

**Introduction to
Political Economy of Iran
During 1970s**

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Preface

Iran as a national state in the modern sense goes back to the sixteenth century. During the rule of the Safavid dynasty, which reached its height under the reign of Shah Abbas (1587-1629), an Iranian political and commercial revival took place. The Safavid dynasty virtually came to an end with the revolt of the Afghans (1721-30), who were in turn overthrown by Nadir Shah Afshar (1735-47). The Afsharid dynasty was succeeded first by the Zandieh and then by the Qajars (1779-1925). In October 1925 the Majlis voted for deposition of the Qajars. Within a short time Reza Khan, had established himself through the Constituent Assembly, as the dominant political leader in the country. Between then and his deposition in 1941 Reza Shah, he established the first centralized state in contemporary history of Iran. He built a new army, which he used to enforce government control over the whole country.

The state he created provided the context for the later capitalist development of Iran but it was incapable itself of initiating the major changes required in this direction. Reza Shah's rule was terminated by outside military intervention. The Allied forces sent him into exile, and his

son, Mohammed Reza became Shah. The new regime was only able to reestablish its control because of a fortuitous international situation. By early 1947 the Shah's control extended once again over the whole country. In 1951 Dr. Mossadeq became Prime Minister, he nationalized the oil industry and then his government was in direct conflict with UK, the Shah and later the USA.

Dr. Mossadeq was overthrow in August 1953 by a coalition of forces within and outside Iran.

The period 1953-63; evident that the regime concentrated on restoring its position, and did mark a turning point in the development of a full-scale capitalist state until the revolution in 1979.

However, this book intended to give a general introduction to contemporary Iran's political economy during the early 1960s and the late 1970s. Following the reforms of the early 1960s the state expanded its intervention in the economic as well as the political affairs, and the Shah became the absolute ruler of the Iran. His power reached its peak in the mid of the 1970s. He personally made all the major decisions-concerning official appointments, about military procurement, all the development plans, (Manuchehr Gudarzi, Khodadad Farmanfarmaian, Abdot-Majid Majidi, Ideology, Process and Politics in Iran's Development Planning, 2002), as well as to use state power to attack his oppositions.

Therefore, in this work I attempt to explain what had happened, in general and in particular, to the political and economic development in Iran since the early 1960s and the late 1970s until the revolution. Although, I tried to identify and describe the other factors which involved on Iran's revolution. But, the question today has become:

what particular mix of causes is most useful as an explanation about Iranian Revolution? Today, a consensus has emerged that both external and internal factors are at work, but in what way and to what degree is not yet settled.

The book is divided into five chapters, with an introduction which reviews historical as well as theoretical perspectives for the rest of the study. The first chapter provides a summary account of Iran's development during 1960s. This chapter examines agricultural development, in particular consequences of the land reform, and also industrial development throughout 1960s.

The second chapter discusses the role of the Middle East in world politics and especially the role of Iran during the 1960s and the 1970s in the Persian Gulf and the region. This chapter also consist a theoretical framework for the Middle East Regional System and the regional system in world perspective. Moreover, this chapter contains a historical discussion of the British withdrawal from the Persian Gulf and discusses US policy towards the Persian Gulf. The rest of the chapter discusses the superpowers' political and economic relations with Iran, and their rivalry in the Persian Gulf.

Chapters Three and Four examine the economic and political developments in Iran during 1970s. Chapter Three which deals with the origins of the oil price rises and provides a theoretical discussion of the oil crisis and oil price rises. In this chapter Iran's oil policies and the role of oil in socioeconomic development of Iran during 1963-78 are discussed.

Chapter Four reviews the economic and social impact of militarization in Iran through military ties with US. The political development and the instabilities of Shah's

regime are examined. Chapter Five consists of some general conclusions derived from the discussion in the preceding chapters.

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