave way to trade in agricultural commodities that subsidized the reproductive needs of European labor and capital. The international integration of nonwage and wage-labor systems is what Friedmann and McMichael (1989) have called the first food regime, which was the distinguishing feature of the Second Colonialism. Beginning in the 1930s and culminating after World War II, a rising wave of anticolonial movements led to the collapse of the Second Colonialism. A three-decade long transition period separated the fall of the Second Colonialism and the Rise of the Third Colonialism. This was an extended process which began in the 1930s and culminated in the post World War II period with the rise of a powerful wave of national liberation movements. Between the fall of the Second Colonialism and the rise of the Third Colonialism came a transitory stage, from the early 1940s to the late 1970s when, in a competitive context, the United States, the Soviet Union and European states accommodated the yearnings of the postcolonial peoples for national independence and “inward-oriented” economic development.

*The Third Colonialism* has been emerging since the 1980s. The Third Colonial-

ism is structurally similar to the Second Colonialism with one similarity and two major differences (Araghi forthcoming). Ideologically, both the Second and the Third Colonialisms have relied on comparative advantage arguments and laissez faireism as a means of institutionalizing their respective world economic orders. However, whereas under the Second Colonialism the international division of labor was organized by the British state to satisfy the reproductive needs of British industrial capital, under the Third Colonialism, transnational corporations and their agencies, including the IMF, World Bank, and World Trade Organization, are primarily responsible for organizing the global division of labor around the reproductive needs of transnational capitalism. We also can distinguish between the “*visible colonialism*” of the nineteenth century, where Britain controlled its colonies primarily through the “visible hand” of the state, and the “*invisible colonialism*” of the late twentieth century, when the transnational corporations and their agencies control the weaker states primarily through the “invisible hand” of the market and the debt regime.

The above distinctions, I should emphasize, are only meant to provide a heuristic tool for detailed historical/comparative analysis of divergent outcomes within each general category (Weber 1949:90-103; Marx 1973:100-110 ) As we will see, the local transformations in agriculture, social classes, state, and society, and the rise of urban movements in late nineteenth century Iran can be better understood in connection with the rise of the second colonialism. Nonetheless, Iran was culturally a unique case in that its brand of nationalism merged modernist ideals with pan-Islamic, Shi’ist, discourse. As Iran was never formally colonized, in some respects it revealed the character of invisible political subordination under the third colonialism and the future pan-Islamic reaction.

### **THE SECOND COLONIALISM, AGRICULTURE AND SOCIAL CHANGE**

By the second half of the nineteenth century, major defeats in military confrontations with Russia and Great Britain had led to the subordination of the Iranian state. Politically independent, but financially dependent on foreign loans, the Iranian state partially represented the interests of the international merchants and industrial capitalists. The commercial treaties, *Gulistan* and *Turkmanchai*, and the Anglo-Persian Commercial Treaty, fixed customs duty for imported goods at 5 percent for foreign traders and exempted them from road tolls and internal transit taxes. These treaties spurred foreign trade which increased twelve times during the nineteenth century (Stavrianos 1981:225). The bulk of Iranian exports consisted of agricultural raw materials, especially cotton, rice, tobacco and opium which were traded by foreign and Iranian merchants. The increasing integration of sections of Iranian agriculture into the system of world trade under the second colonialism profoundly affected class and state restructuring in Iran.

For the purpose of this analysis there were several important changes associated with this process. First, the social structure of land ownership changed as land became a commodity. From the 1870s onwards, the state, facing financial distress, raised revenue through sale of state lands to merchants and traders. Second, responding to world market demand, merchants invested in landed property and cash cropping with three related consequences: (a) the composition of products

changed as cultivation for domestic consumption gave way to export cropping, (b) export crops became world commodities produced by unfree labor, and (c) peasant labor, as commodity producing labor, was intensified due to competitive commercial pressure (Araghi 1987). Third, Iranian merchants, while in a less favorable position than foreign merchants operating in Iran, benefitted from the expanding world trade in export crops and became increasingly self-conscious as a class. Fourth, following their unsuccessful attempts at finding representation within the state, the Iranian mercantile class joined the emerging pan-Islamic movement to give rise to the social upheavals of the late nineteenth century and eventually to the constitutional revolution of 1905. Fifth, as the demands of the pan-Islamic movement and those of the merchant bourgeoisie merged, nationalism in late nineteenth century Iran came to be both modern *and* nonsecular.

### THE RISE OF COMMERCIAL AGRICULTURE IN IRAN

As trade expanded in the nineteenth century, so did the state's need for money. The commercial treaties that were signed following defeats by Russia obligated the state to pay indemnities in cash. The humiliating defeats had also made it clear that the state's reliance on tribal forces was no longer adequate, and that modern warfare required a standing army equipped with modern weaponry. The military reforms which followed increased the government's need for cash as did other attempts at imitating the west, such as creation of new civil institutions, like the *Dar al-Funun* (House of Sciences), in the second half of the nineteenth century. The transition from a closed to a commercial economy brought the state aristocracy in contact with the modern world, leading to new demand for European luxury goods. The Shah himself borrowed vast amounts of money from Britain and Russia to finance his extravagant tours of Europe. At the same time, the currency was devalued, as the world price of silver declined. The exchange value of Iranian coinage, based on silver, steadily declined, falling by 1914 to one-fifth of its exchange rate in 1800.

Hence the state, in constant need of cash, raised money through: (1) the sale of state lands, (2) borrowing from British and Russian banks which had been granted the right to issue banknotes in Iran, and (3) the sale of monopolies and concessions to foreign capitalists (Avery 1965; Issawi 1991). Old ways of obtaining money by the state from merchants and creditors through extortionist methods survived (Ashraf 1980:39), but especially in the second half of the century, the commercial methods of raising revenue (borrowing, selling and renting) came to prominence. State lands (or *khaliseh* land) which were formerly only granted for services to the state became commodified as they were increasingly converted to private property for sale. This was a dominant tendency in the late nineteenth century (Lambton 1953).

The demand for land by merchants and other wealthy individuals originated in the second colonialism's world agricultural policy, which gave cash cropping for export new importance. The way to affluence now passed through the world market, and increasingly merchants, traders, and landed classes turned to international trade in agricultural raw produce. As merchants purchased land for commercial purposes, the land in possession of the traditional landlords (*arbabi lands*), the religious establishment (*vaghf lands*), the tribal leaders, and the military officers (*toyoul*

property) went under cultivation for export cropping. Toward the end of the century the fortune of the mercantile and landed classes had become tied to cash cropping.

The export-led character of commercialized agriculture in Iran is reflected in the composition of its products. Several crops had come to dominate Iran's export trade, including cotton, raw silk, rice, dried fruits, tobacco and opium. By the end of the century Iran derived 85 to 90 percent of its foreign exchange from the export of agricultural commodities (McDaniel 1971:37). An exception to the export of cash crops was export of carpet, which amounted in 1914 to about one-eighth of Iran's total exports. Carpet weaving expanded after 1870s as improved steam navigation reduced transportation costs and as the growing affluence in Europe and America increased the demand for Persian carpets. Here again "the bulk of the production continued to come from the traditional centers, financed and supervised by merchants" (Issawi 1991:598). Cash crops, however, comprised more than 85 percent of Iran's exports (Nowshiravani 1981:564). Silk production rose to a peak of one thousand tons in 1864, but it sharply declined afterwards when the marsecine disease reached Iran (Issawi 1991:599). Production of grains for export began in this period as wheat and rice were wanted in Russia, where they had been replaced by cotton cropping. Tobacco also was introduced in the 1870s primarily for the Ottoman, Indian, and Egyptian markets. By the late 1870s, upwards of one hundred tons of tobacco were raised (Issawi 1971:247-8). Cotton was a very old crop, but its new, particularly American, varieties were introduced when the "cotton famine" resulting from the American civil war led to a sharp increase in prices and a significant rise in Iranian exports. Between 1863 and 1865, the exports of cotton (mainly to Britain and Russia) increased by 500 percent. In 1896, McDaniel (1971:43) writes, "Persian cotton sold in Russia for nearly two rubles per pud (unit of 36 lbs.) less than American cotton and a ruble less than Russian. The response was so vigorous that there was some concern in Khorasan (province in north eastern Iran) that cotton cultivation was completely replacing grain and that in a bad year Khorasan would starve."

The commercial significance of opium began in the 1860s, when it became a major export crop. In the early 1860s exports amounted to about 60,000 lbs., rising to 1,600,000 lbs. in 1880. With a monetary return three times as high as wheat, opium increasingly displaced wheat in many areas (Issawi 1991). As one British consul reported, "[a] few years ago the profits of the opium attracted the attention of the Persians, almost all available or suitable ground in Yazd, Isfahan, and elsewhere was utilized for the cultivation of opium to the exclusion of cereals and other produce ... [this], combined with drought and other circumstances, resulted in the famine of 1871-2" (cited in Issawi 1971:238). In 1886, Iran exported more than twenty-six times more opium than it did in 1859 (Table 1). Compared to other cash crops such as cotton, opium's high value per pound and easy transportability made it one of the most significant cash crops in Iran.

While the role of drug trade as a component of the world trade system under the second colonialism remains understudied, it should be pointed out here that the exchange value of opium was not only based on its use value as a narcotic. Opium was also an important means of payment, particularly in connection with Chinese tea export to Britain. With the unpopularity of most British products in China and Britain's reluctance to pay by means of silver and gold, opium became the means

**Table 1. Production of Opium for Export, 1859-86**

Year	Cases of Opium Exported	Percentage Increase
1859	300	
1871	870	190
1876	2570	195
1881	7700	200
1886	8000	3.9

Source: Adapted from McDaniel (1971:43).

of financing British trade with China. By the late nineteenth century, Iranian opium trade had been well integrated into the India-China-Britain trade triangle. Later, I will point out the importance of the opium trade in mobilizing the merchants against the state in the Tobacco Rebellion of 1892.

New crops were introduced by foreign and domestic merchants who advanced funds or seeds to the growers. The practice of *salaf-khari*, or pre-harvest purchase of crops as a condition for supply of seeds, made the use of money and credit widespread in the export-led sector of Iranian agriculture. In the case of cotton, for example, merchants and speculators advanced money, distributed seeds and set up ginneries. Funds were advanced either directly or through small merchants (Issawi 1991). In their confidence in the marketability of export crops, merchants sponsored the penetration of monetary relations in the Iranian countryside and helped the transformation of subsistence agriculture to commercial enterprise.

In 1904, the British official MacLean (1971:137), in his "Report on the condition and prospects of British trade in Persia" summarized Iran's trade with the British Empire, Russia, and other countries. An excerpt of MacLean's report is shown in Table 2.

### **PRODUCTION FOR PROFIT AND THE IRANIAN PEASANTRY**

Not only was the produce of agriculture commodified and its composition changed via the mercantile connection with the world market of the second colonialism, but also, and of equal importance, is that the character of Iranian "serfdom" changed after the 1850s. Historically, peasants' dependency and bondage were not formally codified in Iran; substantively, however, peasants were tied to the soil and dependent on the landlords (Lambton 1953; Petrushevski 1966; Fazlullah 1939). Petrushevsky (1966:606-608) argues that the situation of Iranian peasants was similar to that of *landhonger* peasants in Germany at the beginning of the sixteenth century. Unlike *lei beig* peasants who were legally tied to the soil, *landhongers* had the formal right to leave one village for another, although in practice they weredependent and subordinated. In Iran, the so-called sharecropping system (*mozare-e*) effectively bonded peasants to the soil (cf. Poliak 1939:64-73). With their monopoly on land and water, the landlords subjugated the peasants as (hereditary) tenants who held cultivation rights (*haghe nasaq*) at the mercy of the lords (Araghi 1987).

**Table 2. Iranian Trade with Britain, Russia, and Other Countries, 1904**

Trade	Exports	Imports
British Empire	Chiefly raw products: Dried fruits, opium, gums, pearls, raw hides. Manufactures are carpets and some silk tissues for India.	Three-fourths, cotton yarns and tissues, which form also quite two-thirds of the total imports of these commodities to Persia. One-eighth or less, other manufactures; and the rest tea, coffee, spices, etc., from India.
	Total: £500,000 per annum.	Total: £2,000,000 per annum.
Russia	Five-sixths, raw or agricultural products, of which the most important are dried fruits, raw cotton, and rice, then hides and peltries, wool, cocoon silk, and gums. One-sixth, manufactures: Leather, carpets, and various tissues.	One-half, sugar. One-fourth, cotton tissues, one-fourth, other manufactures.
	Total: £1,500,000 per annum.	Total: £ 2,000,000 per annum.
Other countries	Opium to china, cocoon silk to France and Italy, carpets to Turkey, Europe, and America, cotton, silk, and woollen tissues to Afghanistan and Turkey.	Sugar from France and Austria, Woolen, cotton, and silk tissues from France and Austria, tea from China and Latvia, raw materials from Turkey and Afghanistan, other manufactures, chiefly from France, Austria, and Germany.
	Total: £1,000,000 per annum	Total: £1,000,000 per annum.

Source: Adapted from MacLean (1971:137).

The introduction of the profit motive and competitive pressure via the world market (cf. Tomich 1988) expanded and intensified the serf-lord relations in Iran. Even the formal cultivation rights were abrogated (Keddie 1980:164) and as Avery (1965:78-96) aptly noticed:

The age had come when the Iranian nobleman ceased to be to the peasants of his district a remote and a patriarchal figure contended with annual tribute in kind to feed his dependents; while taxes were also payable in products, so that the cultivator was spared the opportunities for oppression afforded by sales of crops for conversion into cash. The landed classes became magnates who could profit from the sale of bulk crops for export; especially cotton, tobacco, and rice. Their interest in the land assumed a new vitality as the possibilities of its exploitation for cash income were opened to them. *The cultivators became little more than slaves.* Their shares in the land remained the same or were rendered insecure while their masters found they could extract large profits. Their masters' overseers began to compel the cultivators to change from cropping on a level sufficient to satisfy the owner's, the government's and the cultivator's needs alone, to working *to meet a new type of commercial requirement* ... To be a land-owner was no longer to be part of an internally interdependent scheme. It was to be a profiteer, dependent upon foreign markets (emphasis added).

This new "vitality" of interest in land and its produce by merchant capital

amounted to attempts at increasing profits by increasing the volume of trade and “squeezing” peasant labor through cutting down into peasant subsistence and more intense exploitation of the peasantry. In other words, in so far as they raised profits, the agrarian merchants, of both landed and urban origins, did so on the basis of the extant relations in Iranian agriculture (*mozare-e*), that is through intensifying the exploitation of coerced labor (Araghi 1987, 1999). Numerous evidences exist to support this conclusion. “That the period of Western impact,” one historian points out, had “a worsening of peasant conditions and not simply a maintenance of traditional standards is suggested by comparing Western travelers’ reports before the mid-nineteenth century with later conditions” (Keddie 1980:160). Lambton’s (1953:143) research on the history of agrarian relations in Iran has also documented the “gradual worsening in the position of the peasant that took place in the nineteenth century.” These studies also suggest that merchants and landlords strengthened their hold on the land (Keddie 1980:164) and intensified coercive mechanisms of raising profit. As McDaniel (1971:40-41) states, “In agriculture, the peasant was more tightly squeezed either by the tax collector or the landlord, or both. The long-range effect of this pressure was to cause a steady accumulation of the land in the hands of the powerful.” Similarly, according to Keddie (1980:164):

The Western impact, at the same time that it helped the wealthier groups, and by the very fact of doing so, also helped to create a largely destitute peasantry. During the late nineteenth and early twentieth centuries traditional land rights were abrogated, and the growth of market economy enabled landlords, money lenders, and few peasants to enrich themselves at the expense of peasant majority.

The peasant-based uprisings of the early twentieth century, especially in the export cropping areas of Northern Iran, were partially a response to the landlord-merchant production regime. The fusion of the mercantile and landed interests restructured class relations and presaged the anti-peasant, anti-government, pan-Islamic, liberal coalition that formed during the Tobacco Rebellion and the Constitutional Revolution of 1905.

### **THE RISE OF PAN-ISLAMIC NATIONALISM**

The relations of the Iranian state and the mercantile class with the world market under the second colonialism led to contradictory developments. On the one hand, the rapid expansion of world demand for raw materials opened to the merchants new opportunities for expanding their economic horizons. Emulating European practices, the Iranian merchants, despite some hard lessons, quickly gained financial strength. Besides being active in domestic and international trade in agricultural products and manufactured goods, they were, in the absence of a banking system, also involved in financial activities including lending, exchanging currencies, handling of commercial papers and buying and selling bills in other countries. They lent money to the state and state officials, and financed urban construction projects.

On the other hand, the opposite was true for the Iranian state as it came into contact with the colonial powers. It was militarily defeated, politically weakened, and financially destabilized. Through debt financing and imposition of commercial treaties that safeguarded the interests of foreign merchants, bankers, and industrial capitalists, the colonial powers had a representation within the Iranian state that the domestic merchants and capitalists could only dream of having. Toward the end of

the century, even the appointment of important ministers could not have taken place without the Shah's prior consultation with imperial powers. That this made Iran's formal independence devoid of content is reflected in the Shah's order to his chief minister: "You should speak with the British and Russian ambassadors. Ask them, 'do we have independence or not?! And why so much interference in our internal affairs?'" (Ravandi 1975:515).

Inevitably, the representation of foreign commercial interests within the state, with its domestic policy implications, created tension between the merchants and the state. In the beginning of the century, in fact, the merchants had a good working relationship with the court. By the second half of the century, there were signs of resentment. Having become familiar with the kind of support and protection that the European states provided their merchants and capitalists, they were increasingly displeased with the Iranian government's unwillingness or inability to secure property rights, to invest in the infrastructure, to enforce tariffs and to protect domestic trade and industry from growing foreign competition, to reform the monetary system, and to provide capital and credit for expansion abroad.

Iranian merchants felt indignant about competing with foreign merchants who had special rights and privileges, whose life and property were protected by capitulation rights and who were exempt from paying road taxes and other levies. They wanted the state to sponsor the construction and the unification of the *home* market, rather than to support the expansion of the *world* market. At times, the state seemed sympathetic toward the merchants and their needs, but in reality it frustrated all attempts at reform. Three times chief ministers who represented mercantile interests were appointed. Amir Kabir, the first minister, was later murdered by the direct order of the Shah, and the other two were forced to resign. A "Council of Merchants" was appointed to make policy recommendations, but the state ignored all the council recommendations.

The opponents of reforms were imperial powers and their representatives in the court, the conservative wing of the religious establishment and the mullahs who saw the reforms as leading to the emergence of modern civil establishments, mainly educational and judicial institutions, which would undermine their power and authority, and the Shah himself, who already shared power with foreign interests and, as with the conservative mullahs, feared that modernization would eventually weaken traditional sources of power and lead to the subversion of the throne's power. In a personal letter written in 1896, the Shah expresses his deep anxieties about more Iranians traveling to Europe as he thought: "This will have an extremely bad effect" [on Iranians as they will become aware of alternative social orders and forms of government] (Ravandi 1975; 544). By the last decade of the century it was becoming clear to the merchants and other pro-reform forces that the state neither intended, nor had the capacity, to carry out economic and social reforms.

To understand the forming alliance between the merchants and the pro-Islamic forces against the state in the late nineteenth century we need to distinguish between two factions within the religious establishment: (1) the reactionary conservatives, and (2) the realist pan-Islamists. The confusion of the two currents often obscures the nonsecular character of the nationalist movement in late nineteenth century Iran.

The reactionary conservatives, as pointed out above, consisted of those mullahs

and religious leaders who allied themselves with the state against all modern demands for *social* change. At times, this allied them with the policies of imperial powers; the issue for them was not colonialism or imperialism, but keeping intact the traditional structures of power, like contemporary Saudi Arabia.

The pan-Islamic movement, on the other hand, was a movement which sought to provide an Islamic alternative to Westernization. It was “realist” in the sense that it took account of the modern conditions and aimed at adapting modernity to Islam. Emerging in the context of European colonialism, the pan-Islamic movement was anti-European and anti-Christian in essence, and its political program was to revitalize Islam so that it would regain its lost power and reemerge as a world alternative to expanding Christendom. A precursor to the rise of pan-Islamic sentiments was the rise of the Babi Movement in Iran in the late 1840s. Sprung from among the mercantile classes, Babism proposed radical theological reforms, comparable to Protestantism in the West, and proposed an “evolutionary” understanding of Islam. Bayat (1991), in fact, has suggested a connection between the Babi (and in particular the *Azali* faction) and the rise of pan-Islamism in the late nineteenth century. Culturally and ideologically, pan-Islamism exerted a powerful influence within the Iranian nationalist movement at the end of the century. The merger of the merchant-landlord and the pan-Islamic opposition movements in discourse, rhetoric and practice was first crystalized in the popular protests against the Tobacco Concession of 1890.

### **THE TOBACCO REBELLION AND PAN-ISLAMISM IN WORLD HISTORICAL CONTEXT**

In *The Great Transformation*, Polanyi ([1944]1994) argued that the successful imposition of market liberalism gives rise to its opposite, a protectionist countermovement to save society from the disruptive effects of market relations. The rise of protectionist counteraction also expressed, in Hobsbawm’s (1989:42) terms, “a situation of international economic competition,” following the multiplication of the “workshop of the world” model. The rising national competition among the industrial powers derived expansionism in non-European territories and the completion of the second colonialism. Protectionism at home and expansionism abroad were the two sides of the same coin, as the British prime minister implied when he told the French ambassador in 1897, “If you were not such persistent protectionists, you would not find us so keen to annex territories” (cited in Hobsbawm 1989:67).

In Iran, formal colonization, due to the countervailing influence of Russia and other factors, was not an option. Formal colonization, as Gallagher and Robinson (1976:61) pointed out in their influential work, depended on such factors as “the economic value of the territory, the strength of its political structure, the readiness of its rulers to collaborate with British commercial or strategic purposes, the ability of the native society to undergo economic change without external control, the extent to which domestic and foreign political situations permitted British intervention, and, finally, how far European Rivals allowed British policy a free hand.” Hence, in Iran, the growing expansionist tendency took the form of acquiring economic concessions. The state, on its part, saw granting of concessions as a way of raising revenue, perhaps a way that had less strings attached than foreign loans.

Typically, a concession brought a lump sum in advance and a portion of future revenues. The number of European concession hunters skyrocketed toward the end of the century. There were fifty Europeans in Tehran in 1865. By 1889, as Lord Curzon reported, there were more than five hundred, many of whom were “would-be concessionaires, wandering *chevaliers d’industrie, et hoc genus omne*” (cited in Avery 1965:89). Not all concessions were opposed by the merchants. The Reuter concession, put through by a chief minister who was an advocate of mercantile interests in the state, was extremely large in scope, as it included the right to build railways, to mine, and to establish a national bank. The big merchants, who did not have the capital to undertake such projects themselves were fully in support of this concession. This was not the case with the Tobacco Concession.

The Tobacco Concession was granted to an English company in 1890. The company acquired a fifty-year monopoly for the curing and sale, domestic and international, of Iran’s entire tobacco crop. In exchange, the government of Iran was to obtain an annual rent of £15,000 plus 25 percent of net profits each year and a 5 percent dividend on the capital. The concession outraged the merchants who controlled the domestic sale and distribution as well as the export of this popular product. Between 1881 and 1892, the export of tobacco from two port cities of Southern Iran had increased by 38 percent (Azhand 1988:40; Issawi 1971). Iranian merchants involved in tobacco export had agencies in major cities such as Cairo and Beirut and exported to Britain, the Ottoman Empire, Egypt, Afghanistan, and other places. Besides the like of the Amin al-Zarb brothers, two of the most affluent and internationally active Iranian merchants, thousands of smaller merchants, middlemen, and local distributors were involved in and benefitted from the tobacco business. There are documents which estimate that at least one-fourth of the Iranian population, nearly two and a half million people, were directly affected by the tobacco commerce, either as consumers or as producers and traders (Lambton 1965:128-9). As the historical documents of this period demonstrate, the merchants’ protest against the Tobacco Concession went beyond this particular crop. As one tobacco merchant put it:

We had the tobacco trade, and now we have lost it to a European. What should Iranians do from now on? Do nothing, or become servants or thieves? What else is there to do? Tomorrow, another foreigner will come and obtain the monopoly of trade in opium, cotton, gum, wheat and rice (Adamiyyat 1979:16).

In their fight against the state’s granting of the tobacco concession, merchants were accompanied by the pan-Islamic movement whose leaders, with the merchants’ initiative and support, declared a religious ban on the usage of tobacco, equating any violation of the ban as tantamount to war against god and religion. Claiming that Islamic Iran was being sold bit by bit to foreigners, merchants and pan-Islamists expressed their national consciousness in religious terms. By putting forth a religious nationalist discourse they gave the anti-concession struggle an ethical dimension that mobilized the whole population in their support. The ban on tobacco, it is reported, was even extended to the Shah’s harem:

The nation reacted with astonishing single-mindedness; all the pipes and cigarettes which were such an essential part, as essential as tea, of any Persian gathering or recreation were abandoned, even in the royal household. It was the first lesson in united action against the Shah and his Minister and the Concession was canceled in

January 1892 (Avery 1965:104).

In a sense, it is misleading to conceive of the anti-state movement of this period as a “coalition” of the merchants and the “religious leaders,” as most analyses of the Tobacco Revolt tend to argue (e.g., Keddie 1966). Such a formulation ignores the interconnectedness, both economic and moral, of the mercantile classes and the pan-Islamic movement. Of course, there were direct economic ties, such as the dependence of the Shi’a Islamic establishment in Iran on religious taxes from the public, and not the state, and on revenues from agriculture and export cropping on the endowed (*vaghf*) land. But such economic reductionism misses the point. Just as the merchants of this era were deeply religious men who came to see the struggle for nationhood in religious terms, the pan-Islamists were nationalists who came to recognize the economic dimension of the “decline of Islam” under European hegemony and, more important, to a realization that countering modernity was not possible except on its own terms. This was a brand of nationalism which, in the words of one of its proponents, “wanted modernity *and* religiosity, ... wanted railroads and trains, but *also* a place of prayer inside the train, ... wanted liberty, but a kind of liberty that was rooted in the love of nation *and* pride in Islam” (Zarinkoob 1972:11). It was this historical and specific brand of nationalism, culturally nonsecular and economically modern, that came to power in the aftermath of the Constitutional Revolution of 1905. The composition of the national assembly that was formed following the revolution gives a clear picture of who was defined as part of “the people” under pan-Islamic nationalism: the typical representatives was Moslem, male, merchant or landlord or clergy. The assembly excluded peasants, wage-workers, non-Moslems, and women, all of whom were deprived of voting rights. The secularization of Iran did not begin until the early twentieth century, initially through the influence of Russian social democracy and later through the adoption of the pro-Western developmentalist model.

## CONCLUSION

This study has focused on the interplay among economic, political, and cultural forces at a specific time period and locality, while analyzing the larger context in which local social transformation occurs. In emphasizing the interconnectivity of the local and the global levels of analysis, my aim has been to provide an alternative to abstract globalism and essentialist localism. Using this framework, I have tried to show the dynamic and contradictory linkages among the supranational structures of accumulation under the second colonialism, the changing balance of forces in the state and the changing character of the state, local class restructuring and alliance formation, and culturally specific social movements.

I began my analysis by specifying the three historical forms of colonialism. What I termed the second colonialism expressed the conditions of metropolitan capital accumulation and the hierarchical relationship between the dominant and subordinated states in the second half of the nineteenth century. Central to the pattern of trade under the second colonialism was the new role of agriculture in provisioning the reproductive needs of metropolitan capital and labor, and the reconstruction of the world division of labor.

Following its military defeats in the first half of the nineteenth century, the

Iranian state was increasingly incorporated into the larger political structure of the second colonialism as it came to represent the interests of international merchant and industrial capitals. On the commercial front, the emerging world division of labor transformed Iranian agriculture. As cash cropping for export grew, so did the economic strength of the landed and mercantile classes. As they grew in self-consciousness, they articulated and asserted their interests. By this time, however, the internationalization of the Iranian state was already underway. The double restructuring of the state and social classes created tension between the two. With their attempts at finding a voice within the state failing repeatedly and with the increasing penetration of their sphere of operation by politically privileged and more competitive foreign capitals, the Iranian merchants were driven into opposition and demanded a constitutional state. In the course of their struggles for state representation, they merged with the rising pan-Islamic reaction against European colonialism. Pan-Islamism, by its capacity for articulating the economic nationalism of the mercantile classes in ethical terms, mobilized the masses of people for struggle for the nationalization of the state. Precisely for this reason, nationalism in Iran at the end of the nineteenth century took a nonsecular character.

The rise of pan-Islamic nationalism, in turn, shaped international politics in the twentieth century (Araghi 1989). With the rise of socialism, pan-Islamism found a double function. The West came to see it as a countervailing influence on the expansion of socialist nationalism in the Middle East, just as the Soviet Union came to appreciate the anti-Western bent of pan-Islamism as a force on the side of socialism. Cold War politics strengthened pan-Islamism, as the latter came to strongly assert itself following the fall of communism, Western developmentalism, and the rise of the third colonialism in the late twentieth century.

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