

# Land Reform and Agrarian Transformation in Iran, 1962–78<sup>1</sup>

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The current literature on the 1960s Iranian Land Reform program is highly divided, especially regarding the program's sociopolitical and socioeconomic outcomes. During the Pahlavi regime, Land Reform was viewed by the opposition groups with cynicism and disbelief or as pro-regime propaganda. Following the fall of the regime in 1979, revolutionaries blamed Land Reform as the primary cause of the destruction of Iranian agriculture, mass rural migration, and peasant poverty. The most contentious debates on Land Reform likely arise largely from the multi-faceted and intertwined nature of its outcomes. The reform program's implementation not only overhauled the prevailing landownership and tenure system, *nizam-i arbab-ra'yati*, but also generated complex changes in agrarian relations, modes of production,

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<sup>1</sup>It is a privilege to contribute to this special issue in honor of Professor Ahmad Ashraf, whose scholarship in historical/sociological studies and empirical analysis of agrarian transformation in Iran has greatly influenced my research work.

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and rural socioeconomic and sociopolitical structure. Besides these complexities, a lack of reliable data has often thwarted scholarly efforts to make an adequate empirical assessment of the program's consequences.

As an illustration, the performance of agriculture in the post-reform period is a very contentious issue. Some scholarly works suggest agricultural stagnation<sup>2</sup> while others show positive growth rates for agriculture of about 3.9 to 4.8 percent per annum.<sup>3</sup> Yet despite considerable disagreement on the reform consequences, there is general consensus on some major transformations: Land Reform abolished traditional landlord–peasant relations, *nizam-e arbab ra'iyati*; substantially increased peasant proprietorship; and markedly weakened landlord domination over peasants.<sup>4</sup>

The reform also contributed to further development of commercial farming.<sup>5</sup> Still, the reform critics point to notable drawbacks such as the increased concentration of landholdings, continued prevalence of subsistence farming, and substantial rise in landlessness.<sup>6</sup>

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<sup>2</sup>Eric J. Hooglund, *Land and Revolution in Iran, 1960-1980* (Austin: University of Texas Press, 1982), 121; Keith McLachlan, *The Neglected Garden: The Politics and Ecology of Agriculture in Iran* (London: I. B. Tauris, 1988), 172–73.

<sup>3</sup>Massoud Karshenas, *State, Oil, and Industrialization in Iran* (Cambridge: Cambridge University Press, 1990), 153; Fateme E. Moghadam, *From Land Reform to Revolution: The Political Economy of Agricultural Development in Iran, 1962-1979* (London: I. B. Tauris, 1996), 88–89.

<sup>4</sup>Ann K. S. Lambton, *The Persian Land Reform, 1962–1966* (London: Oxford University Press, 1969), 347–66; Afsaneh Najmabadi, *Land Reform and Social Change in Iran* (Salt Lake City: University of Utah Press, 1987), 99–117; Ahmad Ashraf, “State and Agrarian Relations before and after the Iranian Revolution, 1960-1990,” in *Peasant and Politics in the Modern Middle East*, ed. F. Kazemi and J. Waterbury (Gainesville: Florida International University Press, 1991), 277–311; A. H. Malekanian, “Sima-ye malekiyat-e arazi-e mazrui-e Iran” (“Characteristics of Agricultural Landownership in Iran”), in *Sima-ye malekiyat-e arazi-e mazrui-e Iran (Characteristics of Agricultural Landownership in Iran)*, ed. S. H. Tabataba'i (Tehran: Ministry of Agriculture, 1992), 45–75.

<sup>5</sup>H. Bergmann and N. Khademadam, *The Impacts of Large-Scale Farms on Development in Iran: A Case Study of Certain Aspects of Iranian Agrarian Reform* (Saarbrücken, Germany: Verlag d. SSIP-Schriften, 1975); Najmabadi, *Land Reform and Social Change*, 114–25.

<sup>6</sup>Khosro Khosrovi, *Jami'a Shenasi-ye Rusta'i-ye Iran (Rural Sociology of Iran)* (Tehran: Daneshkade Ulum- Ejtema'i va Ta'avon, 1972), 165–69; Hossein Azimi, “Tawzi'-i Zamin va Daramad dar

The disintegration of peasant production teamwork, *boneh*, also stands out as a major negative impact.<sup>7</sup>

The reform has been also criticized for having excluded the peasants who did not hold cultivation rights, *khwushnishins*. Consequently, over one-third of all the rural families fell outside the beneficiaries of land redistribution.<sup>8</sup> Land Reform is further blamed for massive rural-urban migration.<sup>9</sup>

The present article attempts to shed light on some major contentious issues surrounding Land Reform outcomes by investigating the program's impact, specifically on peasant beneficiaries, commercial farming, agricultural production, and rural social class structure. I will examine scholarly works and analyze macro-level statistical data as well as the findings of some village-level case studies for this purpose.

### Peasant Beneficiaries

As a result of the three stages of Land Reform implementation, the ownership of an estimated 6–7 million hectares of agricultural land, about 52–62 percent of the total in Iran, was transferred to an estimated 1.8 to 1.9 million sharecroppers and tenants, *nasaq-dars*, approximately 92 percent of the total of sharecroppers and tenants in Iran.<sup>10</sup> However, the amount of land that peasants acquired varied significantly, as land

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Astana-yi Islihat-I 'Arzi' ("Distribution of Land and Income on the Eve of Land Reform"), in *Majmmu'ih-yi Kitab-i Agah: Masa'il-i Arzi va Dihgani (Land and Peasant Questions)*, ed. Agah (Tehran: Mu'assisa-yi Intisharat-i Agah, 1982), 75–94; Hossein Mahdavi, "Molaezati dar bareh-e Masa'el-e Arzi-ye Iran" ("Notes on Land Questions in Iran"), in *Majmmu'ih-yi Kitab-i Agah: Masa'il-i Arzi va Dihgani (Land and Peasant Questions)*, ed. Agah (Tehran: Mu'assisa-yi Intisharat-i Agah, 1983), 167–88.

<sup>7</sup>Hooshang Saedloo, "Boneh," *Rahnama-ye Ketab* 18 (1975): 72–90; Javad Safi-Nejad, *Boneh* (Tehran: Daneshkade Ulum- Ejtema'i va Ta'avon, 1977), 180–89; Ahmad Ashraf, *Moshakhasat-e Eqtesadi va Ejtema'i-ye Nezamha-ye Bahre-bardari-ye Keshavarzi dar Iran (Economic and Social Characteristics of Agricultural Production Systems in Iran)* (Tehran: Markaz-e Amuzesh va pazhuhesh dar Barnameh rizi-ye Mantaqa-yi, 1974), 23–31.

<sup>8</sup>Eric Hooglund, "The Khwushnishin Population of Iran," *Iranian Studies* 6 (1973): 229–45.

<sup>9</sup>Farhad Kazemi, *Poverty and Revolution in Iran* (New York: New York University Press, 1980), 14, 28; Hooglund, *Land and Revolution in Iran*, 118–19.

<sup>10</sup>Hooglund, *Land and Revolution in Iran*, 72; Mohammad J. Amid, *Agriculture, Poverty and Reform in Iran* (London: Routledge, 1990), 103; Ashraf, "State and Agrarian Relations."

distribution was based on their existing occupancy rights, *nasaq*, which differed considerably both within and among the villages. Consequently, the majority of peasants, 64.4 percent of the total number of landowners, received less than 5 hectares, accounting for 14.8 percent of the total area; 17.3 percent acquired holdings of 10–50 hectares, occupying 45.7 percent of the country farmland; and the remaining 17.3 percent obtained holdings of 5–10 hectares, which represented 18 percent of the total area.<sup>11</sup> (The remaining 1 percent were landowners with holdings of 50 or more hectares and therefore were not considered peasants.)

The amount of land received by peasant beneficiaries in various regions of the country also varied greatly, as indicated by the findings of a field investigation conducted in nine provinces, *ostans*, by the Rural Research Center in the Ministry of Agriculture.<sup>12</sup> The results show that while the peasants in the nine provinces received, on an average, 5.05 hectares each, the corresponding figures for Gilan, Isfahan, Fars, and Hamadan were 1.1, 2.4, 4.1, and 8.9 hectares, respectively.<sup>13</sup> Besides the unequal land redistribution, there existed vast variation in regional agro-climatic and soil conditions, peasants' access to irrigation water, agricultural credits, cropping patterns, and proximity to towns. Thus, the impact of Land Reform on peasant beneficiaries as a whole defies any conclusive assessment. Therefore, peasant beneficiaries are divided into three groups based on the size of their landholdings: mini-farm holders, smallholders, and large-farm holders. This distinction is necessary in order to evaluate the reform effects on each group distinctly.

Breaking down peasants into subgroups by size of holdings alone is bound to be unsatisfactory and has to be taken with much caution.<sup>14</sup> Yet

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<sup>11</sup>Iran Statistical Center, *Natayej-e Amargiri-ye Keshavarzi, Marhale-e Dowom-e Sarshomari-ye Keshavarzi (Results of Agricultural Census, Phase II), AH 1353/1974* (Tehran: Plan and Budget Organization, 1977), tables 1 and 15.

<sup>12</sup>Mohammad G. Majd and Wahid F. Nowshirvani, "Land Reform in Iran: New Evidence on the Result of Land Reform in Nine Provinces," *Journal of Peasant Studies* 20 (1993): 442–58.

<sup>13</sup>Majd and Nowshirvani, "Land Reform in Iran," 449, table 3.

<sup>14</sup>Amid, *Agriculture, Poverty and Reform in Iran*, 105; Mostafa Azkia, "Rural Society and Revolution in Iran," in *Twenty Years of Islamic Revolution*, ed. Eric Hooglund (Syracuse, NY: Syracuse University Press, 2002), 96–119; Farhad Nomani and Sohrab Behdad, *Classes and*

this breakdown is the necessary choice because all agricultural census data is organized by the size of landholdings. In light of the above classification, owners of plots less than 2 hectares composed 42.6 percent of beneficiaries while occupying merely 4.3 percent of total arable land and forming the bulk of poor peasants. Smallholders owning plots ranging from 2 up to 10 hectares constituted 39.1 percent of beneficiaries, occupying 28.6 percent of land. Large-farm holders with 10-to-50-hectare farms accounted for 17.3 percent of beneficiaries, occupying 45.7 percent of total arable land in the mid-1970s.<sup>15</sup>

Still, the three groups share certain features. For instance, crop variation showed no significant difference between mini-farm holders and smallholders. Both also depended on family labor, although smallholders occasionally hired laborers. Furthermore, in the mid-1970s, about 83 percent of all land under annual crops was allotted to cereals; the dominance of cereal production is evident in the three groups of beneficiaries.<sup>16</sup>

A vast majority of mini-farm holders were adversely affected by Land Reform, partly because their holdings became smaller, moving from an average of 0.76 hectares in 1960 to 0.66 hectares in 1974. This is reflected in the number of their holdings, which increased by 41 percent relative to their area, which increased 23 percent.<sup>17</sup>

Their holdings were clearly much smaller than the size generally considered essential to meet basic subsistence needs, even in Gilan, which has abundant rainfall. In addition to the smallness of their farms, mini-farm holders were faced with irrigation difficulties, lack of access to low-cost credit, and land fragmentation, all of which hindered them in improving their farm production. Moreover, their plight was exacerbated by the government's negligence as manifested by unfavorable allocation of agricultural credits to the peasant sector. As an illustration, in 1973 some 2.3 million members of rural cooperatives

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*Labor in Iran* (Syracuse, NY: Syracuse University Press, 2006), 160–61.

<sup>15</sup>Iran Statistical Center, *Natayej-e Amargiri-ye Keshavarzi*, tables 1 and 15.

<sup>16</sup>Najmabadi, *Land Reform and Social Change*, 110, 117.

<sup>17</sup>Calculation derived from 1960 and 1974 agricultural census data.

received a total credit of approximately 20 billion rials from the Agricultural Cooperative Bank. In the same year, 310 commercial farmers were granted 2.65 billion rials by the Agricultural Development Bank.<sup>18</sup>

In general, mini-farm holders depended largely on earnings from wage labor to supplement their farm income in order to meet household subsistence. Since macro-level data on the relative weight of earnings derived from these sources is not available, the findings of a few case studies can be used to illustrate the situation. As an example, a study of three villages near Isfahan shows that of the 210 households, 87 percent who owned less than 0.9 hectares depended on wages in addition to farming income to meet family subsistence. corresponding figure for peasants whose holdings were between 0.9 and 5 hectares was 40 percent.<sup>19</sup> A study of sample villages in the Yazd province shows a similar pattern, indicating that 62 percent of the income of Poor peasants was earned from non-agricultural sources.<sup>20</sup>

In light of the foregoing analysis, we can fairly conclude that a vast majority of mini-farm holders did not benefit from Land Reform. Consequently, prevailing rural push factors, combined with the 1970s urban economic boom, lured masses of poor peasants to towns and cities. Owing to a lack of macro-level data on peasant migration by size of landholdings, the findings of some field investigations can be used to illustrate a differential migration rate according to the size of holdings. For example, a study of a sample of villages in the province of Hamadan indicates that peasants who migrated in the post-Land Reform years had held, on an average, 2 hectares of irrigated land and 1.3 hectares of rain-fed land while the average holdings of peasants who stayed in farming were 4.6 hectares of irrigated land and 4.1 hectares of rain-fed

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<sup>18</sup>Central Bank of Iran, *Annual Reports for 1968-1976* (Tehran: Bank-e Markazi-ye Iran, 1977); McLachlan, *Neglected Garden*, 134.

<sup>19</sup>M. Alvandi and T. Rostami, *Report on Seasonal Migration of Villagers in the Isfahan Area, 1979* (Isfahan, Iran: Nashriyeh Daneshkadeh-e Adabiyat, 1979), 32.

<sup>20</sup>Rural Research Center, *A Survey of Development Potential of Non-Agricultural Activities in Six Rural Regions* (Tehran: Ministry of Cooperatives and Rural Affairs, 1975), 56.

land.<sup>21</sup> A 1975 socioeconomic survey of all 821 households residing in a 10 percent sample of villages located in Chahar-mahal-e Bakhtiyari province shows a differential migration rate by landownership. The data indicates that among *khwushnishin* households, the migration rate during the five years preceding the survey was 43 percent while the corresponding figure for farming households was 12 percent. However, the rate varied according to the size of the landholding; it was 20 percent for peasants with small holdings and who owned, on average, 2.3 hectares, in contrast to 5 percent for farmers with medium holdings and whose holding size, on average, was 6 hectares.<sup>22</sup>

The second category of peasant beneficiaries consists of smallholders, who owned between 2 to 10 hectares, the lower brackets of which, mostly the holders who owned 2 to 5 hectares, share certain features with poor peasants. These smallholders were also adversely affected by the disintegration of peasant teamwork, *boneh*, following Land Reform implementation, which led to further fragmentation of their holdings. Subsequently, many smallholders began independent farming on their scattered plots, which had previously been consolidated into larger fields for efficient water and land use under the *boneh* organization.<sup>23</sup>

The process of individual farming by peasants accelerated in the 1970s, leading to a substantial increase of mini-holdings and further land fragmentation. Overall, the prevalence of land fragmentation was

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<sup>21</sup>Rural Research Center, *Summary of the Results of Land Reform in Five Provinces* (Tehran: Ministry of Agriculture, 1978), 11.

<sup>22</sup>Massoud Shafiqh, *Umran-e Rusta'i: Barnameh Tawse'a-yi iqtisadi va ijtimai, i-yi Ostan Chahar-mahal-e Bakhtiyari (Rural Development: Economic and Social Development Plan for Chahar mahal-e Bakhtiyari Province)* (Tehran: Plan and Budget Organization, 1976).

<sup>23</sup>Javad Safinejad, *Boneh*, 3rd ed. (Tehran: Muassisa-yi Intisharat-i Amir Kabir, 1989), 186–9; Eric J. Hooglund, “Rural Socioeconomic Organization in Transition: The Case of Iran’s Boneh,” in *Continuity and Change in Modern Iran*, ed. Micheal E. Bonine and Nikki Keddie (Albany: State University of New York Press, 1981), 161–77; Eckart Ehlers, “The Iranian Village: A Socio-Economic Microcosm,” in *Agricultural Development in the Middle East*, ed. P. Beaumont and K. McLachlan (New York: John Wiley and Sons, 1985), 151–70; S. Amini, “The Origin, Function and Disappearance of Collective Production Units (Haraseh) in Rural Areas of Iran,” *Der Tropenlandwirt* 48 (1983): 47–61; Amir Ismail Ajami, “Boneh dar Sakht-i Ijtimai rustai-yi Iran” (“Boneh in Iran’s Rural Social Structure”), *Iran Nameh* 13 (1995): 503–22.

aggravated by Land Reform and the subsequent sub-division of family farms, as indicated by the increased number of plots per holding from 6.1, on average, in 1960 to 8.5 in 1973.<sup>24</sup>

Some observers have argued that the prevalence of small landholdings, coupled with excessive land fragmentation, largely blocked the transition of peasant subsistence agriculture to a more commercially oriented farming.<sup>25</sup> Yet despite the uneconomic size of their holdings, smallholders who acquired land with access to water gained a modest improvement in their farm production and household income.<sup>26</sup> According to Lambton, in many Land Reform villages, more land was brought under cultivation, peasants worked harder, and the use of fertilizers increased, all of which resulted in higher crop production.<sup>27</sup> Although Lambton does not provide empirical data to substantiate her observations on the results of the early phase of Land Reform, her judgment is likely valid considering her outstanding scholarship on Iranian agrarian relations and peasantry.

Field studies also suggest that smallholders responded positively to new economic opportunities by adopting improved agricultural techniques, increased use of fertilizers, and crop diversification.<sup>28</sup> This is reflected in the improved performance of the peasant sector, which by one

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<sup>24</sup>Department of Public Statistics, *First National Census of Agriculture, 1960*, vol. 15 (Tehran: Ministry of the Interior, 1962), tables 101 and 301; Iran Statistical Center, *Natayej-e Amargiri-e Keshavarzi*, tables 1 and 15.

<sup>25</sup>Mahdavi, "Molahezati dar Bareh-e Masa'el-e Arzi-ye Iran," 167–88; McLachlan, *Neglected Garden*, 116–17; Gholamreza Heidari, "Yekparcheji-e Arazi va Tawse'a Keshavarzi dar Iran" ("Land Consolidation and Agricultural Development in Iran"), *Eqtasad-e Keshavarzi va Tawse'a* 4 (1996): 145–203.

<sup>26</sup>McLachlan, *Neglected Garden*, 147.

<sup>27</sup>Lambton, *Persian Land Reform*, 347–560.

<sup>28</sup>Mohammad S. Nuri Na'ini, *Kara'i-e Keshavarzi-e Dehqani-e Iran (Productive Efficiency of Iran's Peasant Farming)* (Tehran: Plan and Budget Organization, Iran Planning Institute, AH 1356/1977), 161–62; T. Suzuki, *Land Reform, Technology, and Small Scale-Farming: The Ecology and Economy of Gilaki-Rashti Rice Cultivators, Northern Iran* (Tokyo: Institute of Asian Economic Affairs, 1985), 378–79; Moghadam, *From Land Reform to Revolution*, 161–65; Morio Ono, *Kheirabad Nameh: Bist-panj Sal ba Rustai yan-i Iran (Kheir Abad Nameh: Twenty Five Years with Iranian Villagers)*, trans. Hashem Rajab-Zadeh (Tehran: Intisharat-i Daneshgah-i Tehran, 1998), 26–34.

estimate occupied some 35 percent of total farmland, contributing about 41 percent to agricultural gross output in 1972.<sup>29</sup> Moreover, some skilled peasants increased their production and income by participating in a mode of production known as half-and-half cultivation, *nesfe-kari*, under which they were able to raise farm productivity by improved irrigation, increased use of fertilizers, and adoption of improved seed variety in cultivating summer vegetables and fruits, *saiifi-kari*, for the urban market. Although *nesfe-kari* had existed on a smaller scale before Land Reform, its rapid growth in the post-reform years was largely due to the increased availability of farmland for lease and the fast-growing demand in urban markets for vegetables and fruits.<sup>30</sup> On balance, it is likely that smallholders in the upper brackets (5–10 hectares) were generally better off after Land Reform: partly because of some improvement in their farming practices, as noted above, and partly because the sum they paid each year for the price of the land was often less than the value of crops previously taken by the landlords.<sup>31</sup>

Nevertheless, many smallholders, especially in less fertile regions, could not rely entirely on their farm income to meet their household needs. This is illustrated by the results of a sample survey of 152 villages in seven regions indicating that most smallholders had to seek wage labor in the area or migrate to towns for supplementary income.<sup>32</sup> Individual village studies show a similar pattern in the case of peasants whose holdings were less than 5 hectares.<sup>33</sup> In general, the survival of smallholders in the post-reform period relied on a combination of

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<sup>29</sup>Bookers Agricultural and Technical Services, *National Cropping Plan: Inception Report*, vol. 2 (Tehran: Bookers Agricultural and Technical Services, 1974), annex 5, table 5.4.

<sup>30</sup>Ashraf, *Moshakhasat-e Eqtesadi*, 32–35; Hossein Mahdavi, “Tahavvulat-I si s ala-yi yik dih dar Dasht-I Qazvin” (“Thirty-Year Transformation in One Village in Qazvin”), in *Majmu’ih-yi Kitab-i Agah: Masa’il-i Arzi va Dihgani (Land and Peasant Questions)*, ed. Agah (Tehran: Mu’assisa-yi Intisharat-i Agah, 1982), 50–74.

<sup>31</sup>Azimi, *Tawzi’-i Zamin*, 91; McLachlan, *Neglected Garden*, 147.

<sup>32</sup>Mu’assisa-yi Mutali’at va Taghiqat-I Ijtima’i, Tehran University, *Barrasi-yi Iqtisadi va Ijtima’i-ye haft Mantagh-e Rosta’i (Socioeconomic Survey of Seven Rural Regions) 1344/1965–1349/1970* (Tehran: Tehran University, 1972), 455.

<sup>33</sup>Ashraf, *Moshakhasat-e Eqtesadi*, 27; Eric Hooglund, “The Effects of Land Reform Program on Rural Iran: 1962-1972” (PhD diss., Johns Hopkins University, 1975); Alvandi and Rostami, *Report on Seasonal Migration of Villagers*.

activities: partial self-subsistence farming, partial production for sale, and income from wages.<sup>34</sup> However, many smallholders, mostly those in the lower brackets, found little incentive to continue farming, especially after the 1972 urban boom. Some abandoned their land altogether, some left it barren if they could not find tenants, and some migrated to towns.<sup>35</sup>

Smallholders suffered also from difficulties in obtaining credit to meet their financial needs. This was mainly because rural cooperative societies, which were the most accessible source of low-interest loans available to them, fell short of providing credit in the volumes needed by the smallholders. Most cooperative loans provided a low amount and generally for a short term, such as six to twelve months.<sup>36</sup> Still, in quantitative terms, the development of rural cooperatives was notable, as an extensive network of cooperative societies totaling 2,942 with about 3.01 million members had been established by 1978.<sup>37</sup> However, most of the cooperatives were small units without adequate financial resources and trained personnel, which was primarily due to the meager financial resources allocated to the peasant sector.<sup>38</sup>

Financial resources at the disposal of the cooperative societies markedly deteriorated following the dramatic change in the government's agricultural policy in 1967, as will be discussed later. This is evident by the fact that each peasant farmer who borrowed through rural cooperatives in the period 1968–71 received, on average, loans which were only 11 to 18 percent of the amount of loans and grants per shareholder received by farm corporations in the same period.<sup>39</sup> Since the amount of most of the loans was not enough to meet peasant

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<sup>34</sup>Najmabadi, *Land Reform and Social Change in Iran*, 165.

<sup>35</sup>McLachlan, *Neglected Garden*, 140–42; Ehlers, "Iranian Village."

<sup>36</sup>Mostafa Azkia, "The Effect of Rural Development on the Iranian Peasantry between 1962 and 1978, with Special Reference on Farm Corporations" (PhD diss., Aberdeen University, 1980), 98.

<sup>37</sup>Iran Statistical Center, *Salnama-yi Amari, 1357 (Statistical Yearbook, 1978)* (Tehran: Plan and Budget Organization, 1981), 554, 557.

<sup>38</sup>Amir Ismail Ajami, "Cooperatives," in *Encyclopaedia Iranica*, vol. vi (Leiden, Netherlands: Brill, 1993), 253–58.

<sup>39</sup>Amid, *Agriculture, Poverty and Reform in Iran*, 118, table 7.4.

farmers' credit needs, they had to rely on an informal credit market—moneylenders, merchants, and shopkeepers—where interest rates were substantially higher. More significantly, cooperatives were not able to provide loans to all of their members; only 55 percent of members received loans between 1963 and 1973.<sup>40</sup> Even those who received a cooperative loan did not usually spend it to improve their farming practices. Field surveys indicate that a large portion of all loans granted to peasant farmers by the cooperatives and the Agricultural Cooperative Bank was used to meet household consumption needs, leaving about a third for production inputs.<sup>41</sup> Apart from their inadequate financial services, the cooperatives did not generally evolve into autonomous institutions supporting peasants to actively participate in village affairs and develop local leadership capabilities.<sup>42</sup>

The third category of Land Reform beneficiaries consists of large-farm holders with farm sizes ranging from 10 to 50 hectares. Within this category, the higher-tier farmers had easy access to credit from the Agricultural Cooperative Bank for investments, mainly in irrigation and farm mechanization. These farmers, particularly those near large urban centers, enjoyed notable growth in their production and income by providing the towns with fruits and vegetables. By 1974, according to one estimate, nearly 30 percent of holdings in the 10–50 hectares category were family-owned commercial farms which depended partly on wage labor and sold more than half of their produce to the market.<sup>43</sup>

In sum, this analysis suggests that Land Reform mostly benefited peasants who acquired holdings of 10 to 50 hectares while the majority

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<sup>40</sup>Iran Statistical Center, *Salnama-yi Amari (Statistical Yearbook, 1972)* (Tehran: Plan and Budget Organization, 1975), 183, 211; Iran Statistical Center, *Salnama-yi Amari (Statistical Yearbook, 1973)* (Tehran: Plan and Budget Organization, 1976), 184, 215.

<sup>41</sup>Mostafa Mohajerani, *Barrasi-ye Eqtesadi va Ejtema-ye Etebarat-e Keshavarzi Qabl va Pas az Eslahat-e Arzi (Socioeconomic Survey of Agricultural Credits before and after Land Reform)* (Tehran: Tehran University, AH 1348/1969), 120; Najmabadi, *Land Reform and Social Change in Iran*, 179.

<sup>42</sup>Amhad Ashraf, "The Role of Rural Organizations in Rural Development: The Case of Iran," in *Rural Organization and Rural Development: Some Asian Experiences*, ed. Inayatullah (Kuala Lumpur: Asian and Pacific Development Administration Center, 1978), 133–61.

<sup>43</sup>Ashraf, "State and Agrarian Relations," 287.

of peasant beneficiaries who received plots of land less than 5 hectares had, by and large, minimal opportunity to improve their subsistence farming. In fact, the lowest tier, whose holding was less than 2 hectares, experienced vast economic hardship.

### **Development of Commercial Farming**

Land Reform furthered the development of commercial farming because it created conditions conducive to the transition from subsistence to commercial agriculture, as well as to the further integration of rural production into the national economy. Initially, under the first stage of the reform program, large mechanized estates were exempt from redistribution. Then as the program proceeded, the government adopted an agricultural policy that substantially supported the development of medium and large-scale commercial farms, as will be discussed later. Subsequently, large landowners increasingly moved to agricultural mechanization, improvement of irrigation, and production of cash crops. This is partly reflected in the increased use of agricultural machinery from 6,000 tractors and 900 combines in 1962 to 53,000 and 2,500 in 1977, respectively.<sup>44</sup> The transformation of large estates to commercial farming is illustrated by the results of a sample survey of 651 commercial farmers conducted in five provinces in the mid-1970s, which indicates that among the farmers with large holdings, those with an average of 364 hectares of land, 69 percent had inherited the land they farmed.<sup>45</sup> Commercialization of agriculture advanced further by medium- and small-scale landowners, *khord-malekan*, who, after dividing their land with sharecroppers, mostly transformed their remaining estates into mechanized farming. By investing in agricultural machinery, irrigation, and farm inputs, these farmers increased their land productivity and production, especially cash crops for the market.<sup>46</sup> In addition to former landowners, a small segment of Land Reform

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<sup>44</sup>Amid, *Agriculture, Poverty and Reform in Iran*, 122, table 7.7.

<sup>45</sup>Babak Qahraman, "Do Yaddasht dar Bara-yi Kishavarzi-yi Tijari dar Iran" ("Two Notes on Commercial Farming in Iran"), in *Majmmu'ih-yi Kitab-i Agah: Masa'il-i Arzi va Dihgani (Land and Peasant Questions)*, ed. Agah (Tehran: Mu'assisa-yi Intisharat-i Agah, 1982), 139–54.

<sup>46</sup>Najmabadi, *Land Reform and Social Change in Iran*, 114–25; Abdolali Lahaizadeh, *Contemporary Rural Iran* (Farnham, UK: Ashgate Publishing, 1993), 179–83.

beneficiaries who had received larger tracts of land expanded their farming to family commercial farms, as mentioned before.

Loeffler's field study in a village within Sisakhst, located in the Boir Ahmad region, demonstrates the emergence of a small number of petty commercial farmers who had substantially increased their grape production for market by investing in drip irrigation.<sup>47</sup> Furthermore, a growing number of pump-operating farmers, *tolomb-e karan*, who owned mostly larger tracts of land than did the rest of the peasant beneficiaries, increased their crop diversification by allotting more land to cash crops.<sup>48</sup> The growth of a market-oriented segment of the peasantry in the post-reform years is also reflected in the substantial increase of the number of *nesfe-karan* who were engaged in the production of summer vegetables and fruits in partnership with landowners, as described earlier.

The development of large-scale commercial farming accelerated markedly following a dramatic shift in the government's agricultural policy in 1967, which strongly favored large-scale mechanized farms over peasant agriculture.<sup>49</sup> The official policy was adopted in the Fourth Development Plan (1968–72), under which substantial government agricultural development funds and credits were allocated to large-scale mechanized farms. The implementation of the new policy was controversial within some government circles as well as among academic experts. Notwithstanding these objections, a number of state-initiated and managed farm corporations and agribusinesses, both multinational and domestic, were established under the stipulation of two pieces of legislation. These comprised the 1967 law for the

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<sup>47</sup>Reinhold Loeffler, "Recent Economic Changes in Boir Ahmad: Regional Growth without Development," *Iranian Studies* 9 (1976): 266–87.

<sup>48</sup>Amir Ismail Ajami, *Shishdangi: Pazhuhishi dar zaminah-yi jam'ahshinasi-ye rusta'i (Six-dangi: An Inquiry in the Field of Rural Sociology)* (Shiraz, Iran: Pahlavi University Publications, AH 1348/1969), 71–79; Azkia, "Effect of Rural Development on the Iranian Peasantry."

<sup>49</sup>Mansur Rohani, "Towse'eh-e Keshavarzi dar Qotbha-ye Manabe'-e Ab va Khak" ("Development of Agriculture in the Poles of Water and Soil Resources"). Reprinted in Hooshang Saedloo, "Naqdi bar 'Towse'eh-e Keshavarzi dar Qotbha-ye Manabe'-e Ab va Khak,'" *Majalleh-e Tahqiqat-e Eqtesadi* 5 (1967): 66–78. Rohani's article reprinted on 78–88; McLachlan, *Neglected Garden*, 134–7.

establishment of farm corporations (*sherkat-e sahami-ye zirai*) and the 1968 law for the creation of agricultural companies under the dam irrigation system (agribusinesses or *kesht-o-sanat*). In 1968, the Agricultural Development Fund (later the Agricultural Development Bank) was set up specifically to provide long-term investment capital, loans, and grants to corporate and large-scale commercial farms. The bank's capital had been substantially increased from 5 billion to 10 billion rials by 1977.

Farm corporations were established by pooling the lands of several villages whereby all peasant proprietors and landowners would turn over their land to the corporation in return for corporate shares equivalent to the value of their land. According to the law, a board of directors, elected by shareholders and including one government representative, would make all the farming decisions. However, in practice, government agents generally managed farm corporations with minimal participation by peasant shareholders. By 1978, the government had established eighty-nine farm corporations, which encompassed 813 villages covering 318,000 hectares owned by 185,000 peasant proprietors and small-scale landowners.<sup>50</sup> However, because farm corporations depended largely on government financial support and management, they did not evolve into an economically viable production system as originally expected. In fact, the corporations with over a decade of operation (1967–78) covered less than 2 percent of the villages and some 10 percent of the Land Reform beneficiaries. Though farm corporations succeeded in land consolidation, improved water management, and increased land productivity and crop production, the critics argue that they incurred high production costs, depended heavily on government grants and credits, and were subject to widespread peasant discontent.<sup>51</sup>

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<sup>50</sup>Mortaza Hoghooghi, *Sherkatha-ye Sahami-ye Zer'I (Farm Corporations)* (Tehran: Jamia'-e Mohandesan Moshavr-e Iran, AH 1390/2011), 3–4.

<sup>51</sup>For detailed analysis, refer to Azkia, "Effect of Rural Development on the Iranian Peasantry"; McLachlan, *Neglected Garden*, 134–37; Hooshang Kishavarz, *Barrasi-yi Iqtisadi va Ijtima'i-yi Shirkat-I Shami-yi Zira'i-yi Riza Pahlavi (A Social and Economic Survey of Riza Pahlavi Farm Corporation)* (Tehran: Institute for Social Research, AH 1349/1970); Nosratolah Khatibi, "The

As to the development of agribusiness, thirty-seven companies covering some 238,000 hectares of farmland had been established by 1978.<sup>52</sup> Fifteen of these agribusinesses were very large farms covering between 5,000 to 25,000 hectares, of which seven businesses were managed by multinational companies and eight by the state. The remaining twenty-two agribusinesses, which were smaller farms ranging from 1,000 to 5,000 hectares, belonged to Iranian private investors. Agribusinesses, being capital-intensive ventures, could absorb only limited numbers of farm workers. This is illustrated by the case of Khuzistan's four agribusinesses, in which out of an estimated 17,000 peasants who had been dispossessed of their landholdings, only a small minority were employed by the four companies. The peasants' eviction from their land created widespread resentment and social tensions among many peasants, who blamed the government for their plight. Besides their adverse social impact, Khuzistan's large agribusinesses were not economically viable enterprises, as none of them became profitable ventures.<sup>53</sup> Moghadam's field research evaluating the economic performance of the four agribusinesses in Khuzistan in comparison to four categories of farms in five village case studies indicates that "the four agribusinesses were inefficient both in terms of their own productive potential and relative to the productive performance of the farms in the five village case studies."<sup>54</sup> More specifically, the data reveals higher output per unit of both land and water in the village farms than in the four agribusinesses.<sup>55</sup>

Furthermore, along with government-sponsored corporate farms, a number of urban entrepreneurs began to invest in the development of

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Development of Garmsar Farm Corporation: A Case Study," *Oxford Agrarian Studies* 4 (1974): 1–17; Cyrus Salmanzadeh, *Agricultural Change and Rural Society in Southern Iran* (Cambridge: Middle East and North African Studies Press, 1980), 232–35, 241–50; Moghadam, *From Land Reform to Revolution*, 94–96; Hoghooghi, *Sherkatha-ye Sahami-ye Zer 'I*, 77–87.

<sup>52</sup>Azkiā, "Effect of Rural Development on the Iranian Peasantry."

<sup>53</sup>McLachlan, *Neglected Garden*, 136–37; Najmabadi, *Land Reform and Social Change in Iran*, 151–54.

<sup>54</sup>Fateme E. Moghadam, "An Evaluation of the Productive Performance of Agribusiness: An Iranian Case Study," *Economic Development and Cultural Change* 33 (1985): 755–76.

<sup>55</sup>Moghadam, "Evaluation of the Productive Performance," 767.

agricultural enterprises including livestock and poultry production, and agro-industrial complexes. The rapid increase in the number of agricultural companies from 23 with registered capital of 1.65 billion rials in 1972 to 310 with registered capital of 8.46 billion rials in 1976 demonstrates the substantial rise of a new generation of modern capitalists in agriculture.<sup>56</sup> Data limitation does not allow for a sound assessment of economic performance of different categories of commercial farms, their respective contribution to agricultural production, and marketed output in the post-Land Reform period. However, a rough estimate by the IBRD Mission in Iran suggests that the commercial sector of Iranian agriculture represented some 20 percent of farms, occupied about 70 percent of agricultural land, and produced some 80 percent of marketed output.<sup>57</sup>

The 1967 government policy mentioned earlier, which was initially criticized because it was heavily biased in favor of large-scale mechanized farms at the expense of the peasant sector, arose again as a highly contentious issue in the mid-1970s, largely due to the poor performance of the newly created corporate farms. Over time, the policy's wisdom was questioned by some government officials who held numerous meetings debating the policy's socioeconomic outcomes. The growing controversy within the government, coupled with critical evaluation by rural scholars, led to a three-day agricultural seminar in June 1976 in which Prime Minister Hoveyda and eight cabinet ministers including the minister of agriculture, the director of the Plan and Budget Organization, and the minister of cooperatives and rural affairs participated.<sup>58</sup> I was among some one hundred officials and academics who participated in the seminar, which was primarily focused on the critical review of and debates on government agricultural policy regarding agribusinesses, farm corporations, and peasant farms. The two key research papers presented at the seminar clearly indicated the poor economic performance of farm corporations

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<sup>56</sup>Najmabadi, *Land Reform and Social Change in Iran*, 150.

<sup>57</sup>Owen T. W. Price, *Towards a Comprehensive Iranian Agriculture Policy*, IBRD Mission/Iran Report No. 1 (unpublished manuscript, 1975). Paper.

<sup>58</sup>Moghadam, *From Land Reform to Revolution*, appendix to chapter 3, 76–78.

and agribusinesses in contrast to the productive efficiency of family commercial farms and small farms. The critics, furthermore, pointed to the adverse social impact of the large corporate farms as manifested in the dislocation of peasants, increasing economic insecurity among farmers, and widespread peasant discontent. At the end of the three days, it was evident that the opponents of the policy had a strong case. But the seminar deliberations failed to reverse the government's agricultural policy, except that shortly after the conference, the two ministries in charge of agriculture were consolidated into one.

In sum, though large-scale commercial farms grew in the post-Land Reform period, the most profitable of these ventures were family commercial farms and large private agricultural enterprises. In contrast, the experiment with agribusinesses and state-managed farm corporations proved largely a financial and social failure.

### **Agricultural Production**

Apart from provoking considerable disagreement amongst scholars, the performance of agriculture in the post-Land Reform period has been subject to sharp criticism by the left and militant religious opponents of the Pahlavi regime. The critics blame Land Reform for the decline in agricultural production leading to the increased dependency on food imports. This view, as Ashraf argues, overlooks the driving force for the rapid increase in food imports. This increase was primarily fueled by the population explosion—from approximately 19 million in 1956 to more than 34 million in 1976—combined with rising incomes in the urban areas leading to an accelerated growth of demand for food, which vastly outpaced agricultural production.<sup>59</sup> In fact, during the mid-sixties and the seventies, the annual agricultural growth rates varied between 2.5 percent and 4.8 percent while the demand for food increased by nearly 8–10 percent per annum. This widening gap was largely filled by food imports, the volume of which jumped from 0.5 million tons in the early 1960s to over 2.5 million tons in the late 1970s.<sup>60</sup>

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<sup>59</sup>Ashraf, "State and Agrarian Relations."

<sup>60</sup>Mohammad-Said Nour Naini, "Farming in Persia," *Encyclopaedia Iranica*, vol. ix (Leiden,

Some scholars have also argued that Land Reform resulted in agricultural stagnation, as noted earlier. Other studies have indicated positive growth, mainly as a result of an over 45 percent expansion in agricultural land, a substantial increase in farm mechanization, the use of fertilizer, and improved farming practices, as well as government capital investment and subsidized credits. Yet agricultural growth was not widespread throughout the country; as more fertile regions, including Gilan, Mazandaran, and Azerbaijan, yielded high production growth rates, the poor-rainfall areas of the east and south witnessed agricultural stagnation. This stagnation was particularly devastating in marginal areas where farming deteriorated mainly because of inadequate maintenance of underground irrigation systems, *qanat*.<sup>61</sup> The growth rates of different crops also varied widely. Grain production grew very slowly at 140 percent during the 1960–75 period while industrial and cash crops rose by 580 percent and 330 percent, respectively, over the same period.<sup>62</sup> This is partly due to the fact that wheat and barley are not commonly irrigated crops but are rain fed, and partly due to government pricing and import policies which strongly favored urban consumers at the expense of agricultural producers.

In the case of wheat, the minimum price set by the government was far below its production cost, which discouraged the farmers from investing in wheat production.<sup>63</sup> This becomes further evident as indicated by Alam, the minister of court, who noted in his diaries, “because of extraordinary high wages of agricultural workers, about 450 rials per worker per day and [a] very low price set by the government (about one thousand rials per ton) it is not economical to harvest (the produce).”<sup>64</sup> As a result, many wheat growers, especially the large-scale

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Netherlands: Brill, 1999), 303–11.

<sup>61</sup>McLachlan, *Neglected Garden*, 140–42; Scetiran, *Tarh-e Amayesh-e Sarzamin (National Spatial Strategy Plan)* (Tehran: Sazeman-e Barnameh va Budjeh, AH 1355/1976), 132–40.

<sup>62</sup>Agah, “Amarha-yi Rusta-I va Keshavarzi-e Iran” (“Rural and Agricultural Statistics of Iran”), in *Majmu’ih-yi Kitab-i Agah: Masa’il-i Arzi va Dihgani (Land and Peasant Questions)*, ed. Agah (Tehran: Mu’assisa-yi Intisharat-i Agah, 1982), 155–86.

<sup>63</sup>O. Arsevik, *The Agricultural Development of Iran* (New York: Praeger Publishers, 1976), 143–44.

<sup>64</sup>Amir Asadollah Alam, *Yadasht ha-yi Alam (Alam Diaries)*, vol. 5, ed. A. Alikhani (Bethesda,

and more prosperous farmers, gradually shifted from wheat cultivation to cash crops that were more profitable. This trend is illustrated by the case of large-scale mechanized farms in Gorgan, which were originally developed for wheat production, but later shifted to the cultivation of cotton and oil seeds.<sup>65</sup>

Consequently, farmers' steady shift from grain production to cash crops resulted in an approximately 11 percent decline in the area of land under grain cultivation during the 1960–75 period.<sup>66</sup> Nevertheless, agricultural production did not fall in the post-reform period, though in the first couple of years following Land Reform implementation, growth was sluggish: 1.8 percent per year according to the Plan and Budget Organization estimate.<sup>67</sup> By the mid-1960s, the sector witnessed a higher growth rate, though various sources disagree about the specific number. According to official figures, the average annual growth rate during 1963–77 was 4.8 percent<sup>68</sup> while the estimate by the IBRD Mission in Iran for the mid-1960s to the mid-1970s shows that the rate fluctuated between 2.5 percent and 4 percent per annum.<sup>69</sup> Based on analysis of various sources, Karshenas concludes that the average annual rate of agricultural growth was 3.9 percent between 1957 and 1977.<sup>70</sup> Still, estimates of the agricultural production growth rate should be treated with much caution due to certain deficiencies in the data. Finally, it is worth noting that the growth figures published after the revolution show an average annual rate of 4.6 percent for 1963–77.<sup>71</sup>

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MD: Iran Books, AH 1354/1975), 182. Translation mine.

<sup>65</sup>S. Okazaki, *The Development of Large-Scale Farming in Iran: The Case of the Province of Gorgan* (Tokyo: Institute of Asian Economic Affairs, 1968), 76.

<sup>66</sup>Amid, *Agriculture, Poverty and Reform in Iran*, 125, table 7.10.

<sup>67</sup>*Sazman-e Barnameh va Bodjeh, Barnameh-e Umrani-yi Chaharom, 1347-1351 (Plan and Budget Organization, The Fourth Development Plan, 1968-1972)* (unpublished manuscript, 1967), 34. Paper.

<sup>68</sup>Moghadam, *From Land Reform to Revolution*, 88.

<sup>69</sup>Price, *Towards a Comprehensive Iranian Agriculture Policy*, 1.

<sup>70</sup>Karshenas, *State, Oil, and Industrialization in Iran*, 153.

<sup>71</sup>Bank-e Markazi-e Jomhuri-e Eslami-e Iran, *Edara-ye Hesabha-e Eqtesadi, Hesabha-e Melli-e Iran (Iran's National Accounts, AH 1338–56/1959–77)* (Tehran: Bank-e Markazi-e, AH 1360/1981), table 16.

This is fairly close to the 4.8 percent rate reported earlier by the former regime.

### **Rural Social Classes**

Land Reform dramatically transformed the prevailing rural class structure, which was closely tied to the absentee landownership system, *nizam-i arbab-ra'iyati*. Under this system, the rural population was differentiated into three major social classes: peasant proprietors and petty landowners; sharecroppers and tenants, *ra'yat*; and landless villagers, *khwushnishins*. These strata composed, respectively, about 25 percent, 40 percent, and 35 percent of the country's rural population.<sup>72</sup>

Petty landowners and prosperous peasants who possessed large amounts of land were located at the top of the village class structure while sharecroppers and tenants constituted a lower village stratum. Most sharecroppers lived near or at subsistence level because the amount of land they cultivated was very small and a high share of the crops was collected by landowners. In some areas, the landlords levied dues in addition to a share of the crop while the peasants were also subjected to certain personal services, *bigari*. The landless villagers consisted of two strata: rural proletariat and petty bourgeoisie. The former included agricultural and non-agricultural workers, whose common characteristics were low income and frequent periods of unemployment, and who were located at the bottom of the rural class structure. The rural petty bourgeoisie were composed of village shopkeepers, moneylenders, and rural craftsmen, and constituted a small segment of the *khwushnishin* population. It is noteworthy that they occupied a relatively higher socioeconomic status than most sharecroppers did in the villages. Overall, the pre-reform rural class structure was rigid, allowing little opportunity for social mobility within and between classes.

By transferring the ownership of large landholdings to nearly all sharecroppers and tenant farmers, Land Reform resulted in their

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<sup>72</sup>Ashraf, "State and Agrarian Relations," 285.

upward social mobility to a class of peasant proprietors. Contrarily, the socioeconomic conditions of *khwushnishins*, who were excluded from land redistribution, deteriorated notably as they suffered from mounting decline in job opportunities in village agriculture. Land Reform also led to a marked decline in the sociopolitical power of the landowning classes and their bailiffs in rural areas. Nevertheless, the Iranian Land Reform, contrary to conventional views, did not lead to a more egalitarian rural social structure, mainly because of unequal land redistribution, as mentioned earlier. Consequently, a small minority of beneficiaries, prosperous farmers who own plots of land ranging from 10 to 50 hectares, along with the rural bourgeoisie, now constitute the village upper class. As a group, they control a major portion of rural capital and credit, thereby influencing village agricultural production. They have further consolidated their position by establishing a close relationship with government agents and by joining the boards of state-initiated rural organizations in the villages.<sup>73</sup> Next in the hierarchical order is the middle peasantry, consisting of small-scale peasant farmers who own 2 up to 10 hectares, comprising about 40 percent of peasant proprietors. The majority within this stratum are small-scale subsistence farmers who depend on wage labor, because their farm income is insufficient for their living.<sup>74</sup>

The lower peasantry consists of the rural proletariat and poor peasants whose holdings are less than 2 hectares, constituting roughly 43 percent of the total peasant proprietors who occupied 4.3 percent of the total agricultural land in the mid-1970s.<sup>75</sup> In most cases, the lower peasantry's plots are insufficient to provide for their household consumption needs. Thus, the livelihood of this stratum depends partially on subsistence farming and partially on income from wages in local agricultural work or from urban employment for at least part of the year. The rural proletariat, consisting of 1.1 million landless agricultural workers and 1.3 million workers in industry and services, formed the bulk of the lower peasantry in the mid-1970s.<sup>76</sup>

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<sup>73</sup>Kishavarz, *Barrasi-yi Iqtisadi*, 118; Ashraf, "Role of Rural Organizations," 138–46.

<sup>74</sup>Amid, *Agriculture, Poverty and Reform in Iran*, 119.

<sup>75</sup>Iran Statistical Center, *Natayej-e Amargiri-ye Keshavarzi*, tables 1 and 15.

<sup>76</sup>Ashraf, "State and Agrarian Relations."

The rural population is generally conscious of the existence of this class structure. The symbolic significance of this stratification system can be observed through the interpretation of different expressions used by rural residents in various regions of Iran with reference to the *khwushnishin* class. For example, the laborer segment of this class is referred to by the farmers in the northwest of the country as *aftab-neshin*, literally “those who sit and relax in the sun,” while in the southwest, they are called *mahrum*, literally “the deprived class.” In fact, *khwushnishins* themselves describe their overall life conditions as being destitute and powerless.<sup>77</sup> Furthermore, the increasing marginalization of the *khwushnishin* population in the post–Land Reform period has led to a growing feeling of discontent within this group.<sup>78</sup>

The rural classes, as described above, are differentiated mainly on the basis of land tenure relationships, overlooking other significant factors such as level of income, education, and occupational status.<sup>79</sup> In the absence of macro-level data on rural social stratification, which would include the above variables, I have constructed a composite scale of socioeconomic status (SES) to illustrate class differentials in the fertility behavior of peasant couples in a sample of six villages under study. The SES scale includes landholding, a proxy variable for rural household wealth and income, occupation, and level of education of the head of household. According to the SES scale, the 205 total households residing in the six villages were distributed as follows: 52 high status, 92 medium status, and 61 low status. The data indicates substantial differences in the fertility behavior of high-status and low-status peasant couples.<sup>80</sup> The socioeconomic survey of Chahr-mahal Bakhtiyari province, as described earlier, shows class differences in

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<sup>77</sup>Ajami, *Shishdangi*, 46.

<sup>78</sup>Nikki Keddie, “Stratification, Social Control and Capitalism in Iranian Villages before and after Land Reform,” in *Rural Politics and Social Change in the Middle East*, ed. R. Antoun and I. Harik (Bloomington: Indiana University Press, 1972), 364–401.

<sup>79</sup>Najmabadi, *Land Reform and Social Change in Iran*, 115–16; Azkia, “Rural Society and Revolution in Iran,” 102–3.

<sup>80</sup>Amir Ismail Ajami, “Differential Fertility in Peasant Communities: A Study of Six Iranian Villages,” *Population Studies* 30 (1976): 453–63.

household income, migration rate, and school attendance.<sup>81</sup> Field research that I conducted in three villages near the town of Marvdasht, about 45 kilometers northwest of Shiraz, reveals substantial differences in level of income, literacy rate, and social mobility between the households of three classes: prosperous farmers, *tolomb-e karan*; small-scale peasant farmers; and landless laborers.<sup>82</sup>

It should be noted that class differences involve not just quantitative inequality but qualitative disparities in social perception, value orientation, and attitudes. There is little empirical evidence in Iranian rural studies—to the best of my knowledge—indicating rural class differences in terms of the above characteristics. Peasants are generally characterized as being conservative, fatalist, and traditionalist. Still, an empirical investigation I conducted in a sample of households in three villages near the town of Marvdasht suggests class differences in fatalism, achievement motivation, social alienation, and occupational aspiration among peasants. For instance, the data indicates that the mean scores on achievement motivation, social alienation, and occupational aspirations differ significantly by the respondent's class position. However, the differences between classes on the fatalism mean score are not statistically significant, implying that fatalism is a common characteristic of all members of the rural population regardless of socioeconomic status.<sup>83</sup> However, because of the small sample size and the experimental nature of the measurement instrument, the class differences described above suggest at best some general tendencies that should be taken with caution.

## Conclusion

This paper has presented a general trajectory of the agrarian transformation in Iran following the 1960s Land Reform, which swept

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<sup>81</sup>Shafiqh, *Umran-e Rusta'i*, table 1.

<sup>82</sup>Amir Ismail Ajami, "Social Class, Family Demographic Characteristics and Mobility in Three Iranian Villages: A Pilot Study," *Sociologia Ruralis* 9 (1969): 62–71.

<sup>83</sup>Amir Ismail Ajami, "Kholqiyat, Mu'tiqidat va Arezuha-yi Shoghli-yi rustaiyan" ("Characteristics, Beliefs and Occupational Aspiration of Peasants"), *Nameh-e Ulum-I ijtema'i* 1 (AH 1348/1970): 26–47.

over every domain of rural life and profoundly altered agrarian relations, peasant production, rural class structure, and rural-urban relations. The reform significantly contributed to the development of peasant proprietorship, family commercial farms, and corporate agriculture. However, the state-initiated, large-scale, corporate-managed agricultural systems, despite the generally favorable resource allocations, did not demonstrate economic efficiencies. The reform program resulted in unequal land redistribution whereby a minority of peasants acquired large plots of land while a majority received mostly small and uneconomic landholdings. Moreover, one-third of the rural population, the landless *khwushnishins*, were excluded as beneficiaries of the program, and that played a major role in the massive rural migration to cities in the post-Land Reform period.

More specifically, the paper's detailed analysis on the outcomes of Land Reform indicates that the unequal land distribution, coupled with government agricultural policy that heavily favored large mechanized farms, led to a dualistic agrarian system in which small-scale peasant farms coexisted with large commercial and corporate farms. Under the prevailing conditions, the large-scale farmers had easier access to subsidized government credits and services while the small-scale farmers had, by and large, little chance to improve their farming and standard of living in the post-reform period. Agricultural production, which was sluggish in the first couple of years following land redistribution, witnessed a higher growth rate in the mid-1960s to mid-1970s. Along with the transformation of landownership and organization of agricultural production, the prevailing rural social stratification was profoundly altered in its sociopolitical and socioeconomic configurations. Landlord domination over the peasantry was dismantled, which resulted in the upward social mobility of a large segment of the sharecroppers to a class of proprietors. Moreover, the rural economy, which depended heavily on peasant agriculture and petty traders, was diversified as a consequence of the increasing integration into the market, expansion of wholesale and retail trades, and development of the rural capital and credit market,

as well as the creation of numerous service and technical occupations. All of this contributed to the expansion of the rural bourgeoisie, which moved mostly into the upper level of the village class structure. The expansion of the bourgeoisie, coupled with the development of family commercial farmers, on the one hand, and the deterioration in socioeconomic conditions of the poor peasants and *khwushnishins*, on the other, led to increasing rural class differentiation. This is clearly reflected in the sharp differences in the household level of income, education, and occupational opportunities by class status, as illustrated by the findings of village case studies.

Land Reform succeeded in eliminating absentee landownership and overhauling the prevailing unproductive agrarian relations. However, its achievement in creating more productive and efficient owner-operated family farms was, at best, modest. Furthermore, it led to an unintended adverse impact on the village social structure, which customarily facilitated peasant participation in the collective work of agricultural production and the maintenance of irrigation systems such as the repair of *qanat*. Land Reform was also instrumental in extending state intervention in rural affairs as a variety of rural organizations were superimposed upon village communities by government agencies. These rural organizations, which mainly included village councils, rural cooperative societies, and cultural houses, had limited success in performing their assigned functions, especially in mobilizing local support and participation in rural development.

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