

ROUND TABLE

Capitalism as a Concept of Difference in the Historiography of Iran

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In the historiography of Iran, capitalism is commonly evoked as a “concept of difference.” By this, I mean that the term is regularly used to characterize socioeconomic phenomena as modern versus traditional, leading versus laggard, foreign versus indigenous, or hero versus villain in an assumed direction of history. As Jürgen Kocka remarked when coining the phrase, most definitions of capitalism since the nineteenth century have been used by intellectuals to distinguish experiences of their own time from either the past or the future.¹ And it is in terms of this rhetorical function that its significance and limitations for Iranian historiography can be analyzed.

These evocations can take superlative or comparative forms, as in “Iran is a fully capitalist economy” versus “Iran’s economy is becoming more capitalist.” Such claims often hold normative connotations by brandishing the concept as a mode of critique, as in “Iran’s main problems stem from capitalism,” or “Iran’s main problems stem from a lack of capitalism.” The proposition of a “noncapitalist path of development” appears in both government and opposition discourse on both sides of the 1979 revolution.²

By noting that capitalism is present, absent, or emergent, a historical counterfactual is implied that is only occasionally made explicit. Here we run into a problem that goes beyond merely separating analytical statements from normative rhetoric, especially for a term used in the bully pulpit as well as the seminar hall. Which definition of capitalism should one use, and why? In the long-term view of Fernand Braudel, the basic feature over its entire span has been the “flexibility” and “eclecticism” regarding the particular forms that occur in historical capitalism at different times and places.³ Given the analytical difficulty, how do we assess any features of capitalism in Iran by comparing them with ideal-types, most of which are abstracted from historical cases outside of Iran?

¹ Jürgen Kocka, “Introduction,” in *Capitalism: The Reemergence of a Historical Concept*, ed. Jürgen Kocka and Marcel van der Linden, 3 (New York: Bloomsbury Academic, 2016).

² For the Pahlavi period, see Afshin Matin-Asgari, “Marxism, Historiography and Historical Consciousness in Modern Iran: A Preliminary Study,” in *Iran in the 20th Century: Historiography and Political Culture*, ed. Touraj Atabaki, 199–232 (London: I. B. Tauris, 2009). Frieda Afary provides a useful survey and critical overview of competing definitions of capitalism among recent explanations for the development of Iran’s postrevolutionary economy in “az dark-e vizhegi-hā-ye sarmāye-dāri-ye jomhuri-ye eslāmi tā tarh-e badili-ye ensānbāvar ’alayhe nezāmi-gari, behre-keshi, nāsiyunālism-e irāni, mardsalāri va hamjens-gerā-setizi,” *Zamaneh Tribune*, July 3, 2017, <https://www.tribunezamaneh.com/archives/128051>.

³ Fernand Braudel, *Afterthoughts on Material Civilization and Capitalism*, trans. Patricia M. Ranum (Baltimore, MD: Johns Hopkins University Press, 1982).

For instance, capitalism is often associated with the presence of commercial or industrial entities engaged in commodity production and market exchange.⁴ Yet as any business historian can tell us, the networks and organizations that have been central to the expansion and deepening of arenas for capital accumulation have not remained in the same place or resembled the same form over the long arc of historical capitalism. Many of the largest business conglomerates involved in this expansion today, from Europe and Asia to Latin America and the Middle East, are state- or family-owned (think of South Korea's Samsung). These business groups have often thrived over the past three decades of global market liberalization, and in the process defied a good deal of economic theory that identifies competitive efficiency with private markets rather than state command or kinship networks.⁵ Understanding capitalism through a singular configuration of market, state, or kinship organizations might be correct for one set of historical cases, but raising it to a general definition and dismissing other common historical configurations as invariably noncapitalist is a fallacy of composition—something that is true of a part might not be true of the whole.

Another prevalent argument is that a particular set of political and economic institutions responsible for the distinctive path to capitalist growth in Anglo-American economies is the *differentia specifica* to understanding how capitalism diffused to some but not all of the world economy. Parts of the world without a sufficient presence of these institutions, whether hindered by external or internal actors, are handicapped in their successful transition to capitalism.⁶ Consider the many adjectives applied to Iran which, even in their titles, label it as an aberrant flipside to the Anglo-American benchmark: rentier, despotic, neopatrimonial, etc. The penchant for institutionalist theories of “rent-seeking” induced by “predatory” or “extractive” social-property relations is one more iteration of this approach.⁷ Nor is Iran alone, as most contemporary nation-states in the world economy lack the requisite institutional criteria for capitalist success. This approach tends to relegate the coercive side of capitalist accumulation to a minor or temporary role, while also limiting the geographical scope of the concept of capitalism to application in a handful of wealthy zones of the world economy that compete to catch up with each other.⁸ If Iranian capitalism is errant by these measures, then so is much of the world economy.

Critics of this perspective point out that the accumulation of capital via elite violence and state-driven coercion has been a parallel process to economic growth via market exchange of commodities and intercapitalist competition. Here, accumulation by dispossession, such as the enclosure of customary land, the forced commodification of labor, the extraction of natural resources, and the private expropriation of publicly held assets are held to be the *sine*

⁴ A recent account that unearths buds of merchant capitalism in early modern Iran is found in Ranin Kazemi, “Tobacco, Eurasian Trade, and the Early Modern Iranian Economy,” *Iranian Studies* 49, no. 4 (2016): 613–33.

⁵ Mark Granovetter, “Business Groups and Social Organization,” in *The Handbook of Economic Sociology*, ed. Neil Smelser and Richard Swedberg, 429–50 (Princeton, NJ: Princeton University Press, 2005). For an application to Iran, see Kevan Harris, “Iran’s Commanding Heights: Privatization and Conglomerate Ownership in the Islamic Republic,” in *Crony Capitalism in the Middle East: Business and Politics from Liberalization to the Arab Spring*, ed. Ishac Diwan, Adeel Malik, and Izak Atiyas, 363–99 (Oxford, UK: Oxford University Press, 2019).

⁶ The debate on the origins and spread of “good institutions” and their requirement for sustained economic growth is surveyed in Mark Koyama and Jared Rubin, *How the World Became Rich: The Historical Origins of Economic Growth* (Cambridge, UK: Polity Press, 2022).

⁷ A penetrating application of neoinstitutionalist theories to Iran’s long-term (under)development has been developed by economist Jafar Khairkahan. See “rāhkar-e moshkelāt-e eqtesādi rā dar howzeh-e siyāsāt bejuyid,” *Do Māhnāmeh-ye Cheshm-andāz-e Irān* 76 (2013): 178–79. An account of postrevolutionary Iran that uses this framework to periodize how “exclusive institutions” were reinforced in the Islamic Republic is provided by Majid Ostovar in “nahādihā-ye farāngir va towse’eh dar nezām-e jomhuri-ye eslāmi-ye irān,” *Faslnāmeh-ye Rahyāft-e Enqelāb-e Eslāmi* 12, no. 45 (2019): 21–38.

⁸ Perry Anderson, “Brief Remarks on the Notion of ‘Uneven Development,’” in *Criteria and Indicators of Backwardness: Essays on Uneven Development in European History*, ed. Miroslav Hroch and Luďa Klusáková, 61–75 (Prague: Variant Editors for Faculty of Arts, Charles University, 1996).

qua non of historical capitalism.⁹ By this view, Iran looks quite capitalist indeed.¹⁰ Yet taken to its endpoint of identifying all contemporary forms of compulsion and coercion as capitalist in nature, we run the risk of collapsing the concepts of dispossession and capitalism into a single overstretched definition.

After all, how do we know that the accumulation of assets through corruption, nepotism, predation, privatization, or fraud contributes to capitalist development per se? This is an empirical problem as much as it is a definitional one. Many examples exist of elites sinking their bloodily acquired fortunes into conspicuous nonproductive channels that may enrich the status of the individual but do little to expand arenas for capitalist growth.¹¹ In other words, coercive dispossession and political redistribution might often be a necessary condition over the course of historical capitalism, with devastating effects, but not a sufficient condition for its reproduction across wide stretches of space and time.¹²

Lastly, many studies examine the social and political outcomes of governments' and nonstate actors' attempts, at the national level, to increase wealth and power in the world economy. Yet here we face the dilemma of parsing out continuity and change over time in a single unit of analysis. Studying the process of "catch-up development" at the national level often involves examining two, albeit related, effects that tend to be ambiguously combined under the concept of capitalism.

The first effect is the relative stasis of the national economy over the long term, even with temporary episodes of high economic growth, in position with the wealthier zones of the world economy. After all, Iran is but one of dozens of postcolonial countries to have experienced one or more "growth acceleration episodes"—defined by economists as a period of growth at rates relatively constant above the global average—only to subsequently revert to the mean or even below the mean.¹³ The second effect is the change within national and local social processes spurred on by various actors' attempts to catch up to wealthier economies. From the view of the nation-state, we are tempted to interpret the combined outcomes as contradictory and abnormal. Transformations in proletarianization, urbanization, family relations, energy use, consumption patterns, cultural production, social movement formation, labor force structure, health and welfare outcomes, environmental conditions, etc., may change in linear or nonlinear patterns, but the nation-state appears no closer in relative economic proximity to the rare success stories of capitalist history. This is one more analytical fallacy of composition, as few postcolonial economies have risen to the top stratum; most of the postcolonial world has been running fast to stay in the same relative position over the past fifty to seventy years.¹⁴ Instead of pathologizing these national-level changes as a deviation from the historical norm in wealthier countries or identifying these outcomes as path dependent upon long-term institutions originating far in the national past, we could instead relax our assumed unit of analysis.¹⁵ Many countries,

⁹ See an overview in Michael Levien, Michael Watts, and Hairong Yan, "Agrarian Marxism," *Journal of Peasant Studies* 45, no. 5–6 (2018): 853–83.

¹⁰ A candid portrayal of Iran's transfer of public sector firms as a rentierist power grab through "accumulation by dispossession" is given by Alireza Zakeri in "Privatization of State Assets in Iran (1989–2020)," *Journal of Historical Sociology* 13, no. 2 (2022): 141–78.

¹¹ The inability of political dispossession to sustain capitalist growth in postrevolutionary Iran is discussed in Parviz Sedaghat, "Crisis of Accumulation and Accumulation of Crises in Iran," *Critique* 48, no. 4 (2020): 449–60.

¹² See the commentary on the concept of "accumulation by dispossession" in Robert Brenner, "What Is, and What Is Not, Imperialism?" *Historical Materialism* 14, no. 4 (2006): 79–105.

¹³ For Iran, see Kevan Harris, *A Social Revolution: Politics and the Welfare State in Iran* (Oakland, CA: University of California Press, 2017); for the overall frequency of similar cycles see Lant Pritchett, Kunal Sen, and Eric Werker, *Deals and Development: The Political Dynamics of Growth Episodes* (Oxford, UK: Oxford University Press, 2018).

¹⁴ Robert Wade, "After the Crisis: Industrial Policy and the Developmental State in Low-Income Countries," *Global Policy* 1, no. 2 (2010): 150–61.

¹⁵ Ingrid Harvold Kvangraven, "Beyond the Stereotype: Restating the Relevance of the Dependency Research Programme," *Development and Change* 52, no. 1 (2021): 76–112. For a supra-national perspective on the region, see Kevan Harris, "Making and Unmaking of the Greater Middle East," *New Left Review* 101 (2016): 5–34.

including Iran, have gone through episodes of accelerated growth, but the reasons are not consistent over space and time, and the explanations may be better found in supranational or subnational processes rather than at the nation-state level.

Due to its utility as a concept of difference, “capitalism, Iranian style” will continue to function as a rhetorical way to make emphatic claims about Iran’s place in the world. Yet an account that assumes that the national level of analysis is the proper one for a history of capitalism might be less suitable than one that applies higher and lower levels of analysis to accurately comprehend the diverse features of Iran in relation to, and connected with, the world.