

On the 30 the Anniversary of the Iranian Revolution

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Overthrow of the Shah

The revolutionary movement in Iran, which culminated on February 10 1979 in an insurrection against the US-backed monarchy, coincided with a crisis of Iranian capitalism which had already emerged as early as 1974. In the sense that it was a direct reaction to that crisis, this was an anti-capitalist revolution.

This can be demonstrated by the actual dynamics of the unfolding revolutionary crisis that begins with riots by the urban poor in the shanty towns of south Tehran in the summer of 1976 and ends up with a general strike of around four million workers from Sep 1978 to Feb 1979. The revolutionary period, especially during the general strike, led also to a rapid rise in those forms of organizations such as workers' strike committees, factory councils, regional and industrial coordinating committees and myriads of neighborhood associations, - all of which are usually associated with such anti-capitalist revolutions.

At the time, there were some heated debates within the left as to the nature of Iranian society. Today, 30 years later, hardly anyone still claims that it was anything but capitalism which dominated Iran in 1979. It was, however, a capitalist system with a political regime closer to Asiatic despotism than even the most backward forms of bourgeois parliamentarism. The Shahanshah (King of Kings - as he used to call himself) ruled over a totally corrupt police state kept in power by the USA. In this contradiction alone, the entire crisis of Iranian society could be observed. When all the usual propaganda about the benefits of the new world system was removed, layer by layer, the only stark fact that explained the Iranian condition was that the longevity of despotic monarchic rule went hand in hand with the US domination of Iran. It was thus only natural for the revolution to also develop an anti-monarchic and anti-imperialist character.

The insurrection on February 10 came about in a way not predicted by anyone. It was in no way organized or led. None of the bourgeois politicians, pro- or anti-Shah had expected it. The supporters of ayatollah Ruhollah Khomeini were so surprised that, many hours into the insurrection, they were still telling people to go home because, "The imam has not ordered an uprising"!

When the insurrection took place, the shah had already been dispatched abroad by his US backers and forced to appoint Shapour Bakhtiar, a bourgeois nationalist politician from the National Front¹ to form the next government. The new government had promised a return to "constitutional rule" and had made a number of concessions in its first few days. Soon after, Khomeini was allowed to return to Tehran. The US Administration had also made it publicly known that the Iranian army would "refrain from intervention" in the mass movement.

The catalyst was the revolt of the Royal Guards stationed in north Tehran. They rejected Bakhtiar's concessions, which they viewed as a threat to the established order, and marched south with their tanks towards an air force base they regarded as a centre of "anti-shah Conspiracy". People of Tehran soon heard about this and mobilized to stop their advance. The air force technicians at the base opened up the arsenals. The armed People soon defeated the Royal Guards and moved on to every known centre of SAVAK and Police. Within eight hours the regime was overrun in Tehran.

The next day, February 11, following a statement from the armed forces declaring their neutrality, the shah's last government fell and a "provisional government", headed by Mehdi Bazargan and nominated by a secret committee appointed by Khomeini², took power. The new government presented itself as a liberal Islamic capitalist regime based on a coalition of bourgeois nationalist parties, both Islamic and secular, alongside the pro-Khomeini wing of the Shi'ite hierarchy and its backers within the Iranian bazaar.

Bazargan's government fell a few months later but the same forces that appointed and dismissed him, still rule in Iran. The new power soon shed its liberal pretence and started referring to the Iranian revolution as an "Islamic" one. They have even changed its anniversary to February 1, the date of Khomeini's return to Iran.

Islamic Revolution or Counterrevolution

How did this revolution – which in terms of the degree of mass participation was probably one of the most important revolutions of the 20th century - end up becoming an "Islamic"? Indeed what was the "Islamic Revolution"?

One common interpretation has been based on the well worn model of "anti-colonial struggles in the countries of the periphery", popular within the left since the early 1920s. A model, it must be said, which was inadequate even then. By this reasoning, the Islamic revolution becomes an anti-imperialist revolution led by bourgeois nationalist forces. The politics which flow from this differ only in shade - from shameless

collaboration, to the so-called "critical" support. For adherents of this model, the revolution lives on, despite the leadership.

Although such views have long since been discredited, given the current conflict with the USA/Israel, it has been rebranded by a number of left currents and has once again become a justification for all sorts of opportunist overtures towards the Iranian regime. Yes, they say, it is a corrupt clerical capitalist regime, but look at how the anti-imperialist aspect of the Iranian revolution survives to this day! (Now not only via Ahmadinejad's government, but also by its support for Hezbollah and Hamas)

But this interpretation of the "Islamic" revolution forgets a few simple historical truths. Firstly, the label itself was invented later - after the facts as it were. It obviously came from outside of the revolutionary movement. To put it crudely, no one went on strike or demonstrated against the shah's regime shouting, 'For an Islamic Revolution!' Not even those following the Islamic currents ever said that. Khomeini himself, even as late as February 1 1979 in an interview on the plane returning home, did not make such a claim either. In fact in his first speech in Tehran he promised he would personally have nothing to do with government work and would shortly be returning to his religious studies in Ghom. The masses were only "persuaded" later that the revolution they undertook was in fact "Islamic". It was, therefore, something so far removed from reality - something imported from the outside - that it had to be concealed from the masses by its creators and leaders³.

Of course, any one who reaches the heights of the Shi'ite hierarchy is already a master of demagogy. Now backed up by political power, the demagogy carried with it imprisonment and even execution for those refusing to be 'persuaded'. Just two years after February 79, even to relate the facts about the revolution was tantamount to sacrilege and punishable by death.

It cannot be denied that on the eve of this revolutionary change, sections of the masses, including important sections of the working class, were ready to be persuaded. Khomeini had become the unchallenged leader of the anti-Shah opposition, but does this prove that the 'Islamic revolution' was identical with a genuine popular revolution? Just because the masses had illusions in Khomeini, it does not automatically follow that the Islamic leaders were in turn expressing the will of the masses, albeit in a distorted clerical way. Why hide such a great gift!?

The second obvious fact which disproves this interpretation is that under the flag of the Islamic revolution stood those forces that in reality were organized in active combat with the genuine revolution. Attacks on revolutionaries by mobs associated with Khomeini's leadership started

even before the new regime was established. With the mullahs in power, attacks became open and daily, right from day one.

First the strikes were ordered to end. Then secret courts immediately executed a few of the pro-shah politicians whilst mysteriously letting others escape or even stay and work behind the scenes for the new government. Soon after the, veil was forced on women. The free press was shut down, one by one. National minorities were attacked - first the Arabs in the south and then the Kurds. Socialist oppositionist parties were banned. Scores of revolutionary activists were arrested. Instead of the promised Constituent Assembly a phoney referendum was quickly organized, in which the only choice offered was between the already overthrown monarchy or an Islamic Republic (as yet undefined).

Thus, from the first day in power, the Islamic regime began not only a total roll-back of all the gains of the revolution, but also a retreat into Iran's reactionary past - crowned a few years later with the execution of around 40,000 political prisoners.

This does not follow the usual pattern of the past bourgeois nationalist movements, either previously in Iran or elsewhere. The ferocity of the repression against the masses and the depth of reaction to which the new government has pushed back Iranian society have not been witnessed anywhere else in the world in recent history. Thirty years on, the conditions of the vast majority of the population are many times worse than they were during the worst period of the shah's rule. All the indices by which you may judge a nation's social and economic well-being have been worsened.

Whatever interpretation one may place on the events of 1979, the fact remains that the masses did succeed in overthrowing the monarchy but only to find their struggle hijacked by a theocratic regime which has established an even more vicious police state, defending an even more reactionary system of capitalism.

Historical Roots

How did a defeat on such a scale become possible? To answer this question one must, of course, look into recent Iranian history and highlight those developments which led to the specific conditions and the unique alignment of class forces in the 1970s Iran.

Even a cursory glance at this history reveals two glaringly obvious features. The first is one of continuous defeats for the progressive movements; and the second is the ever present hand of foreign (imperialist) intervention in ensuring such defeats. Indeed, the 1979 revolution was not the first revolution in the country's recent history.

During the same century we had already witnessed one full-scale revolution and at least two other important periods of revolutionary upsurge.

In 1906, Iran went through a Constitutional Revolution. This was very similar to the 1905 revolution in Russia. It led at first to the establishment of a constitutional monarchy and an elected parliament, but was soon defeated (in 1911) with the help of the Russian Cossack army brought in by the new Shah. Asiatic despotism was soon re-installed, maintained and managed jointly by the embassies of tsarist Russia and Britain. The only reason Iran escaped direct colonization was the rivalry between these two powers.

After the October 1917, a new revolutionary period opened up in Iran – which even resulting in the establishment of a soviet republic in Guilan, in the north. This time, the revolutionary movement was defeated by a British-backed military coup which places Reza Khan (an Iranian officer in the Cossack division stationed in Iran and now under British tutelage) on the Iranian throne - and thus the Pahlavi Dynasty. Imperialism required 'a strong state' to withstand 'the threat of Bolshevism'. Asiatic despotism now acquired a very "modern", British-backed, militaristic face. This was to be the Iranian version of a modern bourgeois state, but thanks to the power of that state, Reza Shah ends up becoming the biggest landlord in Iran. His military dictatorship lasted right up to World War II.

After the removal of Reza Shah (by now a Nazi collaborator!) by the Allies, a new revolutionary upsurge unfolded, leading to the nationalization of the oil industry and the escape of the new shah to Italy. This time, in 1953, CIA comes to the rescue of the Iranian ruling class and, by utilizing a very 'novel' combination of the army and urban gangs, overthrew Mosadegh's government and placed the shah back on the throne. The summary executions of the leaders of the political opposition after the coup deservedly earned him the title, 'the butcher of the Middle East'.

The 1979 revolution could not, therefore, appear just as a revolution against Iranian capitalism. It also carried within it the ghosts of all the previous defeats. Not only had none of the demands of the constitutionalists (rule of law, freedom and security for all citizens) been resolved, but new ones were added after every defeat. For example, the establishment of Reza Shah's 'strong state' from above could only be achieved by the creation of a Farsi national bureaucracy and army and thus by the suppression of every other nationality living in its border areas. Since then, ending national oppression has also been added to all the other tasks of the Iranian revolution.

History has thus given a combined character to the Iranian revolution. But a combination of tasks produces a combination of classes which may participate in the revolutionary process. It is thus not accidental that Iranian revolution should appear more like a bourgeois popular revolution than a workers' one. Almost the entire petty bourgeoisie and even large sections of the ruling class had grievances with the shah's regime too. The Iranian working class amounted to no more than 4.5 million, but at the height of the revolutionary process there were more than 10 million people actively involved in the day-to-day struggles⁴.

Furthermore, this combined character was also an important feature of the counter-revolutionary classes/layers or political forces/institutions. The weight of the previous defeats could best be described by the strong presence in Iranian society of all the previously defeated counter-revolutionary layers/classes. Iranian revolution had not only kept piling up unresolved tasks, but also accumulating a counter-revolutionary opposition.

Capitalism in Iran

This composite character of the situation in Iran cannot be separated from its socio-economic system. By the 1970s, capitalism was dominant in Iran, but this was not by any stretch of imagination a "normal" type of capitalism.

As it actually existed in 1979, Iranian capitalism was itself a product of foreign import, grafted on from above by the shah's bayonets, under the leadership of imperialism and for the benefit of imperialism. This was, of course, not imposed in a vacuum but within a complex society already in transition to capitalism and already retarded in its tracks by continuous interventions from outside. In fact, without understanding the specific way Iran was integrated into the world capitalist system, its entire modern history is incomprehensible. The means by which capitalism became dominant and the type of capitalism it produced was the prelude to the Islamic counterrevolution.

Before the Constitutional revolution, indigenous capitalist growth had already been hampered - first by the direct plunder of the entire region by various colonialist powers, and then by the dominance of the international trade routes by few western European capitalist countries, which drastically reduced the share of major Asiatic countries like Iran in foreign trade. This dealt a major blow to the internal process of primitive accumulation, which had already been boosted during the Safavid period with the sudden increase in world trade. By the 18th and 19th centuries Iran suffered the destruction of most of its handicrafts or small manufacturing industries in the face of competition from cheaper

European imports. During the 15-16th centuries the Iranian economy (or for that matter the Indian or Chinese) had been on a par with any of the more advanced European countries, but by the 18th the huge gulf was already evident.

Iran was in transition to capitalism, but a transition from an Asiatic mode of production and not a feudal system. If in Europe, the "third estate" had already taken shape within the feudal system, in Iran even the appearance of an "independent" landlord class belongs to the period of transition itself. A major characteristic of the Asiatic mode of production was indeed the dominant role of the state in social production. Thus almost all the irrigated land and the monopoly of foreign trade belonged to the state. This made it very difficult for an independent bourgeois class to take shape even during the Safavid period, when Iran's exports in glassware and textiles had witnessed an enormous increase. The state was the ruling class and it simply did not tolerate any other independent source of power.

With the breakup of the all-powerful Asiatic state, however, a number of layers, institutions and individuals from within the ruling elites gradually lost their ties to the state and created what could be called an "independent" ruling class, composed initially almost entirely of military and tribal chiefs, high ranking functionaries, local notables, merchants, landlords, and Shi'ite clerics. The crumbling state, in need of cash thanks to an ever decreasing source of taxation, fuels this process itself by the sale of state lands, international monopoly trade rights and large sections of the internal distribution system. Many others simply take advantage of the central government's weakness by taking over whatever assets they controlled. Thus we see, for example, a process whereby the endowment lands previously provided by the state for the upkeep of the Shi'ite hierarchy, become the private property of the Shi'ite institutions. Similarly, local governors, military commanders or tax collectors take over huge tracts of land, mines, the local markets and even sections of the internal trade routes.

This breakup was then hugely speeded up by the intervention of British and Russian interests in Iran (which by the 18th century had more or less seen off all other competitors). Local warlords, tribal chiefs or notables willing to serve them were helped and encouraged to privatize the previously state owned properties under their control. The appearance of pro-British or pro-Russian sections of the ruling class is the outcome of this period. If you wanted to progress within the ruling elites you had to have either British or Russian backing. The British in particular created a whole layer within the ruling class totally subservient to their interests; it has been called 'a state within the state'. The British set up schools in India, by now a colony, to train functionaries, military officers and even Shi'ite clerics for work in Iran.

By the end of the 19th century, having run out of assets to sell internally, the Iranian state started granting wholesale concessions to foreign companies. The famous "tobacco revolts" of the late 19th century, a precursor to the Constitutional Revolution, were a direct reaction of the new ruling elites to the rapid erosion of their newly gained monopoly powers because of the State's collusion with foreigners. The split that subsequently took place within the ruling class - a split carried over to the Constitutional Revolution a few years later - is very indicative of the specific character of class conflicts in Iran. Unlike the clear-cut class division of a bourgeois nation against the combined power of the nobility, feudal lords and the clergy that we witness in most bourgeois democratic revolutions, in Iran we see powerful groups of merchants, landlords and even Shi'ite clerics on both sides of the divide.

This division sometimes produced comical results. Although, on the whole both the British and the Russians were fully committed to the status quo, there merchants and clerics associated with both sides on either sides of the barricades. During the initial phases of the Constitutional revolution, there were still pro-British clerics defending it. The pro-Russians were by now fully behind the shah. As the revolution gathered force and became more radicalized with the entry of the urban petty bourgeoisie, both sides swung fully behind the shah. But there were still merchants, landlords and clerics in the leadership of the revolutionary camp. In fact the Islamic ideology of Khomeini, the leader of the Islamic revolution, goes back to a division within the Shi'ite hierarchy which developed during the Constitutional Revolution.

Khomeini was, since his youth, a supporter of Sheykh Fazlolahe Noori, the leader of the Islamic opposition to the Constitutional Revolution. After the victory of the revolution, Noori was sentenced to public hanging in front of the newly established parliament. Basically, he was against all democratic reforms, calling them 'a Western conspiracy to undermine Islam'. He accused Mozaffaredin Shah, who had signed the new Constitution, as a "weak doubter", who is foolishly opening up the floodgates to this conspiracy.

The infamous slogan of the Islamic fundamentalists then was: Constitutionalism No! Islamic Legitimacy Yes! (i.e., all secular laws must be derived from Islamic jurisprudence - meaning from themselves). They actively collaborated with the pro-Russian wing of the ruling class and even the Cossack Army against the constitutionalists. Not dissimilar to the initial reaction of the Catholic Church to bourgeois democratic revolutions in Europe. Also, as with the divisions in Europe, a 'progressive' wing of the clergy - i.e., pro-democratic reforms - took shape in Iran. The defeat of the Constitutional Revolution, and the establishment of Reza Shah's rule later, did not, however, allow this wing to develop much further.

With 1917, Russian imperialism had left the scene and the British - no longer in favour of a weak central government - created Reza Shah, the 'Iron Man', who went on a rampage in his drive to 'modernise' Iran. The creation of a nation-state from above and by military dictatorship soon brought the new state in direct conflict with the Shi'ite hierarchy. Those who wanted to survive had to comply. The more moderate and liberal clerics were either totally silenced or integrated into the new arrangements, whilst the fundamentalist currents found a new lease of life in 'opposition'. Islamic fundamentalist radicalism in Iran dates back to those days. After all, they were proven right, they would claim, pointing to the erosion of clerical powers during Reza Shah's modernization. The shah's repressive rule kept the lid on all these developments, which only come back to the surface once he was deposed.

It should be noted that by then the capitalist world system was an imperialist one in which the division of labor carved out for Iran was one of an importer of foreign capital and exporter of raw materials. Yes! Oil. We thus have a nation-state, but without any significant role for the bourgeoisie. The composition of the ruling class hardly changes during Reza Shah's reign. The new royal family itself becomes one of the biggest landlords in Iran, also heavily involved in monopolistic foreign trade. Iran remained an agrarian society in which absentee landlords dominated the agricultural production and merchants ruled the market and the internal distribution network. There is, however, a limited growth of industries during the same period, mostly state owned but also on a smaller scale by small private capitalists - especially in textiles and food production.

The emergence of a bourgeois nationalist opposition to the shah is also a product of this period. This was very different from the clerical opposition. Its earlier politicians even hailed Reza Shah's modernization. But this opposition was also totally suppressed, only to re-emerge after World War II.

The difference between the two shows itself nowhere better than during the events leading to the 1953 CIA-backed coup. Whilst at first the Shi'ite hierarchy allied itself to the more influential bourgeois nationalist movement under Mosaddegh, towards the end it lined up behind the shah. What a number of observers of the history of that coup forget is the fact that it happened twice. The first attempt failed, but a few days later a second one was undertaken, this time successfully. The change in fortune was entirely due to the Shi'ite hierarchy switching sides and backing the coup. Although the radical fundamentalist wing was as yet insignificant, the entire hierarchy that had emerged after Reza Shah's "modernization" was itself a lot more backward-looking than at the time of the Constitutional Revolution. Khomeini, who was at that time advocating the

need for an “Islamic government”, was thus happy to toe the line of the clerical leadership.

Whilst the bourgeois nationalist politicians were seeking a capitalist redistribution of ownership in favour of the indigenous bourgeoisie, the clerics were really only concerned with the erosion of their own role in the face of capitalist secularization of the state and economy. The Shi’ite hierarchy, this integral part of Asiatic despotism, thus felt closer to the monarchy than the secular bourgeois nationalism. But the shah’s White revolution was soon to change all that. With the defeat of Mosaddegh’s project by the combined force of the pro-Shah army, gangs of urban thugs and a coalition of bazari merchants and Shi’ite clerics, Iranian bourgeoisie loses its last chance for developing a “normal” bourgeois state.

White Revolution

At the core of the shah's ‘revolution’ was a US-initiated programme for a limited industrialization of Iran. It followed a ‘development’ model based on ‘joint ventures’ between indigenous bourgeoisie and western capitalism to replace goods previously imported from the west with home-produced products.

Similar plans had already been carried out in a number of other dependent countries. In fact, it was not even a US invention. Germany, during World War II, had already embarked on similar plans in Latin America. The initial drafts for this ‘new’ US policy had already been made public during the implementation of the Marshall plan in Europe. This was indeed its appendix for the third world.

It is important to note that the same programme was already being worked out with Mosaddegh’s government before the 1953 Coup. As early as 1949, teams of US consultants were in Iran investigating the ways it could be implemented. In so far as Mosaddegh’s government announced *any* long term economic strategy, it did not go beyond repeating the same US plan. Indeed the shah’s implementation of this plan went much further than the bourgeois nationalist government had ever imagined possible. Shah’s plan involved a degree of protectionism, land reforms and modernization of the political structures that was much too radical for Mosaddegh. Indeed, when the plan was announced, many of the National Front politicians were saying, ‘The shah has stolen Mosaddegh’s policy’. It was not accidental that some of them even joined the shah’s regime in implementing it.

The first few years after the 1953 coup were spent bolstering up the shah’s rule, in particular by strengthening the apparatus of repression,

the army and the secret police. But as soon as the new and by now a totally US-dependent regime consolidated its power, a 'seven-year plan' of 'infrastructural development' was put into practice; followed in 1962-63 by a whole basket of socio-economic measures which were later bombastically referred to as the 'shah's white revolution'. The shah himself, in his usual modesty, referred to it as a "great modernization" and "industrialization strategy" which will place Iran "on the verge of great civilization".

Encouraging indigenous capitalist formation and growth, which was at the heart of this programme, baffled the Iranian left of the day. What was behind this change of heart by imperialism which was earlier preventing the national bourgeoisie from precisely doing the same? The pro-Soviet Tudeh Party called it a 'retreat' by world imperialism in the face of successes for the "socialist camp"; whilst the pro-Chinese wing denounced it as "phony propaganda" designed to head off the "oncoming peasant revolution". In reality what motivated imperialism in this drive for 'joint ventures' with the national bourgeoisie was its new desire/need for utilizing the third world markets as a huge dumping ground for their overproduced and outdated technological goods.

The development by leaps and bounds of the armament industry during World War II, had signaled the beginnings of a new era in capitalist development, appropriately called the age of 'permanent technological revolution'. Superprofits were now to be gained in technological innovations. We had, therefore, by the late 50's and early 60s, a runaway growth in the sectors producing the means of production. The crisis of overproduction now increasingly took the shape of overproduction of capital goods. The sudden interest of the west in 'development economics' and the increasing calls for 'modernization' or 'industrialization' of this or that country of the periphery in the 50's was the natural outcome.

But selling means of production to the 'natives' calls for an entirely different set of relations between the centre and periphery. The same imperialism which had until then considered indigenous industrialists as competitors, to be denied any share in political control, now had to actively intervene not only to create an entire class of these competitors out of thin air, but also transform them into a ruling class. To sell capital goods you need capitalist buyers. We thus enter a new phase in imperialism whereby the west intervenes directly to transform the same old ruling classes - which had propped up its interest in the colonial age - into 'modern' capitalists.

These plans were vehemently denounced by the more fundamentalist currents within the Shi'ite clergy and an important section of the bazaari merchants. They opposed import tariffs introduced to protect home-grown industries as this weakened the monopolistic control of the merchants

over the economy. They denounced the land reforms, designed to provide a labour force for the new industries free from ties to the land, as they were themselves one of the biggest landlords in Iran. They also opposed the local government reforms, as this would have undermined their local power base in the provinces; and votes for women because it would undermine their very ideological authority.

Khomeini, first emerged as a known public figure during those protests and soon became the leader of that movement. In a fiery sermon he declared that the "evil intention" behind the white revolution was to hand over Iran to "Jews, Christians, and the enemies of Islam". He denounced the shah as an "infidel Jew". It was in fact his arrest after this speech which triggered in 1963 a whole series of mass protests leading to clashes with the military forces in a number of cities. As these revolts were not supported by any other major sections of the population, they were easily crushed by the shah, and Khomeini was exiled to Iraq. Not a lot more was heard of this coalition of bazzari merchants and Shiite clerics until 15 years later when the crisis of Shah's 'modernization' opened up a new revolutionary period.

Iran after the White Revolution

The Shah's White Revolution, by promoting a new layer of super-rich capitalists tied up with the West, had in effect split the traditional ruling class; the most immediate aspect of which was the demotion of three layers traditionally dominant in Iranian society and politics: merchants of the bazaar, absentee landlords and the Shi'ite clergy - a demotion in terms of both economic and political standing.

These three layers had all appeared after the breakup of the Asiatic state and did not necessarily represent three different or in any sense opposing social layers. There was enough overlap of ownership and common interest between them to push them into a ruling block at every major historic turning point. In particular, the traditional merchants and the Shiite hierarchy enjoyed close historic ties. The merchant's monopolistic position was sanctified by the local mullah whilst the merchant in turn was the main financial backer for the clergy. As both had come out of a breakup of the central state - a kind of "privatization" of previously state owned functions - they were naturally drawn together whenever confronted by the state. Both of them were also land owners of substantial importance and therefore closely tied to the absentee landlords.

The 1906 Constitutional Revolution showed that even in Asiatic Iran, the capitalist era had eventually led to a "bourgeois democratic" opposition within this block. The sharpest division that appeared inside the ruling class during that revolution was precisely between those wanting to

curtail the power of the absolutist state and those against all forms of democratic change. Sheykh Fazollah Noori - the grand-grand guru for Khomeini - believed democracy to be a "Western conspiracy" to destroy Islam. But the outcome of the revolution also proved that the former had already gathered enough strength to defeat the latter (especially when the urban petty bourgeoisie rose up behind the constitutionalists).

As this revolution was against a state which owed its existence mostly to Russian imperialism, the most radical bourgeois democratic currents were also simultaneously anti-Russian (and to a lesser degree anti-British) and thus nationalist. Indeed the very blatant official excuse for the Cossack Army's march on Tehran was to stop the new parliament from granting trade concessions to other - non-Russian - European countries.

It must be said, however, that the integration of Iran within the world imperialist system had not yet gone far enough to give this nationalism an anti-imperialist character. If the revolution had not been defeated, the bourgeois state which would have emerged would have later found itself in conflict with imperialism, but that defeat also marked the last chance for the indigenous bourgeoisie to create its own independent nation-state.

The decades that followed saw, on the one hand, a gradual weakening of the democratic tendencies in favor of the more backward looking cliques within the ruling class; and on the other, a gradual strengthening of the anti-imperialist character of the anti-shah movement. First, Russian imperialism restored the despotic state; then the British stole the nationalist thunder by creating a militaristic nation-state from above with the ultra-nationalist Reza Shah on the throne; and - the final nail on the coffin of bourgeois nationalism - the Shah himself delivered a programme of change more radical than anything Mosaddegh could have ever imagined. By this time the era of bourgeois nationalist anti-imperialism had truly ended.

In the intervening years, the only time bourgeois nationalism reappears as a political current was when Reza Shah was deposed by the Allies during World War II. After the War, a whole series of bourgeois nationalist political parties were created. Although they represented many different and at times even opposing factions covering the whole spectrum from semi fascist monarchists to republican liberals, they nevertheless all united under the umbrella organization of the National Front (under the leadership of Mosaddegh). This coalition was on the whole secular and nationalist and kept itself separate from the Shi'ite hierarchy. At first sections of the Shiite hierarchy supported the National Front but their later change of sides in support of the Shah and the ease with which the coup of 1953 overthrew Mosaddegh's government put an end to all that.

This paved the way for a reshaping of the divisions within the Iranian ruling class more in tune with the post war neo-colonialist phase of imperialist domination. Imperialism was no longer interested in pushing back the indigenous bourgeoisie in favor of its own exported capital. It now wanted to enter an era of "joint ventures". Even where its own policies of the earlier periods had blocked the formation of this capitalist class, as in Iran, it now helped to create a new one out of thin air. Thus the shah's revolution basically plucked a whole chunk out of the old ruling class and used state funds to turn it into a new "modern" capitalist class. It is precisely here that the so-called nationalist currents lose historical credibility and this is precisely why in response to the shah's reforms it was the traditionalists - i.e., the most reactionary wing of the ruling class - who became champions of an anti-western and anti-Shah opposition masquerading as anti-imperialism.

This process was also helped by the nationalists themselves; many of whom had concluded that the defeat in 1953 was partly due to the lack of a viable unifying ideology capable of placing the National Front at the head of the whole nation. The Freedom Movement (the Bazargan's wing of the National Front) came precisely out of this process; one where "a movement back to Islam" was being proposed as a means of uniting the nation against the shah and his westernization. By the time the crisis of the shah's regime had become all too obvious, the only memory of any serious opposition to the shah from within the ruling class was that of the early 60s, financed by these "traditional" layers and led by Khomeini.

The Capitalist Crisis of the 1970s

In statistical terms, by the time of the 1976 census, the new industrial sector (including agro-industries) had outgrown both the traditional agriculture and trade. As the GDP was showing phenomenal rates of growth, sustained over a decade, and as the general expansion of the money-economy (with the injection of enormously increased oil revenues) was making even the demoted sections of the ruling class richer than before, none of them really mounted any serious challenge to the Shah's regime.

By the early 1970s he was beside himself with his propaganda about the glorious future awaiting Iran under his leadership. All the voices of opposition within the ruling class could be reduced to grovelling: me, me, take me, why not me!? Everyone, including the Islamic opposition was too busy getting rich.

But capitalist growth from above - under a corrupt political system ruled by an even more corrupt Royal Family, and managed, directed and advised by US "consultants", at best in it only for a quick buck - can, of

course, only lead to a corrupt economic system. By the mid-70s, as little as 100 families owned about 80% of the new industrial sector. Except for a few who were also previously rich and powerful, by far the largest section of this new ruling class was made up of those who had got there simply because of their "contacts". One who had been a fixer, say for a junior member of the royal family (and fixer is meant here in the worst sense of the word), was more likely to be granted lucrative contracts than another who had come from many generations of entrepreneurs.

Thus even our "modern" capitalist system reeked of Asiatic despotism! Like a mogul king, the shah was granting exclusive rights to his cronies for the mass production of foreign goods under license. And of course, the faithful servants would in return assign a whole chunk of shares to the royals. When the royal family escaped in 1979, the shah alone had stashed away \$20 billion in foreign banks.

As it had been predicted many years earlier, such a crazy method of "industrialization", which could have been cooked up only by US bankers, was bound to come to a sorry end. By the mid-1970s a deep and ever worsening socio-economic crisis hit Iran. It is a well known fact that even after the 79 Revolution, the US planners and their CIA watchers still did not know what had hit them, but many of the economic aspects of this crisis were being openly discussed as early as 1974. The basic problem was simple: industrial growth had come to a halt and the shah's White revolution had run out of steam. The solution of the regime - advised by the same people, it seems, who are advising Obama and Brown today - was also simple: inject more money - oil money - into the economy and keep the bubble going.

Thus, on the verge of the "great civilization", industrialized Iran was even more dependent on its oil revenues than before. Iranian oil production shot up to a staggering 6.5 million barrels a day. But this simply added inflation to the underlying stagnation. Thus, by 1975 Iran had its first taste of stagflation. More and more factories were bought to produce more and more inferior goods that no-one wanted to buy. Those who had the money would buy better goods from abroad - and cheaper. A study by the International Monetary Fund at the time, concluded that the cost of production in Iran is, on average, around %30 higher than in Europe.

The same bazaari merchants who were pushed out of this "new deal" two decades earlier, were now competing with the "modern industrialists" on prices. Even after paying either the import duties or the smugglers' fees, they could still sell cheaper than the internal producers. Bear in mind that the Iranian economy was more or less devoid of any sector producing the means of production. Factories were bought, lock, stock and barrel, from foreign companies. In most cases this also meant importing parts or even the "raw" material specific to the technology from abroad. In effect, the

entire Iranian industry was closer to a repackaging plant than modern factory production.

Thus, "industrialization" based on replacing imported consumer goods, soon ran against the rigid boundaries of the internal market. The internal market had become more and more monopolized and parceled out amongst an ever decreasing group of producers, whilst expansion in external markets was near impossible. How could Iranian capitalists compete on the international markets with the same western capitalists who had dumped their second hand technology on them in the first place? Add to this the politically corrupt and dictatorial system which by now had abandoned even the pretence of a two party system (Iranians called them the "Yes" and the "Yes Sir" parties) and replaced it with no less than The Resurrection Party (the "I am your obedient servant" party!), and you have the makings of a deep structural crisis.

The government's answer was to organize "a war on prices" and "a central campaign to boost exports". The first meant attacking bazaari merchants and traders to maintain the ruling clique's internal monopoly; and the second meant giving freebies to the other corrupt US-backed regimes in the neighborhood. One would hear that Iran had suddenly become an exporter of things like buses, trucks and fridges to countries like Egypt and Pakistan. In fact, it was all simply a propaganda scam. They were actually being given for free. The shah would, for example, be "encouraged" by his US masters to help Egypt's Sadat, and he would comply by "exporting" buses and fridges!

The huge increases in oil revenues, allowed the shah's regime to cover up the cracks for a couple of years, but soon the whole edifice began to crumble. The most immediate and embarrassingly obvious aspect of this crisis was the unprecedented explosion in the number of shanty town dwellers in every major city including and especially the capital of this great civilization, Tehran. By the summer of 1976, in Tehran alone, shanty town population had grown to around 400,000. They were officially referred to as "the out-of-bounds people", i.e., those living outside the city boundaries and for whom the city authorities did not have any responsibility to provide services. That summer there were almost daily clashes with the Police in the south of Tehran. Eventually the regime had to bring in the troops to suppress the revolt.

The shanty town dwellers were mostly migrants from the countryside, displaced and dislocated from their lands and seeking employment in the new industries of the major cities. In fact the main aim of the land reform, which was initially proposed by Ford Foundation consultants to Mosaddegh's government, was precisely to provide cheap labour for the new industries. The White Paper produced for the government was indeed called a plan for "increasing labour mobility". By giving lands to some

families (35% of the rural population) the government was simultaneously breaking the traditional ties to the rural economy for those who did not get it.

At first, this was not a problem, as the rural migrants were absorbed as soon as they arrived. The rapid growth of agro-industries in the countryside and the huge expansion of "industrial towns" around many major cities – in the process increasing the size of the Iranian working class from 1.5 to four million - were achieved on the basis of this "freed" labour. But when the growth stopped by the early 70s, the exodus from the countryside did not.

When the results of the 1976 censuses came out, the problems of the Iranian society were starkly obvious. Although the new class of wage earners had grown tremendously (and was still showing growth), the "inactive" (unemployed) sector was now much larger too. The trend in further concentration and centralization of capital in the hand of a lesser number of capitalists was also there to be seen, but at the same time the subsistence economy was growing at an even faster rate. After years of high speed march towards the great civilization, reliance on "family labour" was higher in 1976 than 1956.

The inherent contradictions of capitalist development in a backward country in the era of imperialist domination show themselves nowhere better than in this Iranian example.

In the last analysis all such developments have not only reproduced backwardness but have actually enforced and strengthened it. The revolutionary period that opened up after this crisis was, of course, also shaped by this contradiction.

It is interesting to note that after the Iranian revolution a number of western analysts, in their attempt to explain this crisis and draw its lessons for imperialist policy-makers, came to the conclusion that the shah's programme of change had gone too far and in too short a period for people to catch up! In other words, there was a backlash of tradition against too much western progress. But what else can you expect from the same people who had earlier devised this sham modernization? The exact opposite of the truth! The fact of the matter is that even 15 years of capitalist industrialization at breathtaking speed had hardly scratched the surface of the backwardness in Iran. Furthermore, directly because of this imperialist-dominated "development", even larger parts of the Iranian forces of production were now pushed back into the pre-capitalist subsistence economy.

This crisis proved that, given the current framework of a capitalist world economy dominated by imperialism, any serious programme of

industrialization in backward countries could only succeed if it first broke with capitalism. In a way, the defeat of the Iranian revolution is nowhere more obvious than in its failure to break with capitalism. On this 30th anniversary, the Islamic regime has not let up its propaganda about how it has become a major power to be reckoned with in the Middle East, but down on the ground, Iranian society as a whole is a lot more backward now than it was in 1979. The Iranian ruling class has as much hope of becoming a "sub-imperialist" power on the basis of a capitalist economy dominated by bazaari merchants as Saudi Arabia had with its dollar-hoarder Sheikhs. Probably with one difference - whilst the latter cannot even clip their coupons without the permission of the US bankers, the former are now boasting they can buy their prayer mats from where they want!

The Revolutionary Crisis

It was thus only apt that the first sparks of the Iranian revolution should start in the heart of this capitalist "success" story: the shanty towns of south Tehran. The revolt of the urban poor was, however, brutally suppressed - let it be noted, without even a murmur of protest from any of the ayatollahs ruling Iran during the last 30 years.

Later that year, a sharp increase in the number of workers' protests, including strikes, was also recorded. Since the 1950s, strikes had been a very rare occurrence. Neither of the two movements, however, lasted for long and given the few months of relative calm that followed, no one at the time took either of these events as signs of the impending revolutionary crisis.

But it was simply gathering force within a repressive political framework. The masses were at first cautious and as their initial protests were limited in scope or remained isolated, they were soon forced into periods of retreat. Thus, the crisis unfolded in waves; each time drawing more and more social layers into the struggle. What best reflected the mood of the masses in those days was the strike patterns. A "curious fact", observed at the time by the minister of Labour, was that even when a protest or a strike had achieved its stated objectives, the participants would shortly afterwards launch another protest or strike and demand even more!

What the government could not see was that the masses were simply gaining confidence with every struggle. The strike in the oil industries is one example. This was the first oil workers strike since the nationalization movement before the 1953 coup. The strike wave begun at first in Ahvaz against the local management and around a dispute concerning representation rights for the white collar workers. By its third wave, a year and a half later, it was a national strike demanding, directly from the

government, not only sliding scale of wages and hours to beat inflation and unemployment, but also freedom for all political prisoners.

Next it was the turn of the student movement. This movement had never really died down throughout this post-coup period - especially in Tehran - and was always a major source of headache for the repressive apparatus. Almost every year, there were strikes, demonstrations, sit-ins and clashes with the security forces. Indeed most of the cadres of the new Iranian left had come out of this movement. There was thus a constant stream of radical student activists being forced into exile. By the time the revolutionary crisis opened up, the Confederation of Iranian Students Abroad was probably one of the most active centers of political opposition to the Shah.

With the new academic year in September 1977, a qualitatively different mood was immediately noticeable. Tehran University was now in a state of almost permanent mobilization and continuous radicalization. That year, in one of their rallies, students openly called for a general strike to bring down the government. Indeed the slogan of "Down with the shah" had been popularized by the student movement since the late 1950s. This was now being linked in radical propaganda to a general workers strike. The workers strikes of the previous year had not gone unnoticed by the students.

In November 1977, Iranian Writers Association, another centre of opposition to the Shah's dictatorship, sensing a mood of change, organized poetry reading nights in Tehran, which attracted tens of thousands of people. Every night, the meeting would inevitably turn into an anti-government rally. By the latter parts of 1977, the floodgates were open. The urban poor, workers, students and intellectuals were now joined by national minorities. In Kurdish areas, with a long tradition of struggle against the Shah and now virtually under military occupation by the central government, the increasing level of activities and the need for more coordinated struggles had led to the formation of a new type of radical city-wide associations, which were later to play a major role in the overthrow of the shah's rule in many of the Kurdish cities. For the first time in decades, a movement of opposition to the Shah began to raise its head also in the Arab areas in the south. There was no doubt by then that a radical mass movement of opposition to the Shah is taking shape.

What was noticeably absent, however, was any form of political direction or leadership within the movement. The shah's intelligence service, Savak, had seen to it that no opposition parties had survived. Both socialist and capitalist parties were in complete disarray. The bourgeois National Front and the Stalinist Tudeh party (the two main players before the 1953 coup) were totally discredited and had no popular base. The "new" left, which had formed after that defeat, was either mostly in exile,

dominated by Maoist currents (who were completely off the mark with their comical attempts at placing Iran within the strait jacket of Mao's analysis of China), or decimated through executions and imprisonment. The mood of the masses was deeply radical but no radical organization existed to give it any directions.

Attempting to take advantage of this absence of leadership were the various internal and external opposition groups, new and old, with their 'alternatives'. Many bourgeois politicians were by now sensing the weakness of the regime in the face of an ever rising mood of mass discontent and were either distancing themselves from it or putting their names forward for future considerations. The media circus around Carter's election in the USA and his empty promises of democratic change in the third world had also created an air of expectation within many bourgeois circles. Even the western media, usually much supportive of the shah, was now full of stories about his latest megalomaniac adventures.

The Shah's standing in the west was not helped by his insistence in those days on a higher price for oil. In 1977-78, a real conflict of interest both around the future of BP in Iran and the price of oil was brewing. Reportedly the shah, needing more and more oil money to survive, kept on boasting privately that he would extract \$300 a barrel from the west. He refused to agree to BP's terms and did not renew its contract. London, in turn was putting enormous economic pressure on the shah's regime by refusing to take up Iranian oil production, buying only 3 million or so barrels daily out of an agreed minimum of five million barrels per day. This imposed dramatic revenue pressures on Iran – worsened later by a British-driven exodus of capital from Iran. It was thus becoming increasingly obvious to many observers that the powers-that-be were now treating their own shah as someone who had got too big for his boots.

Even in Washington itself, think tanks which had openly lobbied for the breakup of the whole Middle East along ethnic or religious lines were now becoming more and more vocal. Under the protection of Brzezinski, the national security advisor to Carter, the policy for the "balkanization of the Middle East", proposed by the famous British Islamic expert, Bernard Lewis, was being openly touted by White House staff. This is the same period when USA embarked on a policy of arming the mujaheddin in Afghanistan. The shah's memoirs show that when in 1978 George Ball, a well known defender of the infamous "arc of crisis" policy of encircling the southern borders of the Soviet Union with a whole series of Islamic states or movements, was appointed to head a special White House Iran task force, he went berserk and vehemently protested to Carter.

Rise of Khomeini

In his memoirs, the shah leaves no doubt that by November 1977 he had already suspected that there was a plot to remove him from power (which he says was cooked up by the British and backed by the US administration). Others were also sensing this mood change in the west. The last three months of 1977 were thus rife with rumors about the latest plans for the future of Iran. All kinds of imaginable coalitions were being put forward as alternatives to the Shah. None, of course, cut any ice with the masses.

The revolution was gathering momentum. But then, just into the new year, one of the most curious events of the Iranian revolution occurs; completely out of the blue. A hard hitting article appears in the semi-official daily *Etelaat* attacking Khomeini as a British agent and exposing a "joint plot" by "the red and black reaction" (meaning pro-Soviet communists and Islamic fundamentalists) against Iran (meaning the shah).

Of course, there were no mysteries about the existence of a religious opposition in Iran - nor about the existence of the Tudeh Party. But a joint plot to overthrow the Shah? How? After all neither was of much significance. Even Savak itself had long realized these two no longer posed a threat. Most of their leading members were already in shah's jails anyway. Not even within the Islamic opposition was the fundamentalist faction taken seriously. Indeed, although Khomeini was a well known figure since 1963, the fact that an Islamic fundamentalist faction actually existed was neither known nor believed by any one - except of course in Savak propaganda. Khomeini and his followers had hardly been active for the last 15 years. Even the usual annual statements had long ceased publication. Within a few months, however, the very same Khomeini was being sold in the international mass media as the leader of the Iranian opposition to the Shah.

The scenario that followed is now well known. There was an angry demonstration in Ghom, the theological centre of Shiite Islam, in reaction to this article. It was brutally suppressed by Savak and the army with scores of demonstrators killed. Forty days later, in the Islamic tradition of honouring the dead, bigger demonstrations were organized in a few other cities, which led to further deaths. And thus a 40-day cycle of demonstrations began which culminated in one of over a million people in Tehran later that year. By September 1978 Khomeini had indeed become the unchallenged leader of the mass movement.

It is now a well documented fact that by November 1978, the USA had openly abandoned the shah and was in direct negotiations with Khomeini over a "regime change". General Robert Huyser was dispatched to Iran to prepare the army and Savak for such a change. By then it was obvious for

the US administration that without accommodating Khomeini it would have no hope in hell of safeguarding the capitalist state.

But was there a sinister plot by the British even earlier? It is, of course, difficult to give an objective answer. Many of the participants are still alive and hardly in a position to be truthful. The most widely accepted scenario, one which is now admitted by many Iran experts in the west, is that, yes, there was a plot, but it aimed to help the Islamic opposition to reduce the danger of a leftwing takeover. Even President Carter has admitted as much in his memoirs. What they do not say, however, is when did all this helping begin. Did the west start helping later –in say, September 1978 - when the Islamic opposition was already calling all the shots; or did it in fact help place the Islamic opposition at the leadership of the mass movement? Evidence points towards the latter.

Obviously, all those that felt threatened by a revolutionary crisis in Iran also recognized the need to counter it. Right from the start it was obvious that were certain forces, both inside and outside the regime (and both within the internal and external centers of capitalist power) that were orchestrating a "new" Islamic alternative. For example, why did that article appear in the press? The accepted wisdom is that the Shah himself ordered it to warn USA about the Soviet danger and to stop it from cooperating with the British plot.

But why do so publicly? Surely Savak could have faxed the CIA the relevant papers. Secondly, even if one accepts this version, that is not to say that the shah thought of it all on his own. He could have been persuaded to approve the publication of this article. The evidence that he didn't really realize what he is doing is overwhelming. It was reported at the time that even his own Prime Minister, Amir Abbas Hoveyda, was against it.

There was already inside the Savak an entire Islamic wing, recruited right from the day it was setup - part of "the founding fathers", as it were. Ayatollah Halabi's followers, anti-communist zealots from the "hojatieh association" who had already served their king by helping the CIA-backed coup, were a considerable force within Savak. They provided most its foot soldiers. Many of the same people who were known Savak operatives stayed on after the revolution to run the security forces for the new Islamic regime. Indeed many of them still hold governmental posts, even today (it is even rumoured that Ahmadinezhad is from the same current).

Thus, the other and the more likely scenario is that Savak itself persuaded the Shah to publish this article knowing precisely what should happen next. Indeed the evidence shows that Savak agents were actually behind many of the Islamic mobs active in those initial demonstrations in burning cinemas, off-licenses, banks and other so-called symbols of the

shah's "western" regime. In the summer, for example, Cinema Rex in Abadan was set on fire killing over 400 people. It was blamed on Savak. After the revolution it turned out that the arsonists were indeed linked to mullahs associated with the hojatieh wing of Savak. The linkage of Khomeini to the communist threat was not so much designed to warn the USA about the dangers of a British plot but to activate the anti-communist mullahs and their mobs.

Add to this another curious fact that even before this attack was launched, a process of releasing Islamic political prisoners associated with the Islamic reaction to the White revolution had already begun. Following the violent reactions to the article, the shah was again "persuaded" to release all the rest. Most of the individuals who later became leading figures within the Islamic regime were thus released from jail at least a year before the February Revolution.

Indeed the 14 military committees which took power in Tehran after the insurrection, had been set up a year earlier under the direction of Ayatollah Khomeini (a man with well known British connections who was to become speaker in the Islamic parliament and is now a candidate in the forthcoming presidential elections), one of those pro-Khomeini clerics released from jail. Why expose a plot to overthrow the shah and then release its leading figures from jail?

The period from January to September 1978 is thus one of a launching pad for Khomeini's Islamic opposition. Khomeini is then sent to France to be introduced to the international media and to start negotiations with imperialism. Again it is said that the shah himself had asked Saddam Hussein to expel him from Iraq. And again, even if that is what really happened, he was obviously persuaded to do so for the wrong reasons. Giscard d'Estaing, says in his memoirs, he had to phone the shah himself to calm his anger at the French government. If the shah had ordered Khomeini's expulsion from Iraq himself, why be angry when these orders were carried out?

By September 1978 an organized network inside Iran supporting Khomeini had already taken over the leadership of the mass movement. The Islamic hijab was already being forced on women in mass demonstrations. No slogans other than those approved by the organizers were tolerated. Tehran university students reported in November 1978 that whenever they raised even the mildest of their own slogans such as "Unity, struggle, victory!" (a well known slogan of the students movement) they were thrown off the demonstrations.

Khomeini in Paris was, of course, promising everything to everyone: freedom for all ("even for communists", he said), a constituent assembly after the overthrow, and a resurrection for mostaz'afin (the

downtrodden). Oil money was to be shared for the benefit of all and all utilities such as gas and electricity to become free of charge! Mullahs, of course, all have PhDs in demagogy. The masses of the urban poor and the ever growing petty-bourgeoisie were natural victims of such demagogy. By November and December 78, mullahs were even collecting for the strike funds of the workers who were by now in the middle of a general strike.

Thus the scene was set for the hijacking of the Iranian revolution. Again with a peculiar Iranian twist: the pilot becomes the hijacker!

Feb 2009

¹ National Front was a coalition of a number of bourgeois nationalist currents set up in the late 1940s headed by Mossadegh.

² Set up in Oct-Nov 1978, in Neauphle-le-Château in France. The name given to this committee, the Council of the Islamic Revolution, was invented later to show how Imam had planned the whole thing.

³ Interesting to note, as revealed in President Carter's memoirs, even concealed from the US administration during negotiations with Khomeini's representatives.

⁴ Roughly estimated at around 3-4 million workers, 2-3 million urban and rural poor and 4-5 million urban and rural petty bourgeoisie.