

Introduction

In the run-up to the presidential election of summer 2013, the three-decade political improvisation called the Islamic Republic of Iran once again went off script. Just a week prior to Iran's June 14 election, according to tracking polls, former national-security adviser and chief nuclear negotiator Hassan Rouhani sat in the middle of a pack of six candidates. It seemed that no one would gain a majority of ballots, meaning that a runoff was in store. Then a coalition of centrist and reformist politicians, including former presidents Akbar Hashemi-Rafsanjani and Mohammad Khatami, announced their backing for Rouhani.

Three days of electioneering ensued, with a final day of state-mandated campaign silence before the Friday election. At some point during the week, millions of people decided to vote, and to vote for Hassan Rouhani. "I had made up my mind not to vote," said a young Tehran University student. "How could I, after our votes were taken away in 2009?" She then told me that on Thursday, all her friends scrambled to find their national identity cards in order to go to the voting booths the next morning.

Rouhani rose to frontrunner in the polls by election day. As results trickled in hourly on June 15, the outcome became clear. Rouhani won 50.7 percent of the more than 36 million votes cast (a turnout of 72.7 percent). The second-place candidate, Tehran mayor Mohammad-Bāqer Qālibāf, garnered only 16.6 percent. That evening, city streets around the country transformed into carnivals where chants of support

for Rouhani resonated with huzzahs for the former 2009 presidential candidate and leader of the postelection protest wave known as the Green Movement, Mir-Hossein Mousavi, who had been held under house arrest since 2011. The few police loafing in the squares simply moved traffic along as best they could. “Yes, they are just standing there,” a young man next to me yelled into a mobile phone. “I swear it’s true—come out and see for yourself!”

“Iranian society surprised itself,” sociologist and Khatami confidant Hamid Rezā Jalāeipour told a Tehran University crowd a week after the ballot. “Mobilizational potential turned into an electoral uprising.” Jalāeipour added: “After this election, everyone was shocked.” Writing in a reformist newspaper, the urban-studies scholar Parviz Pirān put it more humbly: “Iranian and non-Iranian experts alike do not know Iran well.”¹ As someone who had been traveling to Iran since the 2005 election of former president Mahmoud Ahmadinejad, I knew enough, at least, to expect surprises.

For many visitors, contemporary Iran is presented through two contrasting images. No matter how rich or poor, how educated or illiterate, how connected to the state or excluded by it, people tend to talk about their daily hardships. To do so, whether in the capital city, Tehran, a provincial city such as Ahvaz, or a small village in the Iranian Plateau, individuals compare upward. Many are conscious of inequality and look to those who seem to have a wealthier lifestyle or higher social status. These comparisons can include other countries, imagined or real. Most individuals have a well-developed sense of what a fairer, more nearly equal social order could look like. Much of the time, the government is blamed as one of the main sources and generators of perceived inequality.

For some observers, all these grievances collectively put together meant that the Islamic Republic was teetering on the edge of collapse. After all, according to Jack Goldstone—a well-known scholar of modern revolutions—four elements need to be in place for a revolution to occur. There must be a weak and economically uncompetitive state, a divided internal elite, popular social groups that are mobilized to protest the regime, and an ideology, new or reinvented, that justifies rebellion against the state.² Iran appeared to contain all these elements. In fact, these four issues make up the vast bulk of the scholarship on contemporary Iran: economic backwardness, elite factionalism, a contentious civil society, and highly developed ideologies, both secular and religious, that challenge the Islamic Republic’s orthodox state dogma. Journalists and scholars alike had been waiting for the collapse over three decades. Having been caught off-guard in 1979 by the country’s

“unthinkable revolution,” they were determined not to make the same mistake again.³

There is another image of contemporary Iran, sometimes held up by journalists or scholars as a mirror opposite. By 2007, an economic boom had been under way that was spawning nouveau-riche Iranians as fast as their Indian or Chinese counterparts were appearing in their respective countries. Iranian society was messy but coherent, clumsy but ambitious, and above all, remarkably nationalistic. The population was relatively healthy and educated in comparison with most other middle-income countries. Iranians had rising expectations and were therefore unsatisfied with the status quo. Their ubiquitous criticisms were coupled with an emulation of global trends in status consumption, intellectual output, and cultural behaviors. In this view, Iranian society, or at least a growing section of it, seemed to be transforming itself in defiance of the political order of the Islamic Republic. A hidden revolution in Iran was underway, and it had little to do with the year 1979.

Both these representations hide something important. In the former, social protection languishes because of neglect by the Iranian state, whereas in the latter, upward economic mobility occurs in spite of it. In both views, state and society rarely interact. This book argues for a different view. We cannot understand the surprises of postrevolutionary Iran without examining interactions between state and society. The Islamic Republic was born out of a rapid upsurge in popular contention from 1977 to 1979 that led to the collapse of the previous Pahlavi monarchy. The Islamic Republic then had to survive a protracted war with Ba’athist Iraq from 1980 to 1988—and this survival depended on another wave of popular mobilization. As the war ended, the leaders of the Islamic Republic saw themselves at the helm of an *antisystemic developmental state*. They believed that the country would have to either modernize or perish. Revolutionary Iran could catch up with wealthy states in the world economy, but the country would have to do so under duress. No foreign assistance would be forthcoming. The political elite agreed on this, but they disagreed on almost everything else.

Because of the long war that rapidly followed the 1979 revolution, the Islamic Republic diverged from other postrevolutionary states in a critical dimension: it did not develop a one-party system of political rule. Rather, recurring and intense *elite competition* spilled into the public sphere. Among all sides in this domestic elite conflict, *popular mobilization* was a crucial method in gaining advantages against adversaries. As a result, the social legacies of both revolution and war were utilized and

transformed through elite competition and popular mobilization over the next three decades.

These factors shaped both long-term changes and sudden events that surprised Iranians and non-Iranians alike. No one expected the 1997 election of the liberal-sounding cleric Mohammad Khatami as president. No one outside Iran had even heard of the illiberal-sounding noncleric Mahmoud Ahmadinejad before his election as president in 2005. Both men seemed to have been chosen in fair, albeit constricted, elections. Surprises in politics were coupled with surprises in society. The country's birthrate had dropped from roughly seven children per household at the time of the revolution to two children by the end of the 1990s. News reports stressed the high enrollment of women in Iranian universities—in some fields they made up 60 percent or more of postgraduate students. How were the winding dynamics of the postrevolutionary political system linked to broad transformations in people's lives? What were the consequences of the developmental project in the Islamic Republic?

THE INCONGRUITY OF WEALTH AND WELFARE

As social scientists examine countries with successful developmental trajectories, they often note the presence of states with high governing capacity. In addition, these states had “embedded” themselves, through some fashion, in a large enough segment of the population to carry out goals of economic and social transformation.⁴ Beginning with the Soviet Union, antisystemic developmental states in the twentieth century tended to emerge from governments born in revolutions and steeled in war. Unlike Iran, most were avowedly socialist. Aside from revolutionary cases, developmental states came in many forms over the twentieth century. State leaders emulated policies from other countries and regions, depending on which seemed to be catching up the fastest to wealthy states. Only a handful of countries caught up, but far more countries attempted to do so.

Iran is rarely examined through the lens of the developmental state. After all, one may object, Iran returned to prerevolutionary income levels only two decades after the revolution. Perhaps the 1979 revolution was a barrier to Iran's development. Memories of the old Pahlavi monarchy, presiding over an economic boom in the 1970s, weigh heavily on perceptions of the Islamic Republic today. The political scientist Abbas Milani best summed up this common popular and scholarly view. In a 2008 interview, Milani argued that, compared with Taiwan, South Korea, and Turkey, “the state of [Iran's] economy cannot be compared with the econ-

omies of those states. . . . Iran missed an historic opportunity for leaping forward and becoming a developed country of the twenty-first century. This was the main consequence of the revolution. . . . In order to assess the consequences of the revolution, we ought to compare Iran with similar countries in 1975.”⁵

Milani is correct in observing that a great leap forward in wealth and income did not materialize under the Islamic Republic. However, measuring developmental success only through wealth levels obscures other important social changes. Some of these nonincome measurements of development, such as increased access to health care, education, and other forms of social welfare, may even act as crucial inputs for future wealth creation.⁶ The expansion of nonincome forms of development may also be important for political change. In certain institutional settings, a more literate and healthier population may make more forceful claims on the state.

Economic growth, usually measured by changes in GDP or income per capita, is often conflated with development. Yet this act of conflation substitutes means for ends. Growth can often be a good thing, but the relationship between income and welfare is complex. Some countries, such as parts of Latin America, experienced GDP-per-capita growth along with the widening of inequality in income and welfare outcomes. In other cases, such as parts of East Asia, growth occurred alongside a narrowing of inequality. Although some countries see nonincome-development outcomes such as life expectancy and literacy move upward along with income growth, in other cases these welfare indicators barely change at all. The opposite is also true. Among the large number of middle-income countries outside wealthy North America and Europe, there are places where wealth levels have not changed very much but welfare levels have improved quite dramatically.⁷

As Amartya Sen has indicated, “income is only one variable among many that affect our chances of enjoying life, and some of the other variables are also influenceable by economic policy.”⁸ Nation-states such as South Korea and city-states such as Singapore, for example, achieved rapid increases in average life expectancy through fast economic growth. For these two economies, the mechanisms linking wealth and welfare improvements were labor-intensive employment, which lowered poverty, and state expenditure, particularly on public health. Other countries, conversely, did not experience rapid economic growth but had very rapid increases in life expectancy. In Costa Rica and pre-1980 China, rapid life-expectancy increases occurred without recourse

to rising incomes. Since social services such as primary health care and basic education are relatively inexpensive, these services can be provided by even the poorest states, as long as they have the capacity and motivation to do so.⁹

Instead of solely comparing Iran with countries that leapt forward in wealth levels, we should, as Milani's comment suggests, compare Iran with a wide range of countries. Like the Pahlavi monarchy, many middle-income countries circa 1975 perceived themselves as catching up with wealthy North America and Europe. How many of them made the great leap forward? Table 1 below shows changes in the relative distance in GDP per capita between wealthy member countries in the Organization for Economic Co-operation and Development (OECD) and selected middle-income countries over the past half-century. GDP per capita as a relative percentage of wealthy OECD countries may be a crude relational measurement, but it is how many people perceive their own country's development. It is also how many social scientists examine patterns of global inequality.¹⁰

Table 1 shows two important trends. First, Iran is not an economic outlier from the broader historical trajectory of the Middle East and North Africa (MENA, for short). Like Iran, most developing MENA countries hit their peak in wealth levels relative to high-income OECD countries in the 1970s and 1980s. The region then went into a precipitous relative decline, which reversed only in the twenty-first century. In the case of Turkey, often compared with Iran, the country has historically been closer to the OECD in relative wealth for most of the last half-century. Even so, Turkey's and Iran's trajectories over the entire period seem far more similar than divergent.

Second, with the exception of South Korea, no large country in the table came anywhere near catching up to the per-capita incomes of wealthy OECD countries. Even with economic growth during the 2000s throughout the former Third World, South Korea is still the developmental outlier, not Iran. This is why so many countries look solely at South Korea—they compare upward to a rare case of relative success. In fact, just as Iran was bestowed miracle-economy status in the 1970s by magazines such as *The Economist*, so were Brazil and Mexico. Latin American countries' paths seem no more illustrious than Iran's mediocre one. Most of the world's middle-income countries, in other words, experienced so-called lost decades and relative wealth stagnation over the past half-century. From each national perspective, many of these countries' populations blame their own governments for not catching

TABLE 1 GDP PER CAPITA (FX) OF SELECTED COUNTRIES AS PERCENTAGE OF GDP PER CAPITA (FX) OF HIGH-INCOME OECD COUNTRIES, 1965–2014

	Year					
	1965	1975	1985	1995	2005	2014
Iran	9.0	13.2	7.7	5.9	8.1	12.5
Egypt	8.2	5.4	6.4	3.8	3.5	7.3
Turkey	19.1	21.3	12.8	11.4	20.7	24.1
Middle East & North Africa	8.6	12.0	13.6	5.0	6.1	9.9
Brazil	13.2	21.6	15.3	18.9	13.9	26.1
Argentina	64.8	38	27.3	29.4	13.9	28.7
Mexico	24.8	27.6	22.7	12.3	23.3	23.7
Venezuela	54.0	46.8	31.1	13.5	16.0	no data
Latin America & Caribbean	23.5	22.5	16.9	14.8	14.2	20.8
China	5.0	3.3	2.7	2.4	5.1	17.4
Indonesia	—	4.5	4.9	4.0	3.7	8.0
South Korea	5.4	11.5	22.2	45.5	51.3	64.1
East Asia & Pacific	4.9	3.7	3.3	3.0	4.7	14.3
India	6.0	2.9	2.7	1.5	2.1	3.6
South Africa	28.2	28.2	20.1	15.3	15.3	14.9
Russia	—	—	—	10.6	15.6	29.2

SOURCE: World Bank Development Indicators (2016), except Central Bank of Iran for Iranian GDP. Regional categories include only those countries considered “developing” by the World Bank—that is, below a particular income level.

NOTE: FX, converted at exchange-rates; OECD, Organisation for Economic Cooperation and Development.

up with Europe and the United States. It is only in the past two decades, and especially in the 2000s, that middle-income countries have again experienced economic development that may be perceived as catching up. The onus for such a generalized outcome of failure in previous decades, since it was so widespread, cannot be attributed solely to the internal political or social environment of each of these countries.¹¹

Iran did not experience a spectacular rise in incomes, which would have meant a great leap forward into the wealthy club of nations. Neither did the rest of the global South. Iran’s trajectory may have been more volatile, but small and reversible shifts should not be mistaken for large and permanent trends. If Iran’s growth trajectory can be characterized at all, it is a middling one among middle-income countries. Yet from the evidence I just presented, we should begin to think critically

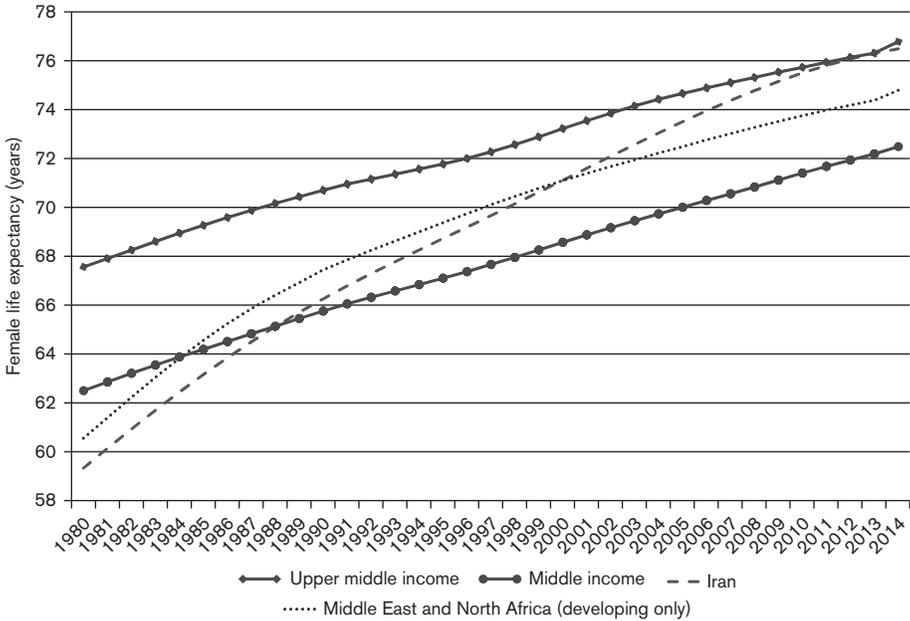


FIGURE 1. Changes in female life expectancy for Iran and the rest of Middle Eastern and North African (MENA) developing countries over the past three decades (1980–2014).

about how Iran could have constituted some form of developmental state.

States face constraints on economic development in the world economy. If it were easy to grow at 10 percent per year, then every country would do so. States are less constrained, however, in matters of social policy inside their borders. These include policies on health, education, retirement pensions, labor markets, social insurance, and other enhancements in welfare. The effects of these policies are not always represented in income-measured statistics. For example, a simple welfare indicator often used to capture development outcomes in health is life expectancy. Average life expectancies tend to rise as countries get wealthier. Within middle-income countries, however, there is a wide variation in life-expectancy outcomes. In recent decades, scholars have stressed the importance of improved life expectancy for women as a separate indicator of development.

If we look beyond Iran's economic-growth record to changes in non-income measures of development, a more complex picture emerges. Fig-

ure 1 tracks changes in female life expectancy for Iran and the rest of MENA developing countries over the past three decades.

Two trends stand out in figure 1. First, MENA states on the whole have experienced improvements in female life expectancy at a much faster rate over the past three decades than the average improvement of middle-income countries. This is a trend not often noted in popular characterizations of the Middle East. For a variety of reasons, countries in this region are usually not discussed in the growing scholarship on welfare states in the global South. Second, Iran not only experienced commensurate improvements in female life expectancy over the three decades after the revolution, but the country even performed slightly better than the MENA average. Iranians live much longer today than previously, with women living slightly longer on average than men.

The inputs that increase life expectancy, however, are complex to tease out. One could argue that it was the welfare improvements and economic growth of the 1960s and 1970s, experienced under the Pahlavi monarchy before the 1979 revolution, that laid the foundation for subsequent life-expectancy gains. This is partly true, because there is a lag between social-policy implementation and an indicator such as life expectancy. To examine a welfare indicator with less of a time lag, figure 2 shows infant mortality rates in Iran and MENA countries over the past three decades. Since infant mortality measures how many children die within their first year in an entire population, it is a better measurement of welfare policy as it is being implemented instead of a lagged effect of earlier policies.

In figure 2, the same trend for MENA states stands out. The region delivered rapid improvements in infant mortality over the past several decades. For Iran, two more points can be noted. First, it is during the years 1980–96 when the fastest declines in infant mortality occurred in the postrevolutionary period. This was a period of war, economic crisis, and geopolitical isolation for Iran. As table 1 above showed, these are also the same decades in which Iran experienced a rapid decline in GDP per capita as compared with the OECD. In other words, if we just looked to GDP per capita, it might appear that Iran experienced “negative development” or, as other scholars have deemed it, “structural involution.”¹² Yet by looking at nonincome measures of development, such as infant mortality, we see development improvements not only equal to or better than other MENA countries but also better than the average performance of middle-income countries as a whole. A second point to note is that, since infant mortality is a more appropriate measure of state welfare policy as it occurs, then something must have

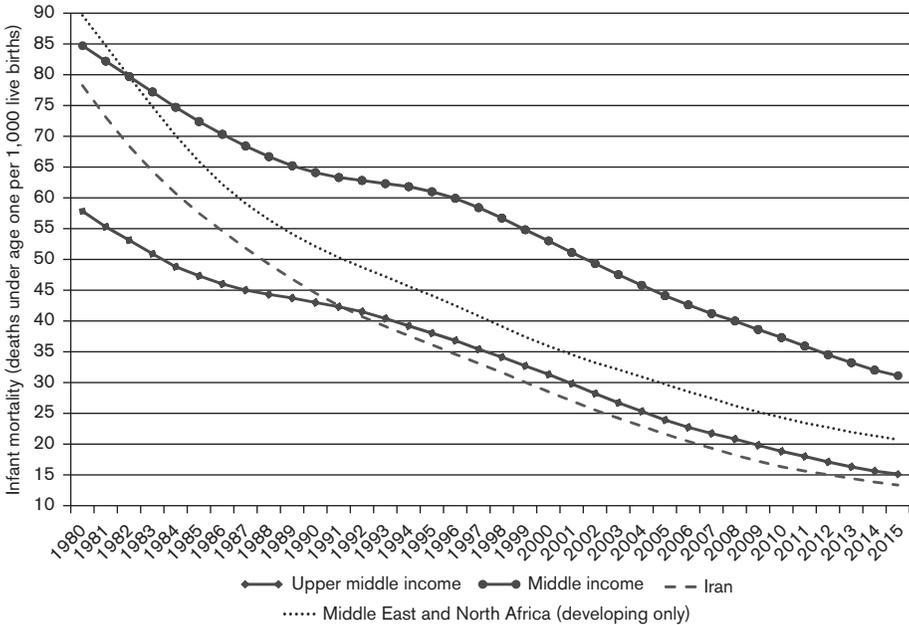


FIGURE 2. Infant mortality rates in Iran and MENA countries over the past three decades (1980–2015).

happened in the Islamic Republic to generate these improved welfare outcomes other than developmental inertia from the Pahlavi era. For certain, general improvements in health technology that spread throughout the Third World had much to do with global declines in infant mortality, as in Iran. But this meant that postrevolutionary Iran contained some system of welfare access that allowed these improvements to be distributed widely throughout the population, even during wartime. These technologies did not simply diffuse into the country to be implemented. In fact, these basic health technologies were largely available during the prerevolutionary period.¹³

Basic education outcomes are another development indicator that can be separated out from growth in income levels. Along with life expectancy and income per capita, adult literacy levels formed a major component of the United Nations Human Development Index when it was introduced, in 1990. Since female literacy usually lags behind male literacy in most of the global South, it is appropriate to look at Iran's performance since the revolution for its female population as an indicator of policy effectiveness. Also, since we want to capture a more direct

TABLE 2 YOUTH FEMALE LITERACY IN IRAN AND SELECTED COUNTRIES, 1975–2012

	Year					
	1975–76	1985–86	1990–91	1996	2005	2012
Iran	42.3	65.6	81.2	90.6	96.7	97.7
Turkey	68.3	86.0	88.4	— ^a	94	98.4
Egypt	38.1	54.0	—	66.9	78.9	86.1
Malaysia	—	86.5 (1980) ^b	95.2	—	97.2 (2000)	98.5 (2010)

SOURCE: UNESCO statistics.

NOTE: Percentage of females aged 15–24 who were literate.

^a Em dash (—) indicates when no data are available.

^b Different benchmark years for Malaysia are shown in parentheses.

impact of state policy in the Islamic Republic, rather than a lagged policy effect from the prerevolutionary era, we can use literacy rates for younger females aged 15–24. In table 2, youth female-literacy levels for Iran since the late 1970s are shown along with those for Turkey, Egypt, and Malaysia.

Relative to Turkey, as table 2 shows, Iran's youth female literacy was lower before the 1979 revolution. A curious thing happened afterwards. As Iran's relative wealth levels experienced a steep decline, the country's female youth-literacy levels caught up with and surpassed those of Turkey during the 2000s. The point of these figures and tables is not to claim Iran as a spectacularly unique welfare state. Instead, given that these trends are largely ignored in studies of contemporary Iran, I show them in order to raise a point about *how* we study the country. Examining the *politics of welfare*—the process of social-policy implementation as well as its social and political effects—can lead us to reassess the consequences of the 1979 revolution as well as state-society relations in Iran.

IRANIAN STATE-SOCIETY RELATIONS IN HISTORICAL PERSPECTIVE

In 2009, I visited Iran to conduct a year-long study of the country's welfare system. My plane landed one day after the June 12 presidential election in which Mahmoud Ahmadinejad was controversially declared the winner in the first round of voting. After highly charged preelection

campaigns had led supporters of opposition candidates Mir-Hossein Mousavi and Mehdi Karroubi to believe that they would at least push the election into another round, many skeptical voters did not give credence to the results. Protests shook the city that evening and the next day. Over the next several weeks, Iran experienced the largest public demonstrations since the 1979 revolution. Participants labeled themselves the Green Movement. Millions of Iranians marched in the streets, chanted slogans, made demands on the state, and captivated the attention of the world media.

On my second day in Tehran, I stepped onto the subway and got out at a scheduled demonstration, not knowing what would occur. I was swept up the train-station stairs with thousands of other metro passengers. Emerging into daylight, I saw hundreds of thousands of individuals gathered in a north-central square of the capital. They marched in silence, exhibiting high levels of self-discipline even though the movement was apparently leaderless. In a sense, the protestors were following in the tradition of not just the 1979 revolution but a hundred years of bottom-up protest in Iran that has been relatively peaceful and nonviolent.¹⁴ As the protesters mobilized during the months of June and July, and then demobilized through the fall of 2009 and spring of 2010, I watched the unfolding of what social scientists call the “dynamics of contention.”¹⁵ The protests directed a surge of youthful emotional energy at the state’s hypocritical public rhetoric about democratic fairness. The demonstrations, initially in response to a perceived fraudulent election, transcended the original demands of the opposition. Protestors drew on and reformulated the symbols and slogans of Iran’s 1979 revolutionary repertoire. Nationalist calls for unity emanating from the state were matched with an equally forceful nationalism from below, which questioned the legitimacy of state elites who claimed to act in the national interest. Both sides of the struggle changed tactics in response to new opportunities, appealed to the population for support, and polarized their temperaments in relation to each other.

The effervescence of the 2009 Green Movement in the initial post-election period peaked in a multimillion-person march in Tehran on June 15th. The excitement, however, concealed weaknesses, which soon became apparent. The movement lacked any extensive autonomous organizations that could strategically coordinate a limited number of participants for maximum effect. The rallies also lacked strong connections with provincial towns across Iran, not to mention the countryside. Indeed, as I learned during travels to other provinces over the next year,

the 2009 Green Movement was largely a Tehran-based event. This made the 2009 protests quite dissimilar to the 1979 Iranian revolution as well as the subsequent 2011 Egyptian revolution, both of which powerfully connected the provinces with the capital. In addition, while a broad cross-class coalition of individuals participated in the Green Movement at its peak, the core of the movement was located in the country's middle classes. In the face of these initial constraints as well as a repressive response by the state, the mobilizational wave of the Green Movement proved very difficult to maintain. Smaller protests continued to occur throughout the fall, but most original participants disengaged from the movement's public face. In some cases, individuals continued their activism in online form; in others, they returned to the less exciting struggles of daily life in Iran—pursuing jobs, spouses, business opportunities, educational credentials, private spaces of freedom away from a paternalistic state, and intellectual and cultural stimulation.

By the summer of 2010, many who had participated in the Green Movement felt that they had failed to achieve anything of lasting importance. I disagreed with their pessimism. Given the weak cohesion of Iran's political elite, the protests broke the ruling conservative coalition into even more fractured and vulnerable segments. This laid the foundation for the surprise election of Hassan Rouhani in 2013, not to mention subsequent political and diplomatic engagements with the United States. The eruption of extraparliamentary protest onto the streets in 2009 was a symbol and an expression of *social power*—ideological, organizational, and structural. If anything, the demonstrations reiterated broad public demands for social and political change to move the country onto a new, albeit uncertain track.

Another crucial theoretical question came up. Where did these new middle classes come from? As I discuss in the next chapter, most explanations of state-society relations in Iran after the 1979 revolution have relied on static theoretical formulations of the “rentier” state. Analyses of oil-producing states in the developing world stress how welfare is used as a bribe in countries in the Middle East and elsewhere. Yet if Iran was a rentier state both under the Pahlavi monarchy and the postrevolutionary government, why did the social policies that emerged from the two regimes diverge so sharply? Moreover, why did the Islamic Republic create a welfare system that benefited individuals who would go on to form a powerful base of oppositional unrest? Most broadly, what does the politics of welfare in Iran tell us about the consequences of different social policies in the global South?

Though much of the information in this book has only been available in primary-source materials, what follows is not an exhaustive accounting of all welfare organizations in Iran. Instead, this book looks at social change in postrevolutionary Iran by examining the politics of the country's welfare system in historical perspective. Rather than imagining a state totally dominant over society or, conversely, a society completely autonomous from the state, I move past a static, binary set of images. This includes the common view that posits the "charismatic authority" of state elites such as Ayatollah Khomeini or Mahmoud Ahmadinejad as an adequate explanation for the social action of millions of Iranians. Neither ideology nor repression is sufficient to account for the manner in which individuals have organized and acted in the Islamic Republic. To paraphrase Adam Przeworski, Iranian society has neither been a perpetual dupe nor a passive victim but instead has been an active force in transforming the state.¹⁶ We must uncover and reconsider the role of social forces in shaping the Islamic Republic in order to understand the surprising dynamics of the postrevolutionary period.

AN OUTLINE OF THE ARGUMENT

The 1979 revolution and the 1980–88 war produced a state with intense *elite competition*. Unlike most postrevolutionary states, however, the Islamic Republic failed to channel this competition into an enduring single-party apparatus. Even with many internal differences, this political elite shared a common vision for an *antisystemic developmental state*. To survive war and achieve development without foreign assistance, the Islamic Republic's project of state building became necessarily intertwined with a welfare-building project. State elites created and relied upon a set of welfare institutions that channeled the *popular mobilization* of the 1979 revolution and the eight-year war with Iraq into a *warfare-welfare complex*. This broadened the social bases linked to the state while also constraining the capacity to implement technocratic, top-down projects by the political elite during the postwar period. The intertwining of *elite competition* and *popular mobilization* in subsequent decades created pathways of upward status mobility and the expansion of middle-class positions. This was the actual social revolution of the Islamic Republic, underpinning the growing power of middle classes in Iran. This power, with its associated expectations of upward mobility and political representation, was expressed in events such as the 2009 Green Movement.

TABLE 3 A COMPARATIVE TYPOLOGY OF WELFARE-STATE CHARACTERISTICS IN THE PAHLAVI MONARCHY AND THE ISLAMIC REPUBLIC

Category	Characteristic	
	Pahlavi monarchy	Islamic Republic
Elite politics	Narrow Restrictive	Wide Competitive
Social-policy access	Corporatist Exclusionary	Dual-regime Inclusionary
Institutional form	Bureaucratic Limited	Fragmented Overlapping

Comparing welfare systems before and after the 1979 revolution reveals some important differences, highlighted in table 3. Like many authoritarian late-developers, the welfare system constructed by the Pahlavi monarchy from the 1930s to the 1970s took an *exclusionary* and *corporatist* form. Social-policy organizations were *bureaucratic* in structure and orientation but were *limited* in reach to a circumscribed segment of the population. This outcome was due to two factors: first, the *narrow* and *restrictive* quality of elite politics, which revolved around the shah, and second, the type of modernization project adopted by the monarchy for a development strategy.

The Islamic Republic inherited and used the corporatist welfare organizations of the Pahlavi monarchy but also created a second set of postrevolutionary welfare organizations that directly targeted those segments of the population excluded from the previous system—a “martyrs’ welfare state.” It was more *inclusionary* than the Pahlavi welfare system, but it also was more varied in institutional form.

This resulted in a *dual-welfare regime* of *overlapping* organizations and *fragmented* coverage. In many cases, parallel state organizations overlapped each other’s welfare activities. Instead of merging various welfare organizations into a single social-policy apparatus, the state repeatedly proliferated new organizations and new activities for existing organizations. Some of these organizations, such as a primary health-care network implemented in rural villages, were bureaucratic and acquired the “embedded autonomy” that made them effective public bodies for welfare delivery and social transformation. Other organizations were more politicized and served as the vanguards of state building by the Islamic Republic, with the unintended result that the state became

dependent on its own welfare organizations for crucial functions of governance. This outcome was due to the interaction between, first, a *wider* and more *competitive* form of elite politics and, second, popular mobilizations from 1979 onward, which pressured state officials to expand, adapt, and upgrade the country's social-welfare compact.

There was one important similarity and one important difference between these two Iranian political regimes. During *both* the Pahlavi monarchy *and* the Islamic Republic, a developmental project by the state facilitated and provoked the mobilization of new social groups. These developmental pushes, common to middle-income states, generated new expectations among the population for upward mobility, changed livelihoods, and changes in the cultural and political order. Moreover, these modernization drives also changed the balance of power in society.

The two political regimes differed, however, on the scale of elite competition and the role of popular mobilization. In the Pahlavi monarchy, a narrow political elite developed an exclusionary social-welfare compact. Although the monarchy attempted to create loyal state cadres from a small professional class, it did not rely on popular mobilization. Instead, expansions of state-welfare policy in the Pahlavi monarchy recurrently came after repressing or countering the threat of left-wing mobilization by oppositional political organizations.

The Islamic Republic, in contrast, formed during a revolutionary upsurge that toppled the previous state. Political elites relied on popular mobilization to embed state organizations deeper into Iranian society as well as to compete with each other for state power. This created an inclusionary social-welfare compact, which expanded over time. It also, however, meant that elite competition and popular mobilization were intertwined processes. From this perspective, the 2009 Green Movement was not the expression of an awakened civil society set against an ossified, backward-looking state. Instead, it was an outcome of the various and conflicting lineages of state-building efforts by the Islamic Republic of Iran and the response to those efforts by newly empowered social classes.

This account provides a more comprehensive understanding of what actually happened in the Islamic Republic. It also reassesses the long-term consequences of welfare politics in middle-income countries. Welfare politics created new social-policy institutions while also generating new social challenges from below, such as the 2009 Green Movement. These consequences hardly came from a religious or Middle Eastern

blueprint. The Islamic Republic, like many middle-income states in the world economy over the past century, attempted to use state capacity in order to “catch up” with the wealthy countries of the world. Because of historical circumstances of revolution, war, and lack of foreign assistance, the Islamic Republic relied on welfare making as a main source of capacity building and state making. In the postwar period, political elites launched a developmental project that in many ways mirrored the Pahlavi monarchy’s earlier attempt to “catch up” with wealthy countries. As before, this project did not materialize in a great leap forward in relative wealth levels, but it did create, expand, and empower particular groups in society that mobilized from below.

The book proceeds as follows. Chapter 1 offers an overview of the three main theoretical formulations used to analyze politics in the Islamic Republic: totalitarianism, rentierism, and populism. These perspectives, which focus on top-down assertions of state power, lack a conceptual space for observing the roles that social mobilization—both contentious and institutionalized—have played in constraining and directing state action. Theories of welfare-state formation, in contrast, link together elite conflict, social movements, political economy, class structure, and boundary drawing among status groups. Instead of the common conception that welfare policies in semiauthoritarian states—especially oil-producing “rentier” states—act as a bribe in place of the granting of social citizenship, the history of welfare-state formation in Europe and elsewhere illustrates the more general contradictions that occur when states implement and widen social policies. By expanding welfare, the state may be temporarily fortified against social challenge, but it is eventually constrained by its own social contract and can be challenged again by newly empowered social classes.

Chapter 2 examines the politics of welfare policy under the Pahlavi monarchy. Like many middle-income countries in the 1950 and 1960s, the Iranian state constructed an exclusionary form of corporatism predicated on generous social-insurance provisions for a narrow set of the population in the civil-service and industrial sectors, including oil production. These were watered-down versions of more radical welfare reforms that had been introduced during the contentious periods of state making in the 1905–11 constitutional revolution and the Mosadeq government of 1951–53. The Pahlavi monarchy crushed and then copied successive generations of left and liberal opposition movements. After the 1950s, the Pahlavi monarchy embarked on a developmental

project that attempted to expand welfare and educational access to some formerly excluded segments of the population. Yet the bureaucratic form of the project, as well as the modernizing vision of a narrow political elite, limited its implementation and access. The revolutionary coalition of 1977–79 combined together the rebellious and newly empowered cadres of the Pahlavi developmental state and the far larger segment of the population excluded from access to the state-welfare system.

Chapter 3 discusses how the aftermath of the 1979 revolution and the subsequent war with Iraq structured a dual-welfare regime in the newly formed Islamic Republic. A parallel set of organizations that overlapped state activities, including welfare, emerged as a result of the struggle between contenders for state power as well as a consequence of social mobilization from below. The victorious political elite of this post-revolutionary state, once their contenders had been thwarted, soon became internally divided on nearly all major questions of state rule, leading to a wider and more competitive structure of elite politics. This elite competition was exacerbated during the exigencies of making war and created numerous spaces for social demands from below to materialize into expanded access to welfare through new and existing social-policy institutions. Welfare expansion also produced pathways for upward social mobility tied to newly created “martyr” status groups. The end result of this first decade of revolution and war was a warfare-welfare complex that the Islamic Republic heavily relied upon for tools of governance. The chapter focuses on the Imam Khomeini Relief Committee (IKRC), a revolutionary organization that politicized its welfare activities as a legitimation strategy by targeting particular strata of the population that had been excluded under the Pahlavi monarchy such as the rural elderly, female-headed households, and the extremely poor. Partly as a result of this organization, absolute poverty in Iran was drastically lowered over the postwar period. Yet the state also became inextricably beholden to IKRC activities as a foundation for the implementation of government policies, because of the competitive struggle between political elites, which prevented any one faction from consolidating and taking over the state apparatus. The welfare organization thus constrained the government’s ability to swiftly shift policies after the war.

Chapter 4 considers the most transformational organization of the Iranian welfare state in the Islamic Republic’s first two decades—the Primary Health Care (PHC) network in rural villages. The PHC system

in Iran came to resemble a “health-developmental state,” as technocrats inside the Health Ministry utilized the new policy space created by the 1979 revolution to implement a vast program of rural health-care expansion. This laid the institutional foundation for a state push for family planning as the war ended, which intertwined with social demands from below by women for increased control over family size. The surprising outcome of this policy was the most rapid decline in birthrates in world history—a demographic transition of immense proportions.

Chapter 5 analyzes the developmental push of the Islamic Republic that began in the 1990s under President Akbar Hashemi-Rafsanjani (1989–97) and continued under Mohammad Khatami (1997–2005). This period saw state attempts for a series of liberalizing political and economic reforms, but their full implementation was blocked by the competitive elite structure and broad social constituencies that had been generated during the war period. Nevertheless, social-welfare expansion did continue as the state expanded and added on to the corporatist organizations of pensions and social insurance inherited from the Pahlavi monarchy. In addition to a massive increase in primary and secondary education since the revolution, these policies fomented the expansion and empowerment of a new middle class by the late 1990s, with raised expectations for standards of consumption as well as social and political change. These grievances were partly shaped by the inherent instability of the dual-welfare regime and the explicit status boundaries embedded in social policies.

Chapter 6 returns to the 2009 Green Movement and situates the unexpected mobilizations of that year in the context of the previous thirty years of welfare politics. I discuss the social composition of the protestors and their grievances, as well as the particular repertoires of action that developed throughout the mobilizational wave. This mobilization combined symbols and strategies of nationalism and citizenship that were embedded in the postrevolutionary order, later contributing to the surprise election in 2013 of Hassan Rouhani. From this still-unsettled political shift, two trajectories of state-society relations in the Islamic Republic are possible—a return to the exclusionary welfare politics of the Pahlavi period or an expansion toward a more universal social citizenship. I conclude the study by considering the contradictions that development and social policy present to middle-income countries in the world economy and the resulting forms of politics that we are likely to experience in the coming decades of the twenty-first century.

METHODS AND MATERIALS

Because of a host of geopolitical and ideological reasons, Iran's welfare system has never been systematically analyzed in depth, including by scholars inside the country. My book relies on research conducted during several field trips to Iran over the period 2006–11, including a twelve-month period of fieldwork during 2009–10. Although I discuss the formation of social policy during the first half of the twentieth century, I focus primarily on the post-1953 period during the Pahlavi monarchy in order to generate a plausible comparison between two successive developmental states within the country's history. Of course, pre- and post-1979 Iran are not two independent cases. Instead, as the sociologist Jeffrey Haydu advocates in the historical analysis of a single country, I use these two successive welfare regimes to examine different state approaches to an analogous set of developmental problems.¹⁷

Because of the limitations of secondary scholarship, I collected a wide array of primary data in order to construct the historical narrative: interviews with current and former government bureaucrats from labor, welfare, and housing ministries; interviews with social-policy administrators in welfare organizations such as the IKRC, the village health-care network, and the Social Security Organization; archival research in government and university libraries in Iran; interviews with Iranian social scientists; newspaper and journal articles in Persian on issues of welfare and economic policy; hundreds of conversations with individuals in different occupations and social strata about their experiences with the welfare system; participant observation of the 2009 Green Movement; and visits to welfare offices in multiple provinces in both urban and rural areas. For the latter, I spent time outside Tehran for the purpose of identifying patterns and variations in welfare policy in provinces other than the capital. This included a month-long stay in the southwest province of Khuzestan and a month-long stay in the northern province of East Azerbaijan. This provincial fieldwork delivered two insights. First, given that there is little research on contemporary politics and social structure in provinces outside Tehran, I could barely scratch the surface with my visits and explorations. Second, even with this realization, or arguably because of it, I recognized the importance of provincial politics and social structure on the country. This is reflected in the analysis of state-society relations in the book. I hope that this provokes future research to fill the large gaps left from my own efforts.

A note on the use of interviews is warranted. Given the politicization of research and fieldwork that still occurs in Iran, I informed all inter-

viewees that any statements or answers would remain anonymous. It is a limitation on the presentation of data, but without such fieldwork, this book would be impossible. As Ching Kwan Lee wrote in her deeply researched ethnography of worker unrest in China, “either we remain committed to the scholarly project and try the best we can to overcome political and practical hurdles, or we give up on the possibility of research altogether.”¹⁸