

BAZAARIS' INTERESTS ON THE IRANIAN ECONOMY: A COALITION WITH ULAMA

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ABSTRACT

This paper aims to analyze the Bazaaris movement and the Bazaaris' coalition with the Ulama in Iran. Their coalition made alliances with other groups such as the workers, the middle classes, and even the Shah state. The objective of this paper is to understand what the Bazaaris demanded from the Iranian politicians and why the Bazaaris continued their coalition with the Ulama. This paper will give readers some insights into the effects of economic dynamics on social dynamics in Iran before the Iranian Revolution in the 1970s. The contribution of this paper to the existing literature is to understand how the Bazaaris' economic demands resulted in a coalition with the Ulama's ideological demands, and how furthermore this coalition made the Bazaaris one of the dynamic radical opposition powers in the Iranian society.

Keywords: Bazaar, Bazaaris, Coalition, Iran, Protest, Ulama

1. INTRODUCTION

Bazaars in Iran are not only trade centers but also centers of political and social interactions. Bazaars are generally founded in the centers of cities.¹ Merchants, artisans, and workers, all of whom are hierarchically organized in bazaars, are called Bazaaris.² Each members of this community is supposed to obey the rules of local tradition and Islamic law. Bazaaris have exercised considerable influence on the socioeconomic life of Iran for a long time. During an economic or political crisis, these hierarchical organizations have generally been recognized to be defenders of traditional economic, social and political systems. Bazaaris are an important economic power, but also an important political and social power, as witnessed by their influence on the political and social movements in many cities. All Bazaaris across the country have a common feature that they are all involved in commerce centered on bazaars.

Bazaaris are dependent on each other not only through their common economic interests, but also through other ties such as religion, tradition, national and political interests, and a common enemy. However, Bazaaris leave their other identities behind in bazaars.³ Bazaaris' economic strength is mainly derived from their financial power and occasionally, ability to shut down bazaars in the country. Their political strength has always rested on their economic strength, but it has also always been exercised through their traditional links to the Ulama community.

Ulama⁴ have traditionally had strong ties with Bazaaris, which created the basis for the political alliance of the Bazaar and Mosque. Many Ulama and Bazaaris have often belonged to the same families. The small friendly bazaar climate provided the Bazaaris and Ulama an ideal physical space to organize themselves and communicate with each other and with the general population (Keddie, 1981: 245).

Bazaars were the first places where Bazaaris and Ulama exercised their coalition. For example, Bazaaris often held Friday meetings at private places in bazaars, in which they generally discussed political problems with Ulama. Consequently, The religious dimension to the ties between Bazaaris and Ulama often increased the Ulama's influence over the Bazaaris.⁵

In this study, we will analyze the Bazaaris movement in Iran until the end of the 1970s. We will not discuss the Bazaaris movement after the late 1970s because we believe the Bazaaris have relatively different attitude towards the Mulla state. The first part will focus on the Bazaaris' first attempts and experiences to form a coalition and alliances with Ulama and other groups against the Shah state and foreign capital from 1891 to 1905. In this era, the Bazaaris were more independent; however, they were weaker in the face of both foreign intervention and state policy. The second part is the coalition and alliances period from 1905 to the beginning of the early 1950s. The Bazaaris experienced new alliances with other groups and classes in Iran and prepared their members to challenge the state authority. Coalition and alliances experiences during the previous two periods made Bazaaris with Ulama ready to respond the attacks of the existing state authority. The last period is the turbulent period from the early 1950s to 1979. In these turbulence years, the Bazaaris were very active in Iranian politics and continued and strengthened their coalition with the Ulama against the state authority.

2. THE FIRST ATTEMPTS FOR COALITIONS

The Iranian state, like many other Middle Eastern states, has traditionally enjoyed exercising a decisive influence on the socio-economic life of their country.⁶ In other words, the state always established a strong centralized administration with its bureaucrats, strict laws and regulations, and continuous interventions.

However, Iranian economy often experienced simultaneous and continuous economic, political and social crises since the establishment of significant Western capitalist influence on the Iranian economy. For example, after the mid-19th century, the state strived to transform the traditional Middle Eastern state, and the underlying traditional economic, religious and political system, to the Western European state system. In that period, the Bazaaris started to demonstrate their opposition to the Shah state, since the new state system intended to limit the Bazaaris' influence in bazaars where they had been independently exercising their economic, political and social power for centuries. The Bazaaris eventually started to criticize the Shah's economic reforms, since capital flows from the western capitalist countries would reduce the Bazaaris' share of the whole economic pie. In other words, the Bazaaris as nationalist merchants of the late 19th century were considered as the defenders of protectionist policies against the Western capitalist economic system.

This opposition movement would be the starting point behind the religious-political doctrinal developments of the Iranian Bazaaris movement in the 20th century. For instance, the massive protests of the year 1891, were against the Western capitalist activities in Iran, and the Bazaaris were the leading figures of this movement.¹ Then, during the Tobacco Protest of the years 1891-1892, the Bazaaris established a coalition with the Ulama and the fledgling workers movement against the Western capitalist companies. Those companies were a major source of revenue for the Shah state, and they were also strongly advocating westernization of many social practices that would end many of the social roles of the Ulama. Hence, the Ulama started to organize protests in bazaars. On the other hand, the workers demanded higher wages, and intended to reduce the work hours. The coalition of the Bazaaris-Ulama-workers continued until the victory of the Constitutional Revolution of the year 1905.⁸ This coalition proved its ability to generate political action and to change the course of Iranian politics,⁹ notwithstanding that the coalition was strained by some internal differences.

However, in spite of this coalition's political victory in the year 1905, the Shah state and the existing western capitalist companies in Iran continued to slowly change the Iranian economy and politics. On the one hand, some members of various groups and classes such as landlords, industrial capitalists and rich merchants supported the Shah state's reforms and the economic integration with the Western capitalist countries. On the other hand, the Bazaaris, the Ulama, and workers were against such integration and reforms. However, their reasons for being opposition were all different. The Bazaaris could not compete with the western capitalist companies because of their inefficient production, both because of their traditional relations of productions and their lack of capital to invest in new technology. The Ulama lost their traditional role in society and state because the new western philosophical thought, administrative system, and economic approaches yielded much more profit and benefits to the Shah state than the traditional system. The workers suffered from low wages, higher unemployment rates and long-working hours. Therefore, workers supported any

opposition movement with the goal of improving their standard of living. Each of the members of this coalition had different interests, but were able to reach a common standpoint in this period.

3. COALITIONS: INTEGRATION AND DISINTEGRATION

Following the Constitutional Revolution of the year 1905, this coalition continued to gain economic and political power in Iran. While the Shah state was introducing many Western values and institutions into the state apparatus, this coalition was gaining considerable support among the people. Workers sometimes did not fully support the anti-westernization argument of the Bazaaris and the Ulama because workers' goal was to improve their standard of living. Many workers in the early 20th century realized that the production systems that existed in the west could contribute more to their standard of living. However, the Bazaaris and the Ulama needed the workers' support for a strong coalition because workers had become one of the strongest oppositional political powers in the country. In other words, worker protests generated serious economic problems for the Shah state. Because the Soviet Revolution in the year 1917, presented a serious threat to the existing social, economic, and political relations and coalitions as well, the Bazaaris and the Ulama decided to support the Shah state and its allies, such as the industrial capitalists, the military and the landlords, to reduce the strength of the worker movement in Iran. In return, calculating that the state might need the Bazaaris' support to repress political uprisings by the workers, the Shah state agreed to support the traditional private sectors, especially bazaar, and implemented various protection policies for local entrepreneurs to improve their economic conditions. During the interwar period, the Bazaaris were relatively satisfied with their economic conditions. Even though the workers movement continued to gain strength, the movement formed itself outside the Bazaaris-Ulama coalition in the interwar period.

In the course of the crises period between the mid-1920s and the mid-1940s, the demand for all types of goods and the absence of serious state repression gave the Bazaaris an opportunity to increase their revenues and to enjoy political freedom. However, at the end of the Second World War, the Bazaaris suffered from a postwar decline in demand because of the end of foreign army based demand and the revival of Western imports.¹⁰ The Bazaaris put on their nationalist merchant cards on the table again. The Bazaaris started to talk about economic and political independence, and demanded a reduction in this foreign intervention in the economy because their economic position was threatened by the competition of foreign goods.

The Bazaaris and the Ulama supported the postwar nationalist oppositional movement. The other member of the opposition was the workers, supported by the leftist Tudeh Party. There were several major strikes just after the WWII, since the economic crisis directly reduced the worker's standard of living. In the course of these strikes, the Bazaaris and the Ulama again decided to support

the worker movements, since workers' strikes in the first instance involved the Western capitalist companies, and hence could reduce the Western capitalist economic and politic influences in the country.

In the early 1950s, the Bazaaris and the Ulama criticized the existing Shah state due to its weakness against some foreign powers in regards to the foreign capitalist control over the economy and influence over all of society. Therefore, the Bazaaris and the Ulama decided to support some strikes when the Shah state and the allied western capitalist countries did not keep a series of specific promises. After the existing Shah government's resignation, the Workers-Ulama-Bazaaris alliance together with the middle class established a new government.¹¹ However, within a few years, the Bazaaris and the Ulama again made an agreement with the exiled Shah and the foreign capitalists, and withdrew from the alliance. In doing this, the Bazaaris and the Ulama again betrayed the workers' movement. In other words, the Bazaaris and the Ulama subsequently withdrew their supports from the worker movements when the Shah state and the allied western capitalist countries promised economic and political benefits to Bazaaris.

4. THE BAZAARIS-ULAMA COALITION: TURBULENT PERIOD

The bureaucratic-authoritarian Shah state in the 1950s intended to depoliticize people, and continued to undermine the power of the preexisting opposition coalition. The Bazaaris and the Ulama were ready to renegotiate their economic and political relationships with the state. However, the new state's economic ideology caused a number of tensions between the state and the Bazaaris-Ulama coalition, especially because the state continued to strengthen the alliance with the western capitalist countries. The Bazaaris-Ulama coalition had deep suspicions about losing their economic and political interests in the country. During the 1950s, the Shah state gave the Bazaaris some economic aid through long-term loans and postponing debts to reduce tensions. On the other hand, the Shah state strived to create a loyal national middle class among the elite in the state apparatus, and carefully tried to control the bazaars.¹² However, the Bazaaris would never give up their goal of fully controlling the bazaars.¹³ During this period, Both the Ulama and the Bazaaris began to fully sense their real politic and economic power over the country, while at the same time they were very concerned that they could lose economic power as a result of the Shah state's policies.

In the early 1960s, the existing Shah state felt ready to make radical changes in economic, political, and social spheres in Iran, and launched reforms called the White Revolution. The main aim of the White Revolution was to make the economic and political reforms necessary to create a new dependent middle class that could be counted on to support the state, to break down the feudal and tribal relations, and to change the existing traditional economy into a western capitalist one. The Shah state nationalized some lands and distributed

them to its brand-new loyal middle class, employed some new bureaucrats, made economic reforms to control the whole economy, and established new economic and industrial infrastructures to accelerate the industrialization process. These reforms also were intended to integrate the Iranian economy with the western capitalist economies through petroleum and its byproducts. One of the Shah state's first targets was the Bazaaris' economic sphere of influence in bazaars, and the Ulama's social and political influence over the people. The state increased its control over bazaars, and opened secular schools to educate illiterate people.

During the 1960s, the existing Shah state promised cheap credits to compensate the Bazaaris' losses because of these economic reforms. The Bazaaris-Ulama coalition, however, was dissatisfied with those economic and social reforms after the White Revolution. The coalition increased the number of protests against the Westernizing movement in the state apparatus and society, and criticized state interventionist policies and strict price controls. The coalition considered the state's policies as a threat to the Iranian traditional life-style and the country's economic interests.¹⁴ The coalition continued to express its oppositional arguments in various meetings in bazaars, and in religious services in mosques. Given the economic dependence of the Ulama on the Bazaaris, and the political influence of the Ulama over the Bazaaris, those meetings and protests helped to establish a limited but relatively stronger coalition against the Shah state. For instance, the Ulama needed the Bazaaris to support protests in the streets against the state and to finance the coalition and religious institutions¹⁵ while the Bazaaris needed the Ulama's ideological support against the Shah state. The Shah state, meanwhile, continued its attempts to reduce the spheres of influence of the Ulama and Bazaaris on traditional economic and social institutions.

In the early 1970s, because of the economic crises in Iran, wages decreased and prices increased. In addition to that, mass migration to cities resulted in a decrease in the numbers of farmers in villages, and a reduction in food production. This caused prices and rents to skyrocket even more in cities. Bazaaris, workers, and other low wage classes suffered considerably from this economic crisis. The workers' reaction to the crisis was mass labor strikes. Furthermore, when the existing Shah state ordered the end subsidies for many items, the Bazaaris increased their opposition to the existing economic policies and began to sell their goods and services in black markets. These illegal affairs increased the tension between the Bazaaris and the Shah state. The deepening economic difficulties stimulated both workers' movements and the Ulama-Bazaaris' movement in Iran.¹⁶

In the 1970s, the Shah state made a political mistake when the state blamed the Bazaaris for Iran's high rate of inflation and serious economic problems (Richards and Waterbury, 1990: 411). In response, the Bazaaris together with the Ulama increased the number of protests, not only in bazaars but also on streets¹⁷. Furthermore, the state's intervention favored large and modern

enterprises to the disadvantage of small, traditional business and industries in bazaars. Legislative changes in the year 1977, increased the repression over the Bazaaris, and sparked the Bazaaris to take collective action against the state. The Bazaaris then seriously turned their cards to mosques for mobilization. Some leading Tehran Bazaaris helped organize many bazaar protests, and used their influence to keep some bazaars closed. Eventually, many Bazaaris all over the country organized protests against the Shah state. After a short time, professional groups and intellectuals, who criticized the Shah economic, political and social politics, started to attend the organized public protests.

5. CONCLUSION

Before the turbulent period, the Bazaaris and Ulama coalition searched for new partners to protest against the western capitalist intervention in the economy. Workers were sometimes included in the coalition, but they were repeatedly betrayed by the Bazaaris and the Ulama. These latter never really considered the workers as true members of their movement, first because the workers were not ideologically against western capitalist investment into the country, and second because workers were considered as a possible puppet of foreign countries. The Bazaaris and Ulama coalition considered the workers as a wild card in their bargaining with the Shah state.

During the turbulent period, the Bazaaris had fears of losing their status in society, and losing their economic activities and powers to the large western foreign interests. In addition to those fears, the Western capitalist system has often been considered as a threat to the traditional Bazaaris life style. Bazaaris have always preferred the friendly traditional ties in bazaars to unfriendly foreign capitalistic relations. The Bazaaris came to believe that a leader or government change would solve their problems. The Bazaaris would demand to form a new government which should exercise nationalistic economic policies. In addition to that, there were Bazaaris' demands that a government should protect property ownership, reduce strict state controls over prices and products, provide entrepreneurs with greater business opportunities, and tax small businessmen more lightly.

Despite the Shah state's attempts to change the traditional trade system to the western capitalist system, bazaars in Iran succeeded in surviving and became one of the major opposition movements before the year 1979. The coalition between the Ulama and Bazaaris was, therefore, reinforced during the turbulent period. However, the Bazaaris mostly intended to preserve the free-enterprise foundations and to introduce only supplemental changes in the direction of more nationalistic rules. Nevertheless, the Ulama, who have been closely tied to the Bazaaris, gave ideological leadership to this opposition movement during the protests and meetings in bazaars. Consequently, the coalition eventually found a way to strengthen the ideological ties between the Bazaaris and the Ulama by

taking certain passages from the religious books to support the rights of private property ownership and entrepreneurs.

The Bazaaris have mostly represented small and medium enterprises in the Iranian economy. Although they have always had certain sympathy to seeing Islamic rules over the country, their first concern was to keep their enterprises in business, and to survive the attacks from foreign capitalist enterprises. The Shah state made a number of political mistakes towards the Bazaaris' interests during the turbulent period. The war period and the post-war period proved that the Bazaaris were willing to be part of the new economy, and to accept foreign enterprises as long as their economic activity was not fully curtailed. However, the Shah state ignored the Bazaaris' demands or offered the Bazaaris less than they were willing to take. As a result, the Bazaaris were encouraged to grab the Ulama's offer to establish a coalition against the Shah state. The Bazaaris financed the coalition, and gave enormous support in the bazaars in which most people of the Iran have always come at least once a week to shop, and to talk politics. The Ulama gave their ideological and intellectual support to this coalition.

END NOTES

(1) For more information about Bazaars, see Graham (1980: 223-227), Katouzian (1981: 17), Chehabi (1990: 91-95) and Moaddel (1993:105-107).

(2) For more information about Bazaaris (merchant or bazaar class), see Katouzian, (1981: 17), Keddie (1981: 32), Wilber (1981: 334), Chehabi (1990: 92-95), and Bayat (1991: 45-52).

(3) There are different ethnic groups among Bazaaris such as Turks, Kurds, Azeris, Jews, Armenians, and Persians.

(4) Here, Ulama refer the religious teachers. In other words, they are the intellectuals of the Islamic movement.

(5) Keddie (1981: 32) mentions that Bazaaris and Ulama generally celebrated religious ceremonies in bazaars. Most respectable Bazaaris have been addressed as Hajji since Islam arrived in Iran.

(6) Seyf (1988) presents a detailed discussion about this topic in his study.

(7) Martin (1989: 51-57) and Bayat (1991: 44-52) stress that many of the Bazaaris could not compete with imported products and suffered from dramatic price falls.

(8) In both the 1891 and 1905 events a western looking intelligentsia (and students) played an important role in shaping the ideology of the opposition (and fought to gain influence over the fledgling worker movement), but the Bazaaris-Ulama-workers coalition was what mobilized the people. By after World War II most of this western looking intelligentsia had been absorbed into the (upper) bureaucracy of the Shah state.

(9) For more information about those protests during the late 19th century and early 20th century Iran, see Keddie (1981), Martin (1989) and Bayat (1991).

(10) For more information about this period, see Keddie (1981: 79-112).

(11) For more information about this period, see Moaddel (1993:44-50).

(12) The Shah state forced Bazaaris to organize under state's supervision into guilds. For instance, Fischer (1980: 121) states that there were 30 organized guilds in Qum that they daily checked the posting of prices and profit margins.

(13) Graham (1980: 224) states that, according to a Bank Markazi official, even in 1976, in spite of many reforms in the economy for the last 15 years, the bazaar was still controlling over two-thirds of domestic trade in the carpet trade and other export items, and was accounting for at least 30 per cent of all imports.

(14) Katouzian (1981), Keddie (1981), Bahiriyeh (1984), Chehabi (1990), Ashraf (1995), and Moore (1992) give valuable information about the period 1963-1979.

(15) For more information about Bazaaris' financial supports to the coalition, see Graham (1980: 225-226) and Kamrava (1990: 121-122).

(16) Keddie (1981: 231-272), Moaddel (1993: 122-163), and Ashraf (1995: 35-37) discussed those movements in their studies.

(17) For more information about these protests, see Fischer (1980: 181-230), Katouzian (1981: 332-353), Keddie (1981: 231-272), Bakhash (1984: 52-70), Richards and Waterbury (1990: 292-96), and Moaddel (1993: 154-163).

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