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Middle-Class Revolutions in the Third World

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Introduction

Third World revolutions, whether socialist or middle class, reflect the failure of dependent capitalism as a model for balanced development, a nationalistic reaction to dependency on imperialism and to underdevelopment, a popular desire for political participation and social justice, and a strong desire to return to the native culture and way of life. Where capitalism has lost its legitimacy and socialist forces have been unable to offer a viable alternative, middle-class revolutions have become increasingly attractive. These revolutions are made by a broad coalition of popular forces under the leadership of the middle-class intelligentsia; such revolutions often adopt an indigenous ideology and are predominantly nationalistic in nature.

The Iranian Revolution is a case in point. Implementation of the capitalist growth model between the 1950s and 1970s generated poverty, income and spatial concentration, uneven sectoral development, dependency, cultural destruction, denationalization, and dictatorship.\(^1\) In conjunction with memories of the Shah’s illegitimate return to power with the help of the CIA in 1953 and his despotic methods of governing for more than thirty years, the problems led to the speedy loss of the legitimacy of the status quo for the majority. Coupled with a complex of other historical, sociocultural, economic, and political factors (particularly the long and continued legacy of revolutionary political activism), the system’s illegitimacy fueled the revolutionary movement that began in 1978.\(^2\)

Among the contending forces, the middle class was most prepared to lead the Iranian Revolution: It had not only quantitative superiority but also qualitative advantage over both the upper and the lower classes. An absolute majority of the Iranian intelligentsia critical of the Shah’s policies were among the middle class. A good number of intellectuals among them subscribed to socialist ideals, but many more (both religious and secular) were nationalistic.

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world economy for the volume, flow, and prices of their exports, foreign exchange, industrial inputs, technology, finance, and food items. Most of these and other resources, including means of mass communication and cultural domination, are in the monopoly of a few transnational corporations antagonistic to Third World revolutions of any kind. Moreover, most Third World countries depend on a single export commodity, such as oil, coffee, and certain minerals, for their foreign-exchange earnings, and, therefore, are particularly vulnerable to the whims of the international economy.6

Thus, for the Third World, many of the key parameters for changing the logic of the post-revolutionary economy, from one based on accumulation for profit to one directed toward the basic needs of the population, are determined externally—in particular, by hostile transnational firms. Most multilateral agencies, including the World Bank and the International Monetary Fund, also follow the dictates of imperialism, making any economic pressure imposed against post-revolutionary societies even more damaging.7 If dependency on the world economy is the major cause underlying Third World articulation in the capitalist world economy, the reverse dependency of the latter on the former has largely diminished the chances for their immediate or easy disarticulation. Thus, while an anti-capitalist and self-reliant development strategy would become extremely hard to manage, the success of the alternative “open policy” would largely depend on the leadership’s attitude toward imperialism.

Third World middle-class revolutions also have friends outside their borders. The socialist bloc is supportive, although it remains uncommitted to the survival of these revolutions. Progressive forces within imperialist countries and national liberation movements are important sources of strength for middle-class revolutions. Such revolutions might attain additional benefits by exploiting the power politics in imperialist countries (e.g., those between the conservatives and the liberals) whose leaders must operate within the constitutional limits imposed on the executive branch. Middle-class revolutions might also take advantage of the competition between capitalism and socialism and of intra-imperialist rivalry. Various regional and commodity integration schemes (e.g., OPEC) might equally be used to further strengthen the revolution in question. The United Nations might also be able to help in special circumstances. Imperialism, however, attempts to neutralize or weaken these sources of strength whenever and wherever possible in order to increase its control over the post-revolutionary period.

The consequences of imperialism’s armed aggression and/or destabilizing campaigns for middle-class revolutions and post-revolutionary societies are tremendous, in both their positive and negative manifestations. The transfer of scarce resources, including that of energetic and productive young people from the generally underdeveloped basic industries to the defense sector, significantly reduces the economic production of the post-revolutionary society and undermines the state’s social programs. The export sector usually suffers the most, thereby exacerbating the foreign-exchange crisis and creating repercussions for the dependent industries and food imports.
Republic, and to the extent that the Islamic leadership remains distrustful of the real intentions of imperialism and considers it an illegitimate, dom-
inating player in world politics, the negotiation-cum-aggression cycle will continue. In other words, the Islamic Republic, distrusting socialism and under the pressure created by enormous problems, will continue to regulate its relationship with imperialism; at the same time, its hatred for imperialism will prevent it from changing its attitude, thus inviting pressure and aggression against itself.

The war and many destabilizing campaigns may not have changed the attitude of the Islamic leadership toward imperialism, but they have certainly had a tremendous impact on the society of post-revolutionary Iran. Economic production—particularly by the oil-export sector—has declined significantly, with devastating effects on Iranian foreign-exchange earnings and, consequently, on its dependent industries. Economic decline has also translated into cuts in social and developmental programs, high unemployment and inflation, and reduction in the real income of the majority of Iranians. The government’s rationing and price-control policies, in the absence of an effective distributive policy, have led to the emergence of black markets and to a shortage of consumption items in controlled markets. In the meantime, however, the Islamic Republic has used the war and the destabilizing campaigns to consolidate its newly created institutions (including military and para-military forces), curtail information flow to the public, restrict democratic measures, and eliminate domestic organized oppositions. On balance, therefore, the impact of imperialism has been unquestionably negative for the Iranian Revolution.

Models of Development and the Middle Class

Current middle-class revolutions are occurring largely in reaction to the consequences of the capitalist growth model (or strategy) for development. This model is dismissed by the middle-class leadership as inappropriate for post-revolutionary transformations. It is considered too economicistic and efficiency oriented for post-revolutionary societies, in which the existing political structures and ideology would have to be transformed and in which demands for equity and social services run high. The growth-with-equity strategy of capitalist development has also been dismissed as inappropriate. Although this model seeks to mitigate socio-economic imbalances by means of certain reforms (e.g., in land tenure and education) and through reorientation of priorities (e.g., toward increased investments in agriculture, rural development, intermediate technologies, basic needs, and social services), it fails to tackle the larger problems of underdevelopment and dependency primarily because of its neo-Malthusian view of limits to growth and anti-industrialism. The middle-class leadership also criticizes the model for both its acceptance of capitalist institutions and its call for a reformed version of existing international arrangements under the banner of the New International Economic Order. Finally, as-
class utopia and the mandates of the real world. A frequent result is the emergence of an eclectic pragmatic approach as various pieces from different strategies are juxtaposed to arrive at a workable model. The emergent model is initially progressive; however, as pragmatism dominates the mentality of the agencies making policy decisions, ideology loses its potency and the revolution begins to slip toward moderation and reformism.\textsuperscript{15} What imperialism is not able to achieve on its own can thus be accomplished by the collective forces of objective conditions in the post-revolutionary society.

The search for a third way has also occupied the ideologues and policymakers of the Islamic Republic since the Revolution in 1979.\textsuperscript{16} They dismissed the existing socialist and capitalist models for almost the same reasons as those already discussed—citing, above all, the specificities of Islam and of Iranian traditions and culture. The ensuing debates as to what constitutes these specificities and how they should be incorporated into a development strategy for the new Republic have been presented to the public in many forms, but they have also been withheld from the people for political reasons. In fact, a body of experts has been appointed to define the many elements of an ideal Islamic society. The earliest comprehensive delineation of that society was given in the Islamic Constitution, which characterizes the economy as comprising three sectors (public, private, and cooperative) and specifies national independence, social justice, and democracy as the three fundamental goals of the Islamic Republic.\textsuperscript{17} Of particular emphasis is the cultural transformation of the post-revolutionary society on the basis not only of these goals but also of Islamic values and national traditions. However, subsequent attempts to formulate a coherent and consistent development strategy on the basis of the Constitution have generated many ideological debates, political conflicts, and practical difficulties.

Hence, despite the apparent shift from strictly ideological considerations toward a more pragmatic policy in recent years, a unified position on many fundamental development issues has not yet emerged.\textsuperscript{18} These issues include the extent to which the private sector should be allowed to accumulate wealth and to engage in the management of the society, self-sufficiency versus integration into the world economy, the proper mix of modernity and tradition in culture and the use of technology, the conflict between economic growth and social justice in a declining war economy, the place of regional development in national economic planning, state-society relations with respect to decentralization and public participation, organization of the masses in sectoral and spatial councils, the place of cooperatives in the economy, and, above all, the multidisciplinary problems that possible introduction of democracy would create. Factors influencing the lack of consensus on these and other development issues include the tension between Islam as a cross-class ideology and middle-class interest (or, more precisely, the vision of these interest held by key leaders and ideologues), the war with Iraq, factional politics, enormous domestic problems, and external constraints.

Nevertheless, the mix of ideological and pragmatic debates along with attempts to cope with a dependent war economy have led to the accumulation
composition of the opposition and the leadership are also powerful. The resiliency to change of an old system that works, at least for a minority, and the extremist politics of the opposition and the leadership are particularly damaging to revolutionary goals. Additional difficulties emanate from institutional constraints, material shortages and external dependency, lack of adequate managerial and technical skills (a situation worsened in the short run by the departure of educated people from the country), in-fighting within the state, and the absence of a coherent development strategy.

These international and domestic constraints are only partly neutralized by limited support from friends abroad (e.g., socialist countries) and the domestic opportunities generated by the revolution itself. Specifically, middle-class revolutions liberate the majority from the yoke of the minority and transform the mostly passive pre-revolutionary crowd into a highly motivated, conscientious, creative, and energetic group. The liberation of these new hands and minds also generates massive energies, enthusiasm, innovative ideas, new organizations, and fresh means of social transformation.

Ideology

The ideological transformation of the post-revolutionary society is particularly problematic. The middle class has many ideas but no ideology of its own. It makes its revolution against the dominant ideology (usually dependent capitalism) by means of a borrowed ideology (usually nationalism or the native religion). The old dominant ideology is generally conservative and tends to fix or otherwise distort the real essence of the existing social order. Thus, the new dominant ideology must not only offer a true analysis of reality but must also call for change. In addition, it must be able to wed theory with practice, make agents of change fully aware of the implications of their practice, and develop an understanding of capitalist imperialism as a global economic-military complex. Dogmatism is the number-one enemy of such an ideology; the new ideology must be open and critical.

The ideological transformation faces two parallel processes: delegitimization of the old dominant ideology and adaptation of the borrowed hegemonic (cross-class) ideology to the specific needs and interests of the middle class. In the case of Iran, borrowed hegemonic ideology was Islam, the native universal religion. Although Islam had won the competition for the capture of the majority even before the victory of the political revolution in 1979, the struggle for its adaptation as the ideology of the post-revolutionary state began almost immediately. Despite a loss of legitimacy, the old dominant dependent capitalist ideology was retained by upper-class Iranians, the inherited socioeconomic and political structures, and various public and private institutions. Its further delegitimization took the form of denunciation of dependency, dictatorship, and the injustices of capitalism; it also took the form of attacks on any signs of westernization. Both religious and secular forces (the Left and the "liberal" nationalists) participated in the crusade against the ideology of the Pahlavi state.
absent at the higher echelons of the bureaucratic hierarchy. Despite attempts to decentralize certain state functions, centralism persists in the Islamic Republic. The failure to decentralize is partly due to the fact that the old unitary (as opposed to federal) and sectoral (as opposed to regional) structure of the state remains largely intact. The ongoing war with Iraq, conflict with the Kurds, attempts to cope with destabilizing forces, and expansion of the public sector of the economy are among the other factors contributing to continued centralism under the Islamic Republic.

The most pressing political problem of the Republic, however, is the lack of democracy, particularly where the dissidents and political opposition are concerned. The Constitution recognizes representative democracy, allows dissent, and guarantees considerable democratic rights for individuals and institutions, especially in the realms of basic needs, social justice, speech, ideology, the private press, organization, and participation in the politics of society. It also delineates the various means for implementation, including consultation (e.g., through Parliament and through the sectoral and spatial councils), free and open elections, establishment of the necessary mediating institutions, and political appointments. In practice, however, democracy remains an abstraction. Many observers of Iranian politics have tried to explain the country's lack of democracy in terms of the restrictive nature of Islam as a religion of obedient followers and the Supreme Will. But this argument fails to acknowledge that Shi'ah Islam also encourages self-esteem and liberty as well as bravery and rebellion.

The major factor contributing to the lack of democracy in the Islamic Republic is political instability (both real and perceived), caused by the war with Iraq, the destabilizing campaign being waged by imperialist forces, the extremist politics of the Left and the Right, the Kurdish autonomy movement, and the autonomous activities of many grass-roots organizations within a state that is still in its formative stage. Democracy in Iran also suffers from the legacy of the Shah's dictatorship, centralist orientation, and disregard for human rights. In addition, the lack of a democratic tradition in Iran reflects the country's extremely low tolerance for criticism and opposing views, the absence of a decentralized decision-making system, and the lack of institutions designed to mediate political differences (including grass-roots organizations and trained personnel). Not only are these obstructive factors still in place, but the Islamic Republic has created additional barriers in the course of its struggle against the destabilizing forces. Examples of these new obstructions include the imposition of Islamic codes on individuals (particularly women) and on family life as well as behavioral and cultural restrictions. Finally, democracy in Iran suffers from the lack of legality, security, and a theory of dissent. While the state is unable to incorporate the opposition as a legitimizing force, the opposition is completely confused about the limits of its legal rights.

Economics

The economic transformation of the post-revolutionary society constitutes the most difficult task facing the middle-class leadership. On the one hand,
investments went to production units that used more local inputs. These
and other similar policies were complemented by a policy of encouraging
contentment on the part of the population. The mass media was used to
convince the people that national independence could not be achieved without
an acceptance of hardship in the short run and, in particular, that sacrifices
had to be made in the standard of living. It also denounced the “Western
pattern of consumption” as non-Islamic and harmful to the goal of self-
sufficiency.24

The goal of social justice was to be achieved by means of certain reforms
and changes in national priorities. A Seven-Member Council was formed to
look into the land question and the Land Reform Bill, and several measures
were adopted.25 A Housing Foundation was created to provide housing for
the poor, particularly in urban areas.26 The Ministry of Plan and Budget
was directed to allocate national resources more equitably throughout the
provinces. The Reconstruction Crusade (now a ministry) was established to
provide rural areas with electricity, water, feeder roads, schools, health
clinics, and housing among other social and infrastructural services. Legis-
lation was passed to reduce the gap among wage rates, resulting in a 60
percent boost to workers’ wages. A policy of price support in the form of
subsidies for basic-need items was instituted to protect the poorer groups
from the rampant inflation that had followed the economic decline during
the Revolution. Finally, modifications were proposed in the tax system both
to make it more progressive and to prevent excessive concentration of
wealth in the hands of a few. Nationalization of major industries, banks,
insurance companies, and foreign trade weakened further prospects of
emerging large-scale private accumulation. The Constitution had already
made nationalization mandatory, along with the provision of jobs and affordable
social services for every citizen of the nation.

The mixed-economy objective was to be achieved through the creation
of a leading state sector, a subordinate private sector, and a balancing
cooperative sector. The economy was to be planned and publicly managed,
with market mechanisms and policy tools to be used in conjunction with
private and collective management. The state decided early in the post-
revolutionary period that the share of the oil sector would decline as a
portion of the gross national product but that agricultural and industrial
shares would increase. The service sector was to gain little or nothing at
all. The policy aimed at a more productive economy. Although both large-
and small-scale production units were supported, the latter were favored
and received more direct public support for the first time since the 1950s.
The technology policy followed a similar pattern: Capital-intensive technologies
were to continue while labor-intensive techniques using local resources were
highly encouraged in the hope of reducing technological dependency on the
West and of generating jobs for the growing unemployed population.

Most of these policies, which were attempted at different times during
the post-revolutionary period up to the end of 1982, were subsequently
suspended, reversed, or modified under enormous domestic and international
expenses and as investments for restructuring certain industries in the direction of defense production. Of the remaining part, a sizable portion was directed toward the completion of ongoing projects and the improvement of existing capacities in the oil and large-scale industrial sectors. To maximize the utilization rate of the existing industries, the government began removing obstacles in the areas of infrastructure and management in particular. In the meantime, a policy of diversifying the sources of dependency on exports and imports was pursued and barter trades were expanded with the socialist nations. The hope was that these changes would generate the needed foreign exchange, that dependency would remain under control, and that economic growth would be stimulated to make continuation of the war possible. The new policies also meant to improve management of the creeping inflation and unemployment and of the declining real income of the majority.  

Although they initially looked feasible, the new policies soon ran into domestic and international difficulties similar to those afflicting the previous self-reliant/equity-based policies. The state was again unable to develop a strategy that would systematically apply and coordinate the policies, and the lack of logical relations among various state actions made intra-governmental cooperation for removing obstacles to industrial growth extremely difficult. Despite a reduction in social and development programs, the additional money generated by increased taxation could not be earmarked for growth purposes; war activities had to be expanded. More important, the policy of diversifying the sources of dependency for exports and imports was only marginally successful. The price of oil continued to be determined within the capitalist world market, where the bulk of Iranian foreign trade was carried out—regardless of the West's periodic economic sanctions against the Islamic Republic. The trade with socialist and Third World countries, except for Turkey and Pakistan, did not expand to any significant degree despite frequent policy pronouncements to the contrary. With the failure of the new policies and worsening economic problems, the state turned to an Emergency Plan in 1986 and has since been trying to find a more feasible alternative to the strategies implemented thus far.

### Conclusions

A host of socioeconomic, political, cultural, and historical factors, including undesirable living conditions under dependent capitalism in the Third World, often leads to the system's illegitimacy for the majority and fuels the middle-class or socialist revolutions. Third World revolutions achieve political independence in the form of a nonaligned international policy and create enormous possibilities for a new social organization of post-revolutionary societies. They generate massive energies and enthusiasm, new and creative ideas, innovative means of social transformations, high-powered expectations, and friends throughout the world. But before these potentials could be translated into a purposeful practice for the creation of a new middle-class society, equally powerful constraints begin to develop, some by the actions
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26. Benard and Khalilzad, op. cit., pp. 150–153; and Hiro, op. cit. See also Chapter 6 in this volume.

27. See Chapters 3 and 4 in this volume.


30. Abrahamian, op. cit.; Katouzian, op. cit.; Graham, op. cit.; and Halliday, op. cit.


and Amirahmadi, “Economic Operations,” op. cit. See also Chapters 7, 8, and 11 in this volume.

33. Fereidun Fesharaki, Revolution and Energy Policy in Iran (London: Economist Intelligence Unit, 1980). See also Chapter 11 in this volume.


35. Bakhash, op. cit., pp. 201–206; and Bashiriyeh, op. cit., pp. 140–143. See also Chapter 10 in this volume.


37. Ibid., pp. 189, 209, and 214.

38. See Chapter 7 in this volume.


40. See Chapter 8 in this volume.

41. These policy revisions are indicated in many official documents but most notably in the Annual Budget Laws, the Revised First Plan, and Annual Reports by the Central Bank. See also Kayhan-e Hava'i, June 25, 1986; January 7, 1987; April 8, 1987; September 3, 1986; January 22, 1986; July 2, 1986; June 25, 1986; March 18, 1987; August 31, 1983; November 6, 1985; and November 5, 1985; Etela'at 7 Azar 1363 [1984]; Iran Times, June 20, 1986; January 24, 1986; June 6, 1986; Etela'at-e Siasi Va Eqtesadi, nos. 1-9 (1986–1987); and Economic Bulletin (Tehran: Iran Press Digest, Echo of Iran), various issues.


43. See Chapter 12 in this volume.


11. See Chapter 5 in this volume.


of the leadership itself and others by various hostile domestic and international forces.

The most important factors preventing middle-class revolutions in the Third World from realizing their visionary society include the capitalistic world economy on which the post-revolutionary societies continue to depend, various imperialist destabilizing campaigns, polarized domestic politics, the inability of the middle-class leadership to advance its version of a coherent development strategy, institutional obstacles, and the lack of needed material, managerial, and/or financial resources. The middle-class leadership, however, will continue to struggle against all these and other odds until it is convinced that its utopia cannot be realized without serious compromises and that moderation is the only hope for survival or peaceful coexistence in a largely hostile world. Historical experiences indicate that if these revolutions are not overthrown by a bourgeois counterrevolution, they gradually develop into a reformist state capitalism with a more or less native cultural identity and tightly controlled politics. In the meantime, these revolutions hang on the opposite poles of borrowed ideology and pragmatism, conflicting policy pronouncements, and contradictory actions. Algeria and Tanzania are examples. Whether the Islamic Republic will also develop in this direction remains to be seen. Clearly, the Islamic ideology and the specificities of Iranian culture would have significant impact on the teleology of the Islamic Republic. Yet there are indications that the Iranian experience will correspond to those of other Third World middle-class revolutions.

Still, my conclusion concerning the limits of Third World middle-class revolutions is a conditional one: These revolutions will continue to occur regardless of the results so long as the demands for national independence, social justice, and democracy remain legitimate. Motivation can also be drawn from tensions between socialism and capitalism and among various domestic interest groups. Moreover, if the present trends are any indication, the forces constraining middle-class revolutions in the Third World are in gradual decline, whereas opportunities for their success are widening. The future of imperialism is hardly bright, given its foreign-policy failures and its recurrent internal crises. In sharp contrast, Third World middle-class revolutions are increasing in strength. The aspirations prompting these revolutions are derived from socialism, from supportive progressive forces around the world, and from the revived ideologies of Islam in the Middle East and the liberation theology in Latin America. In the final analysis, the desire for political independence, social justice, national dignity, and cultural revival will remain among the strongest motivating factors behind most Third World revolutions, middle-class or socialist.

Notes
pressure.37 Even before the war began, politics had become polarized as the leadership moved to monopolize power and the opposition responded. At one and the same time, a radical shift of the state’s policies toward imperialism manifested itself in the hostage crisis (November 1974–January 1981) and a call for export of the Revolution. Imperialism responded with diplomatic pressure, economic sanctions, and destabilizing campaigns. Then came the Iran-Iraq war in September 1980, less than two years after the victory of the Revolution. The political polarization had already crippled the state’s attempts to formulate a coherent development strategy. The First Social, Economic, and Cultural Development Plan of the Islamic Republic (1983–1988) had to be shelved because of factional politics within the state.38 Conflicts within the power bloc had also encouraged the intensification of the extra-legal activities of the poor peasants to obtain land, the workers to obtain control and management of large industrial units, the urban poor to obtain housing, and the national minorities to obtain a degree of autonomy. The added pressure from imperialism and the war only worsened the significant decline that the economy had been experiencing since the start of the Revolution in late 1977.39

The oil sector, on which the country depended for more than 95 percent of its foreign-exchange earnings, was the main and most immediate casualty of the war.40 Its production declined to well below the desired level. Soon after, many of the remaining Iranian dependent industries, which were still operational, had to be shut down or operated at significantly reduced capacity. Further decline in the supply of goods and services exacerbated the already double-digit inflation and unemployment rates. Propagation of the ideology of contentment became hard to justify as hardship became a fact of life for the majority in the country. The war continued to create additional human, material, and financial problems while usurping more than one-third of the state budget. It also generated additional needs for foreign exchange at a time when oil production was not picking up and oil prices were in general decline.

Pressure began building up for revisions in the policies of self-reliance, social justice, and a balanced mixed economy in the beginning of 1983. This pressure took many forms. Support for agriculture, rural and regional development, small-scale productive units, labor-intensive techniques, major economic reforms, and social services was reduced. Wages and employment were frozen in the state sector, but price subsidies for basic consumption items continued. Taxes were increased in an attempt to reduce dependency on oil, but also to boost the public budget. Under the new policy, deficit spending became acceptable to the government, and a more active role was given to the private sector and to market mechanisms. A number of nationalized industries were sold to the public or returned to their original owners, and the role of the cooperative sector in the economy remained weak and ambiguous. Modern technology again became acceptable to planners and policy-makers.41

The money saved was not, however, put to use in building new industrial capacities. Rather, it went partly to the war effort, in payment of operating
revolution imposes demands for economic sovereignty and social justice. On the other hand, many of the key parameters (e.g., prices, technology, finance) for achieving these goals are externally determined. Added to the problem of external dependency are the economic and extra-economic difficulties that imperialism creates for radical middle-class revolutions. The inability of the middle class to formulate a coherent development strategy further complicates the task of economic transformation. Additional problems arise from the shortage of resources, including skilled personnel, material and institutional bottlenecks, and the smallness of the market. Yet the leadership continues its considerable efforts to transform the post-revolutionary economy, according to the demands of the middle class, to create a largely independent, equitable, and mixed economy. The efforts are, however, only partially successful. The initial self-reliant strategy is changed to a policy of diversifying the sources of dependency, the concern for equity is balanced with a similar concern for efficiency, and the private sector is gradually expanded at the expense of the public sector in the mixed economy.

Despite such unique factors as a long and destructive war, the dominance of the oil sector in the economy, and the hegemonic role of Islam in the Revolution, the Iranian experience closely confirms the lesson of economic transformation under middle-class leadership in post-revolutionary Third World societies. Specifically, the Islamic Constitution incorporates the goals of economic sovereignty, social justice, and a mixed economy. These were to be achieved by means of a strategy emphasizing self-reliance, contentment, social reforms, asset redistribution, expansion of the public sector, and structural changes in sectoral/spatial dimensions of the economy. Planning was to guide the market forces. After some initial efforts and under mounting international and domestic problems, the state had to revise its policies, including the call for an Islamic economic system, in favor of a more pragmatic approach focusing on the maximum utilization of the existing productive capacities, stimulation of the export sector, and diversification of sources of dependency.

Economic sovereignty was to be achieved by means of a self-reliant strategy. Even before the war destroyed the Iranian oil installations, oil production had been cut back substantially from the pre-revolutionary period in an attempt to reduce the dependency of the economy on this single export commodity and, consequently, on the capitalist world market. Many of the large-scale industries had been closed, and others were working with substantially reduced capacity because of labor-management disputes and/or the lack of inputs for which they were more than 55 percent dependent on the world market. Except for a few strategic units, the state made only limited efforts to revive these industries, out of a fear of perpetuating dependency. Instead, its attempts focused on reviving agriculture and promoting small-scale productive units by means of various credit and price-support policies. A parallel policy of import-substitution industrialization and protectionism was also followed in the hope of stimulating domestic production of certain durable and nondurable consumer products. Most new industrial
Soon, however, hegemonic Islam turned against the other competing ideologies (including socialism, nationalism, liberalism, Left, Islamism, and regionalism) in order to firmly establish its dominance. This process, which was both peaceful and violent, led to the propagation of alternatives for the post-revolutionary society. The alternative of hegemonic Islam is spelled out in the Constitution of the Islamic Republic and was accepted in entirety by the majority, despite disagreements over certain details. The subsequent Islamization of the state, particularly in the areas of law, justice, and education, has had a profound impact on Iranian society. Hegemonic Islam is cross-class in nature, however, hence its interests extend beyond the interests of the middle class. As the middle class itself also encompasses several factions (each with distinct interests), the use of Islam as the class ideology has become even more problematic. Thus, the adaptation of hegemonic Islam as the new state’s ideology (i.e., as the ideology of a dominant faction of the middle class) resulted unavoidably in inter-class and intra-class struggles. These initially intense conflicts have become more moderate over time as hegemonic Islam has eliminated many rivals and allowed for a more liberal and pragmatic interpretation of its tenets.

**Politics**

The political transformation of the post-revolutionary society is even more formidable. The middle class has no clear political stance and is constantly vacillating between extremism and moderation. Its leadership, too, faces difficulties inherited from the previous regime, including impaired political independence, dictatorship and repression, centralism, bureaucracy of governance and decision-making, and corruption. It is not surprising that middle-class revolutions should make national independence, democracy, and popular participation central to their revolutionary demands. Of these, the first demand is usually achieved despite continued economic dependence on the capitalist world market. Most post-revolutionary states assume a non-aligned position in world politics at least in the early revolutionary years. However, the realization of the other two demands—particularly democracy—faces considerable odds.

The Islamic Republic is politically independent and perhaps one of the best examples of nonaligned countries in the world. Its famous “No East, No West” slogan seems deeply genuine despite the Republic’s continued economic dependency on the capitalist world market. It has been trying hard to project its ideology to the Third World as a real alternative to the ideologies of capitalism and socialism. However, implementation of other political goals of the Revolution, particularly popular participation in the management of the post-revolutionary society, has not been equally successful. Although the Iranian Revolution generated considerable mass participation, its formal institutionalization remains largely limited to a few “Revolutionary Institutions” (Nihadha-ye Enghelab). At present, participation in the governance of the state, decision-making, planning, and policy-setting range from inadequate at the lower and intermediate levels to completely
of considerable knowledge about the development needs and obstacles, available resources, and required means of obtaining those resources, in post-revolutionary Iran. In addition, scores of massive and important legal and policy documents have been produced. Although many of these have not been implemented, they can be taken as crude indications of the type of pragmatic (i.e., less ideological) development strategy that might yet emerge in the Islamic Republic.

In brief, the Islamic development strategy will most likely resemble a mixed market/planning framework incorporating elements of capitalist and socialist strategies as well as certain fundamental aspects of Islam and the national traditions. Specifically, the public, private, and cooperative sectors will coexist in continuous competition, with the former sector dominating industrial production, banking, infrastructures, and social services, and the latter two sectors handling agriculture, small-scale productive activities, and consumption/distribution services. The impact of Islam and the national traditions would be felt particularly at the level of sociocultural and ideological relations between the state and the society, among the people, and within the family institution. Education and the judiciary would probably become the most Islamicized.

Post-Revolutionary Transformation

A political revolution can claim the status of a social revolution only if it successfully transforms the old society into a new one. Among the critical elements of the old society to be transformed are ideology (including culture), politics, and economics (including social sectors). These structures should be changed not only at the national level but also at the levels of international relations and local communities. The transformation should begin immediately following the capture of the political power in question but must proceed gradually and with utmost tolerance for inherited structures. The art of transformation should involve the integration of indispensable old structure and emerging new structures at all societal levels. The transformation should also exhibit a clear sense of the intended ends and targets as well as of the means and methods required. Transformation of the post-revolutionary society thus demands a deep theoretical understanding of the old and the new society in addition to a well-conceived and coherent development strategy.

Post-revolutionary transformations are faced with both opportunities and constraints. The impacts of adversaries and friends abroad have been detailed earlier. The extreme sensitivity of imperialist forces to policies and actions designed to change the old system emanates from their fear of the radicalism of middle-class revolutions as well as from their geostrategic concerns. In attempting to block post-revolutionary transformations, imperialism is assisted by enormous domestic constraints. These include problems inherited from the old system and difficulties created by the revolution itself. Influences from the nature of the old system, the tactics of the movement, and the
sumptions of rational economic behavior and political stability underlying the growth and growth-with-equity capitalist development models make them significantly less applicable to the situations of rapid change and violent politics found in most post-revolutionary societies.

The middle-class leadership is equally nonsympathetic to socialist models of development, including the Soviet and Chinese models and the "non-capitalist way of development." These models are dismissed for radically different reasons than those cited for rejections of the capitalist models. Specifically, they require large-scale nationalization of major means of production and services, extensive public management, central planning, and a radical redistributive policy. But these measures do not fit the popular (i.e., middle-class) vision of the desired post-revolutionary society. Their implementation also goes beyond the skills and technologies available to the leadership, particularly inasmuch as many technocrats of the old system tend to leave the country after a revolution. Undue emphasis on equality and on anti-entrepreneurship also leads to economic inefficiency and tends to kill individual initiative. Moreover, the models are disliked for their partisanship, ideological loads, political radicalism, and tendency to create and maintain inefficient large bureaucracies. Finally, the allegation has been made that socialism seeks a material society in which spiritual motivations and family ties are significantly undermined.

The middle class's rejection of both the capitalist and socialist models of development is not grounded only or even largely on their policy prescriptions or outcomes. Indeed, the so-called "third way" of development that is sought or implemented by most middle-class revolutions includes elements from both models. The lack of affinity with the models also, and perhaps mainly, emanates from the middle class's fear of dependency on the superpowers; from its deep sense of nationalism, which is generated in response to the models' lack of sensitivity to local history, culture, and way of life; and from its fear of losing newly acquired economic privileges and political power to either the lower or the upper class. The political prestige and propaganda advantages gained by rejecting the "non-native" models and the intellectual/psychological satisfaction associated with searching for an alternative in the wake of post-revolutionary enthusiasm are additional sources of motivation for dismissing the capitalist and socialist models of development.

It is thus natural that most middle-class revolutions in search of an alternative road to development should adopt or attempt to initiate models deeply rooted in native cultures, national characters, and religious ideals. Examples include Peronism in Argentina, Nasserism in Egypt, the Arab nationalism promulgated by the Ba'th parties in Iraq and Syria, African socialism (including Arusha Declaration in Tanzania and the Algerian national liberation revolution), Islamic radicalism in Libya and Iran, and numerous populist movements around the world. Despite many differences, these experiences have one major characteristic in common: After an initial ideological period, they tend to submit to the tension between the middle-
These problems are further aggravated by the imposition of economic sanctions and other international restrictions.

Coupled with war destruction and other types of damage, declines in the supply of resources and production lead to unemployment, inflationary pressure, and reduction in the living standard of the majority. Rationing and price control become logical solutions to hyper-inflation and declining real income, but they also become sources of dissatisfaction among people inasmuch as the policies produce black markets and lead to uneven distribution of available consumption items. Among the negative consequences of armed aggression and destabilizing campaigns by imperialism are reduction in information flow and curtailment of democratic freedoms.

The middle class may also experience positive effects: The revolution may become consolidated as its military strength increases; continuing ideological mobilization may lead to the alienation of opposing ideologies; and the society may gradually become disentangled from the capitalist world economy as it is forced to find innovative ways to deal with its enormous problems. The overall effect of imperialism, however, is generally negative.

In the specific case of Iran, many of the above-mentioned methods have yielded mixed results for imperialism (i.e., in terms of the achievement of its objectives), but with devastating consequences for the Iranian economy and the people. Destabilizing campaigns against the Islamic Republic began when the Islamic leadership made a shift to radical politics in order to drive the "liberals" out of the government. This move coincided with the hostage crisis (which lasted from November 4, 1979, to January 20, 1981) and the increasing hostility of the Islamic Republic toward imperialism. The Iran-Iraq War, which began in September 1980 at the peak of the hostage crisis, cannot be reduced in essence to a simple imperialistic plot. But it also cannot be understood in isolation from the overall strategy of imperialism toward the Iranian Revolution and, more generally, in the Middle East. While Saddam Hussein had his own reasons for invading Iran (e.g., so that he could become the new regional power after the downfall of the Shah), the U.S. government's tacit approval of the aggression was probably based on its intention both to punish Iran for taking American hostages and to moderate the Islamic leadership. Aggression and destabilizing campaigns against the Islamic Republic were exemplified to an equal degree by a few unsuccessful military coups, the most ambitious of which was centered in the Nuzheh air base near Hamadan in July 1980; by the CIA-funded activities of the Iranian exile contras, such as the Tribal Alliance of Iran; by periodic economic sanctions, the last of which was announced in October 1987; by continuous diplomatic pressures on the leadership through friendly individuals and states, as well as through the United Nations; by covert initiatives such as the one that culminated in the so-called Iran-gate scandal; and by the recent U.S. attacks on Iranian targets in the Gulf.

In retrospect, every armed aggression seems to have followed a period of intense but unsuccessful diplomatic initiatives and economic pressures. Insofar as imperialism remains unhappy with the policies of the Islamic
and/or reform-minded. It was natural for a revolution that sought to dispel foreign influences to rely upon a native ideology such as Shi'ah Islam.

In addition to satisfying the nationalistic/progressive ideals of the protesting people, Shi'ah Islam promised a regeneration of the lost cultural/ideological identity. The cross-class and universal character of the ideology made it particularly attractive to the crowd in the streets, who needed national unity above all. The distance between choosing Islam and accepting the leadership of the charismatic Ayatollah Khomeini was only a short one. Ayatollah Khomeini had remained uncompromising to the Shah and was able to articulate the many ideals of the people both in his speeches and through the practical leadership of the Iranian Revolution. Nothing significant in the historical memories of the Iranian people had suggested that the Islamic leadership might break its promise to realize the revolutionary demands of social justice, democracy, and national independence. It is thus not surprising that Islam captured the spirit of the Iranian Revolution and became hegemonic in a very short time.

Imperialism and Third World Revolutions

The primary purposes of imperialism in its struggle against middle-class revolutions are to moderate their leaders, direct them toward accepting existing international arrangements, and prevent them from making policy changes that would undermine capitalist forces at home or the interests of imperialism worldwide. Imperialism also tries to nurture anti-communism in the post-revolutionary societies andputs increasing pressure on the middle-class leadership to adopt an anti-Soviet international policy. Finally, imperialism attempts to prevent middle-class revolutions from supporting revolutionary movements elsewhere in the world. Instead, it expects the leadership to cooperate with the movements against Third World revolutions.

Imperialism uses a variety of methods and means, violent and peaceful, covert and overt, to achieve its goals. Armed aggressions, direct and/or indirect (acting through the domestic “fifth column,” exiled oppositions, and/or friendly states in the region), are usually used when all other methods have failed to produce the intended results. Destabilizing campaigns, on the other hand, tend to begin immediately after the middle class seizes state power. Money, organization, moral support, and intrigues are used to exploit ethnic, racial, religious, ideological, and political differences in the country; diplomatic pressures and disinformation campaigns are applied to isolate the revolution and inflict damage on its credibility in the international community; and material sabotage—including destruction of production and infrastructural facilities, trade sanctions, and financial restrictions—is employed to exacerbate existing socioeconomic problems, thereby creating dissatisfaction among the population and stirring riots.

Economic pressure is particularly damaging to post-revolutionary Third World societies, especially the ones led by the middle class. Long after their revolutions, these societies continue to remain dependent on the capitalist