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**Akbar Aghajanian**

## ETHNIC INEQUALITY IN IRAN: AN OVERVIEW

### INTRODUCTION

Iran is a country of diverse ethnic and linguistic communities. There are Kurds in the west and northwest, Baluchis in the east, Turks in the north and northwest, and Arabs in the south. Persians are situated today in the central areas. Through the history of Iran these various ethnic groups have lived in geographically distinct regions and provinces. Along with this residential separation, social and economic distance has long persisted and still continues among ethnic communities. Yet, regrettably, there is very little known about these inequalities in the contemporary history of Iran.

A full examination of the historical development of the ethnic and linguistic communities in Iran is beyond the scope of this paper.<sup>1</sup> It is clear, however, that ethnic diversity goes back to pre-Islamic times. Iran has always been predominantly populated by groups of people of distinct linguistic and cultural identities. Persians, or Parthians (Greeks called them *Perse* for the province they were usually found in, viz., *Pars*, or *Fars*) generally lived in the Central Plateau. Kurds have lived in the ranges of the west and northwest (the Zagros Mountains) since the period of the Medes.<sup>2</sup> In the valleys of Central Asia were the Turks, in the south were the Qufs, and toward the southeast were another Iranian ethnic group known as the Baluchis. It was in the midst of this complex of peoples that the Islamic conquest of Iran took place. Although there was never any mass colonization of Iran by the Arabs, Arab penetration in the southwestern and southern regions continued where the climate was favorable.

Historically, linguistic and cultural differences and geographic isolation have operated as forces against the unification of the ethnic communities. However, historical and cultural consciousness and recent improvement in communication systems and roads have operated as cohesive base for nationalism.<sup>3</sup> Hence, today there are five major ethnic groups in Iran, each organized around distinct familial and cultural patterns and having its own religion and language and Iranian nationality.

There has been some internal migration and movement of people to and from various ethnic communities, but the majority of the people still live where their ancestors lived.<sup>4</sup> Today, Kurds live in parts of West Azarbayjan (Mahabad district, cities and villages, and Bukan districts), and in the Kurdistan and Kermanshah provinces. Almost all the population of East Azarbayjan are Turks who, along with the population of Zanjan and the Qashqai tribe, form the

Turkish ethnic community of Iran. Turks also live in West Azarbayjan and in some cities and villages, such as Naghadeh and Miandoab. They live in mixed communities with Kurds. The small community of Turkoman live in the Gorgan plains, primarily in the city of Gonabad-i-Kavus. The Arabs live in Khuzistan and the southern coastal provinces of the Persian Gulf. Finally, the Baluchis live in the southeastern province of Baluchistan. Persians live in all the other provinces. There is not much known about the exact population figures for each ethnic community. The Iranian censuses in the last two decades have not considered the question of ethnicity.<sup>5</sup>

The Kurds, who speak Kurdish, generally belong to the Sunni sect of Islam. There are, however, a number of Kurds in Kermanshah who adhere to Shi'ism. The Turkish mother language is Azari or Azarbayjani, which is structurally similar to Turkish but with a strikingly different dialect.<sup>6</sup> The Shi'a sect of Islam is the dominant religion of the Turks of Iran. Turkomans speak Turkoman and hold to Sunni beliefs. The Baluchi language is linguistically close to Pashtu, the language spoken in Afghanistan and Pakistan. Baluchis are Sunni. The Arabs speak Arabic as their mother language and adhere to Sunni Islam, which further separates them from other Iranians.

#### ETHNIC INEQUALITY: BACKGROUND AND HYPOTHESIS

The basic intention of this paper is to describe the current situation of inequality among Iranian ethnic communities. The hypothesis to be discussed is that current inequality among ethnic communities is the by-product of uneven modernization and political centralization during the Pahlavi period. How the situation has been in the past and what factors have contributed to inequality before this period are matters for separate research. Yet from historical records and descriptions, it seems that ethnic inequality has emerged and further developed with the integration of Iran into the world economy; transforming the closed economies of the ethnic communities into components of the national economy. At the turn of the century and toward the end of the Qajar rule, the economies of the ethnic communities were locally integrated and, in most cases, the relation between central government and various local populations was through taxes collected by governors. In fact, a truly national economy did not exist; the state functioned only to collect tribute from accessible sedentary populations to support the royal family and its retainers. The taxes and tributes, however, were not enough to cover the rising expenses of the Court, especially the trips of the Qajar kings to Europe. To cover the skyrocketing expenses, resources in different parts of the country had to be given away to foreign powers, in particular, Britain and Russia. This was another step in Anglo-Russian hegemony which by 1907 resulted in the division of the country into spheres of influence. The British sphere was in the southeast and the Russians were controlling the resources of the north.<sup>7</sup>

However, in July 1909, the constitutionalists occupied Tehran and sent Mohammad Ali Shah into exile in Russia. There followed two-and-a-half years of parliamentary rule during which the country was faced with many problems

inherited from the Qajar dynasty. There was no security, and money or taxes could not be collected.<sup>8</sup> The country was in total paralysis by 1921, when a coup d'état brought into power Sayyed Zia Tabatabai and Reza Khan.<sup>9</sup>

Reza Khan, later the first king of the Pahlavi dynasty, started reforms to unify and revitalize the state, and hence promote secularism and modernization of the socioeconomic structure of the nation. This was a new stage in the Iranian capitalist development which involved destruction and transformation of pre-capitalist formations in the local ethnic communities in order to integrate them into the developing national economy. Along with the establishment of industries in the central areas and development of the infrastructure—i.e., significant improvement in roads and communication—the state financial apparatus and bureaucracy spread into local ethnic communities. Yet, this was only a surface integration of the ethnic communities, which actually promoted backwardness and uneven development and modernization. In the remaining part of this paper, we describe some aspects of this uneven development and modernization and explore the process behind it.

#### MODERNIZATION AND ETHNIC INEQUALITY

Beginning with the work of Robert Park,<sup>10</sup> there have been numerous efforts to develop sociological theories to classify and explain variations in ethnic inequality over time and space. The well-known race relation cycle of Park (later developed by Frazier)<sup>11</sup> was based on a universal sequence of stages of interethnic relations beginning with contact, leading to competition, followed by a period of stable accommodation, and an eventual process of assimilation. Other sociologists—most notably Barth and Noel, Lieberman, and Kwan—have put forth theories, most generally in the form of typologies.<sup>12</sup> The basic kernel of these theories of ethnic inequality is that type and organization of the society shape the structure of ethnic relations. And as societies are transformed in various ways, ethnic relations are posited to change in certain directions.

Whereas the phenomenon to be explained—be it inter-ethnic inequality, political or economic dominance, assimilation or the lack of it—varies considerably among these theories, they all address discrimination and unequal distribution of resources among ethnic groups in a society. Specifically, they are interested in the degree to which one ethnic group as a whole, or a person as a member of a specific ethnic group, is disadvantaged. Furthermore, as macro-structural components of the society change, how does this disadvantaged position change? What is the relation between social change and ethnic inequality? However, in most cases, lack of historical or comparable data deter such investigations.

In the context of these theories, it is ideal to examine, at the individual and the aggregate levels, the consequence of the structural changes during the last decades (i.e., the pre-Islamic Revolution) for ethnic inequality in Iran. While we lack historical data, we could interpret our one-time data in the context of growth in the dependent economy during the last decade and its distribution in the system.

## MEASUREMENT OF INEQUALITY

In this paper we concentrate on the degree to which one ethnic group as a whole is disadvantaged in comparison to other ethnic groups, particularly the Persians. Whereas data gathered at the individual level about ethnic and socioeconomic characteristics are not available, correlation between place of residence and ethnicity allows utilization of macrolevel provincial data to compare ethnic communities for certain socioeconomic characteristics. In fact, we compare provinces settled by distinct ethnic communities. A basic limitation of this macrodata analysis is that through selective migration some of the advantaged individuals from the disadvantaged groups move to an advantaged group or groups. This results in over-estimation of the disadvantaged position of some ethnic groups which have out-migration. This problem, however, remains insoluble until individual-level data are available.

We are not able to use data from Khuzistan province where the majority of the Arab community live. This is because non-Arabs have mingled with Arabs in this area to a large extent since 1912.<sup>13</sup> Particularly, because of the in-migration of Persians to this area, the provincial data do not reflect the situation of Arabs.<sup>14</sup> For Turkomans who live in the province of Mazandaran we also lack comparable data. Given these limitations, our ethnic-province inequality analysis relates to provincial data analysis for Persians who are mainly living in the central province, Kurds, Turks, and Baluchis. Although our analysis is based primarily on the 1970s data, we also utilize 1960s data, where available, to see how the differences among ethnic communities have declined.

## ETHNIC OCCUPATIONAL STRUCTURE AND URBANIZATION

An individual's occupation and industrial sector delineate his/her socio-economic position in the social system shared with other people. Hence, occupational attainment has always been an important aspect of the study of ethnic inequality. The basic question focuses on whether there is any causal relationship between occupational attainment and ascribed status of ethnicity. At the macro-level, it is important to see differences in the occupational and/or industrial distribution among ethnic communities. Specifically, our concern here is if some ethnic communities are more represented in the disadvantaged sector of the traditional agriculture. Data presented in Table 1 indicate that this is in fact the case. In 1976, 36.1 percent of the employed population in Iran were in the agricultural sector. This figure is 13.8 percent for the Central province, where Persians live. That is, Persian participation in the agricultural sector is significantly below the average for all ethnic communities. On the other hand, for the Baluchis the figure is 57.1 percent, 20 percentage points more than the figure for the nation as a whole and 44 percentage points more than the same figure for Persians. The rate of participation for Kurds and Turks in the agricultural sector is high, but below the level for Baluchis.

There is a rational basis for considering differentials in residence as significant in relation to ethnic inequality. In almost every situation, it is clear that those

TABLE 1 *Occupational structure and urbanization for various provinces (in percent of population)\**

| Province and ethnicity            | Working in agriculture |         | Living in urban areas |         |
|-----------------------------------|------------------------|---------|-----------------------|---------|
|                                   | 1966                   | 1976    | 1966                  | 1976    |
| Central (Persian)                 | 19.2                   | 13.8    | 70.3                  | 79.7    |
|                                   | (-27.0)                | (-22.3) | (+31.2)               | (+32.9) |
| East Azarbayjan (Turks)           | 50.2                   | 41.6    | 29.0                  | 36.3    |
|                                   | (+04.0)                | (+05.5) | (-09.8)               | (-10.5) |
| West-Azarbayjan (Kurds and Turks) | 61.0                   | 53.9    | 25.5                  | 32.1    |
|                                   | (+14.8)                | (+17.8) | (-13.6)               | (-14.7) |
| Kermanshahan (Kurds)              | 55.2                   | 40.7    | 35.4                  | 43.4    |
|                                   | (+09.0)                | (+04.6) | (-03.7)               | (-03.4) |
| Kurdistan (Kurds)                 | 69.0                   | 51.6    | 16.5                  | 24.2    |
|                                   | (+23.2)                | (+15.5) | (-22.6)               | (-22.6) |
| Sistan & Baluchestan (Baluchi)    | 66.6                   | 57.1    | 14.4                  | 24.5    |
|                                   | (+20.0)                | (+21.0) | (-24.7)               | (-22.3) |
| Iran                              | 46.2                   | 36.1    | 39.1                  | 46.8    |

\*Scores in parentheses are deviation from the average for Iran.

Source: Iran Statistical Center Reports on the .05 sample of the 1976 Census of Housing and Population of Iran; reports of the 1966 Census of Housing and Population of Iran.

living in urban areas have greater access to educational institutions, are exposed to more diverse employment opportunities, and receive higher incomes than rural residents. These differences directly relate to economic opportunities and well-being. In 1976, the average level of urbanization for all ethnic communities in Iran was 46.8 percent (see Table 1). Yet, the four ethnic communities vary much around this mean figure. The rate for Baluchis and Kurds is less than 25 percent. For Kurds living in Kermanshahan this is slightly below the average for the nation. On the other extreme, Persians in the Central province have an urbanization rate of 80 percent.

#### EDUCATIONAL ATTAINMENT

Access to education does not relate only to better jobs and higher economic status; but it also affects length of life and the health of the individual and the family. For a country like Iran, where educational attainment to high levels is not predominant, differentials in literacy level signify the existence of inequality. Table 2 shows the level of literacy for various provinces and ethnic communities. Gender and ethnic inequality in education are evident. In fact, the non-Persians and the women are disadvantaged in general, and the Baluchi and Kurd females are the most disadvantaged in particular. In 1976, about 47.5 percent of the population aged six years and above were literate in Iran. This rate is 66.1 percent for the population of the Central province. That is an increase of over 19 percentage points above the average. The rates for other ethnic communities are

TABLE 2 Literacy rate by sex for various provinces and ethnic groups (in percent)\*

| Province and ethnicity            | Male    |         | Female  |         | Total   |         |
|-----------------------------------|---------|---------|---------|---------|---------|---------|
|                                   | 1966    | 1976    | 1966    | 1976    | 1966    | 1976    |
| Central (Persian)                 | 59.7    | 74.8    | 38.5    | 56.6    | 49.6    | 66.1    |
|                                   | (+19.6) | (+16.0) | (+20.2) | (+21.0) | (+20.2) | (+18.6) |
| East Azarbayjan (Turks)           | 31.5    | 51.1    | 8.9     | 21.7    | 20.5    | 36.3    |
|                                   | (-08.6) | (-08.7) | (-09.0) | (-13.9) | (-08.9) | (-11.2) |
| West Azarbayjan (Turks and Kurds) | 29.2    | 50.1    | 9.3     | 25.2    | 19.8    | 38.1    |
|                                   | (-10.9) | (-08.7) | (-08.6) | (-10.4) | (-09.6) | (-09.4) |
| Kermanshahan (Kurds)              | 34.7    | 53.6    | 14.2    | 29.7    | 25.1    | 42.2    |
|                                   | (-05.4) | (-05.2) | (-03.7) | (-05.9) | (-04.3) | (-05.3) |
| Kurdestan (Kurds)                 | 21.8    | 43.8    | 5.7     | 15.0    | 14.3    | 30.0    |
|                                   | (-18.3) | (-15.0) | (-12.2) | (-20.6) | (-15.1) | (-17.5) |
| Sistan & Baluchestan (Baluchi)    | 23.1    | 39.1    | 6.2     | 19.4    | 14.9    | 29.7    |
|                                   | (-17.0) | (-19.7) | (-11.7) | (-16.2) | (-14.5) | (-17.8) |
| Iran                              | 40.1    | 58.8    | 17.9    | 35.6    | 29.4    | 47.5    |

\*Scores in parentheses are deviation from the average for Iran.

Source: See note to Table 1.

below the average rate for the nation and significantly below the rate for Persians.

In Kurdestan and Baluchestan less than 20 percent of the eligible females are literate. In the Central province 56.6 percent of eligible females are literate in comparison to the figures of 21.7 percent for Turks of East Azarbayjan and 25.2 for Kurds and Turks of West Azarbayjan. For males the figure for the Central province is 74.8 in comparison to the rate of 39.1 for Baluchestan and 43.8 for Kurdestan. Males in East Azarbayjan and Kermanshahan are in a much better situation, with respect to education, than males in Baluchestan and Kurdestan; yet they are significantly disadvantaged when compared with those in the Central province.

#### PUBLIC HEALTH AND AVAILABILITY OF UTILITIES

Two measures of public health and housing utilities are reported in Table 3. Availability of electricity and piped water relates to all kind of health and well-being of the family and hence existence of differentials in the availability of these facilities suggests inequality among subpopulations.

While for the whole country less than 50 percent of households have had electricity in 1976, in the Central province 80 percent of families have had this utility. On the other hand for Baluchis this figure is 12.4 and for Kurds living in Kurdestan province it is less than 20 percent. For Turks it is below the average for the nation and much below of the rate of Persians.

The availability of piped water directly relates to the morbidity and mortality rates in the communities. Almost 75 percent of all Persian families of the Central

TABLE 3 *Availability of housing utilities for different provinces (in percent)\**

| Province and ethnicity            | Houses with electricity |                 | Houses with piped water |                 |
|-----------------------------------|-------------------------|-----------------|-------------------------|-----------------|
|                                   | 1966                    | 1976            | 1966                    | 1976            |
| Central (Persians)                | 55.7<br>(+30.3)         | 80.7<br>(+32.5) | 68.7<br>(+54.4)         | 74.9<br>(+33.9) |
| East Azarbayjan (Turks)           | 16.6<br>(-08.8)         | 36.0<br>(-12.2) | 7.4<br>(-06.9)          | 25.6<br>(-15.5) |
| West Azarbayjan (Turks and Kurds) | 13.0<br>(-12.4)         | 28.9<br>(-19.3) | 7.1<br>(-07.2)          | 24.3<br>(-16.7) |
| Kermanshahan (Kurds)              | 17.7<br>(-07.7)         | 36.2<br>(-12.0) | 12.1<br>(-02.2)         | 33.7<br>(-07.3) |
| Kurdestan (Kurds)                 | 8.2<br>(-17.2)          | 19.5<br>(-28.8) | 2.5<br>(-11.3)          | 12.0<br>(-29.0) |
| Sistan & Baluchestan (Baluchis)   | 6.5<br>(-18.9)          | 12.4<br>(-35.8) | 3.3<br>(-11.0)          | 24.5<br>(-16.5) |
| Iran                              | 25.4                    | 48.2            | 14.3                    | 41.0            |

\*Scores in parentheses are deviation from the average for Iran.

Source: See note to Table 1.

province have had piped water in their housing units in 1976. This figure is 35 percentage points more than the average for the country as a whole. For Baluchis it is less than 25 percent of the families and for Kurds it is only 12 percent. The figure for Turks is also about 25 percent. In general, it is evident that the distribution of the public utilities, like other resources of the nation, is uneven among the ethnic communities and regions of the country.

#### POVERTY

Is the distribution of poverty different among ethnic communities? To answer this question we need a measure of poverty or a quantitative criterion to differentiate poor families within the communities. In fact, to provide a perfect picture of poverty there is need for a special survey of poverty and utilization of a multidimensional index of poverty. Currently, the only available source of data to study poverty in Iran are the results of household budget surveys. The 1973 reports of this survey include tabulation of the proportion of poor families by province. In 1973, families with a total consumption expenditure of less than 60 thousands Rials (\$857) were considered as poor. Table 4 indicates the proportion of poor households in the province with various ethnic communities.

In 1973, about 41.3 percent of households in Iran have been classified as poor. This figure is 21.0 percent for the Central province, where the majority of the population are Persians, and 77.0 percent for Baluchis. For the Kurds and Turks, the rates of poverty of families are significantly above the rate for Persians. When poverty level is examined by rural-urban residence, the results



TABLE 4 *Proportion of the families at poverty level of consumption\* (in percent)*

| Province and ethnicity          | Total | Urban | Rural |
|---------------------------------|-------|-------|-------|
| Central (Persians)              | 21.0  | 12.2  | 56.8  |
| East Azarbayjan (Turks)         | 32.0  | 22.0  | 37.7  |
| West Azarbayjan (Turks & Kurds) | 35.0  | 26.8  | 38.8  |
| Kermanshahan (Kurds)            | 38.0  | 10.1  | 59.3  |
| Kurdestan (Kurds)               | 30.8  | 23.9  | 33.9  |
| Sistan & Baluchistan            | 77.0  | 47.7  | 83.0  |
| Iran                            | 41.7  | 25.4  | 56.2  |

\* Poverty is defined as a total monthly consumption of less than 60 thousand Rials or about \$857 (\$1 = 70 Rials).

Source: Plan organization, Statistical Center Report on the 1973 Rural and Urban Household Budget Survey.

are slightly different. Urban poverty is highest in Baluchistan and Kurdestan, and lowest for Persians. Rural poverty, however, is highest for Baluchis, but Kurds and Turks are in the middle.

#### THE DISTRIBUTION OF RECENT AFFLUENCE AMONG ETHNIC COMMUNITIES

The basic paradigm of the long-standing macrosociological theory of ethnic inequality is that of "structural assimilation" or "institutional dispersion." That is, the secular trend is one of convergence across ethnic communities. Most social scientists subscribe to the fundamental assumption that industrialization and modernization will gradually reduce and eventually eliminate interethnic inequality. This perspective, formally developed by Park<sup>15</sup> (and later, by his students) suggests that modernization and industrialization will weaken the importance of ethnic and other ascriptive criteria, and lead to a stratification system with an emphasis on achieved characteristics. The logic of this hypothesis rests on the assumption that modern society has certain fundamental needs that can be satisfied by rational decision-making—and inequality based on religion, language, and ethnicity are primordial sentiments of less developed stages, which will diminish as society develops.

Does the convergence theory apply to the ethnic inequality in Iran? That is, how do we interpret the existing socioeconomic inequalities among ethnic communities in the context of the industrialization and economic growth of Iran during the decade before the Islamic revolution? To answer this question we first refer to some of the social and economic indicators and their changes during the 1966–76 period and how these changes (if any), could have affected ethnic inequality.

In 1976, per capita income in Iran reached \$1,857 from a low of below \$500 in 1966.<sup>16</sup> With a sudden sharp increase in the oil revenues in 1973, the total national income of Iran multiplied by several fold to \$20.6 billion in 1976. Employment in manufacturing and mining reached 2.4 million by 1975, and the

number of large industrial units reached 5,432 by 1976. There were 69 television stations in 1976. This figure was only 1 in 1966. Similarly, the number of Iranian universities increased significantly, and by 1976 there were 151,905 university students studying in Iran.<sup>17</sup>

These data suggest clues to significant changes in the fabric of the Iranian society toward modernization and industrialization of the economy. Yet, the question is how has this affluence been distributed? That is, to what extent has the substantial growth in the economy led to greater equality among ethnic communities? To answer this question we have reported the 1966 data where comparable data for 1976 were available in Tables 1 to 3. Data on poverty were not available for 1966. The figures in parentheses show the deviation score of each ethnic community from the average score for the country in a specific year. These deviation scores help in understanding change in the pattern of distribution.

As seen in Table 1, the pattern of deviation score for participation in agriculture has not changed significantly by 1976. The gap between East Azarbayjan and the average rate for the country has increased. This is true also for West Azarbayjan. That is, East and West Azarbayjan have become more dependent on agriculture relative to the country and the Central province. The situation of inequality with respect to urbanization has not improved. The subtle change for East and West Azarbayjan is toward less equality. With respect to literacy (Table 2); the pattern of inequality among ethnic communities has not improved. There is only small improvement in the level of male literacy in West Azarbayjan. On the other hand, with respect to female literacy only the Central province gains and all other ethnic communities, especially the Baluchis, have lost by 1976. Similarly, as the country had become more affluent by 1976, the distribution of utilities had become less equal (Table 3). The pattern of deviation scores for availability of utilities indicates a more skewed situation. For example, the deviation score for availability of electricity in East Azarbayjan is -8.8 in 1966. This figure has changed to -12.2 in 1976. This means 12.2 percentage points below the rate for the country. The situation was worst for Baluchistan.

Hence, comparison of the distribution of various socioeconomic characteristics in 1966 and 1976 suggests that the gains of the booming economy and tremendous economic growth have not been distributed fairly among the ethnic communities. In fact, it seems that the general socioeconomic attainment at the societal level has widened the socioeconomic gap among ethnic groups rather than decreasing it.

#### CAUSES OF ETHNIC INEQUALITY

So far most of our attention has focused on measurement of ethnic inequality. The next obvious point to consider is the observed increasing interethnic inequality in spite of considerable economic growth and modernization for the country. The so-called assimilation hypothesis predicts improvement in the distribution of resources among ethnic communities as the general economic condition improves. Yet our data run contrary to this expectation. One explanation for this is that the structure of modernization and economic growth has

adapted to existing interethnic inequality.<sup>18</sup> This hypothesis assumes the existence of inequalities at the stage before the process of modernization and industrialization starts.

There is, however, no data about socioeconomic inequality among ethnic communities in the premodernization era. The premodern economy was dependent basically upon agriculture and a small sector of trade and commerce. The economies of ethnic communities were mostly locally integrated, and due to the structure of the land-tenure system, economic inequality within the communities should have been much more than between communities. It appears that interethnic inequality has developed along with the process of modernization, and we should look into the particular nature of the Iranian modernization process for causes of ethnic inequality.

The process of modernization of Iran started with the overthrow of the decaying Qajar dynasty by Reza Khan, who later assumed the title of the Shah. His first steps toward modernization were creating a strong army and pushing for political centralization. In fact, a strong army was needed to bring law and order to the chaos left by the Qajar king. Hence, Reza Khan fought against and removed local feudals and leaders. Furthermore, the old administrative division of the country, which consisted of "Iyalats" or states—each a culturally homogeneous unit—was changed to a system of ten provinces, each a political entity with a number rather than a name.<sup>19</sup> He also deprived the remaining local leaders from appointment to any official positions in their own locality.<sup>20</sup>

This was the first step toward political inequality between ethnic communities; sociocultural boundaries of localities were changed to political boundaries and local community leaders were deprived of leadership in their own community. Along with the process of political centralization and as part of the appeal to nationalism and Iranianism for revitalization of the country, certain cultural changes were introduced which were biased against non-Persian ethnic communities. Among these were the social and legal priorities of the Persian culture and language, i.e., Persian language became the only language to be taught at school.

Another important aspect of the modernization attempts was change in the structure of the economy from agrarian to modern industrial. In fact, early in the 1920s almost 80 percent of the 11.5 million population of Iran lived in rural areas. In the attempt toward industrialization, Reza Shah himself and the government took a major role. In addition to early achievements in creation of an infrastructure, including roads and communication systems, the government took a significant role in capital formation. By the 1930s, many government-established industries—a huge arms industry, sugar factories, textile and several small chemical plants—were operating. A positive point about this industrial achievement was that to finance these industries, Reza Shah did not depend on foreign loans or resort to oil revenue. The early industrialization of Iran was financed from revenue generated from the large peasantry, taxes on land, and custom duties.<sup>21</sup> It was later in 1933 that the oil concession of 1901 was renegotiated and the increased oil revenues were used to put into effect further industrial plans. Foreign capital investment was mainly British investment in the oil industry, which was an enclave industry and had no linkage with the other industries.<sup>22</sup>

The negative aspect of this early industrialization was that the industries were generally located in the Central province and northern areas of the country. For instance, out of twenty-five textile factories, nine were located in Isfahan and others were located in Tehran and Mazandaran. Other industries were basically located in Tehran. Hence, the spread effect of the industrialization was predominantly on the Persian population in the Central Plateau. Other groups in Kurdistan and Azarbayjan who had paid for it, were deprived of its prosperity. Hence, the skewed distribution of industries among communities was another step toward ethnic inequality. A further consequence of this biased situation was migration from the non-Persian communities to cities in the Central plateau, especially the capital. Local communities remained agrarian and sent manpower for industrialization of the central areas.

Another negative aspect of the early Iranian industrialization process (also predominant in recent years) was too much emphasis on "industry" in the strict sense of the word rather than including industrialization of agriculture. Hence, the ignorance of the agricultural sector and agricultural communities widened the interethnic inequality gap because most of non-Persian communities depended on agriculture.

The processes of economic modernization and industrialization of Iran accelerated in the 1960s and 70s after a period of political instability. In addition to continued centralization and domination of Persian language and culture in this new era of the Iranian modernization, the pattern of economic growth contributed to the widening socioeconomic inequality among ethnic communities. In short, along with political centralization, economic growth has been centralized and biased toward the population of the central plateau. This uneven development and central bias is the result of: (1) shift in the source of government expenditure from domestically generated revenue to foreign loans and oil revenue, (2) the domination of "industrialism" in the development programs, and (3) increase in the foreign investment. In the remaining part of this section, we discuss these three factors in connection with the centralized economic growth in Iran.

A large share of the government expenditure during the last two decades has originated from the revenue generated in the oil sector. In fact, oil revenues have gradually replaced the domestically generated revenue in the agricultural sector. The total oil revenue of \$513 million in 1965 reached to the figure of \$18,871 million in 1975. Yet, the most salient aspect of this shift in the source of revenue was that the new revenue is generated with very little contribution from the domestic means of production. On the other hand, the government, because of its unique access to oil revenue and as the agent of expenditure of this revenue, became the determinant of the socioeconomic position of groups, classes, and regions. Hence, where the oil revenues were spent and who got the highest share became a function of relation with the central government. Given this determinative position, the government had no problem creating a pattern of centralized development expenditure. Hence, the Central province with 20.7 percent of the total population of the country received 32.7 percent of the development budget in 1972-73. East Azarbayjan with 10 percent of the population received 4.8 percent of the budget. In 1974, 14.3 percent of the agricultural loans went to the Central province, while the same figure for Baluchistan was 0.7.

The 1950s and 1960s tradition of economic development models emphasized industrialization as the only path to economic development.<sup>23</sup> This tradition of thought dominated the Iranian development planning with ambitious industrial goals, especially with the sudden jump in the oil revenues.<sup>24</sup> As industrialism was equated with development, the agricultural sector, and hence, ethnic communities with agricultural bases, were ignored. The central government no longer needed the revenues generated in these areas, rather it was the community that was dependent on the central government to get a share of the oil money.

Another element in the new era of Iranian modernization and industrialization was foreign investment. By 1976, about 3,976 foreign firms had investments in Iran. This figure was 1,563 in 1968.<sup>25</sup> Most of these investments have been highly capital-intensive and required high-level technology and management. It is obvious that the firms choose the already-developed central province as the best location, for it provides the skilled manpower and the westernized social environment for foreign personnel. This again has resulted in deprivation of local communities in favor of the already-developed central province.

#### SUMMARY

In this paper we discussed socioeconomic inequality among ethnic communities in Iran. There were significant clues to the widening gap between Persian and non-Persian communities. That is, contrary to the existing theories, modernization and industrialization have not been accompanied with improvement in the distribution of the resources among ethnic communities; rather they have increased inequality. Thus, we looked into the particular nature of Iranian modernization for causes of interethnic inequality. Political centralization, domination of Persian language and culture, and centralization of early industrialization contributed much to the development of the interethnic inequality at early stage of the Iranian modernization. In the new area, the 1960s–1970s, the existing gap was further widened by centralized and urban-biased economic growth. This was possible only because of the government's unique access to the increasing oil revenues which were generated with very little help from the domestic means of production.

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#### NOTES

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<sup>1</sup>See Claude Cahen, "Tribes, Cities, and Social Organization," in R. N. Frye (ed.) *The Cambridge History of Iran, Vol. 4: The Period from the Arab Invasion to the Saljuqs* (Cambridge, 1975); Marie-Therese, Ullens de Schooten, *Lords of the Mountains* (London: Chatto and Windows, 1956); Harry H. Smith, et al., *Area Handbook for Iran* (Washington, D.C.: Government Printing Office, 1971); John Limbert, "The Organization and Appearance for Kurds in Pre-Islamic Iran," *Iranian Studies* 3, pp. 41–45; William Irons, "Turkoman of Iran: A Brief Research Report," *Iranian Studies* 2, pp. 27–

38; Rashid Yasemi, *Kurd-va-Peyvastegihay Nezhadiva-Tarikhi* (Tehran: Abnesina, K.J.); Henry Field, *Contributions to the Anthropology of Iran*, (Chicago: Chicago Natural History Museum, 1939).

<sup>2</sup>See M. Diakonof, *Tarikhi Medes*, (Tehran: Entesharat Nash-va-Tarjomeh Ketab, 1349).

<sup>3</sup>See Richard W. Cottam, *Nationalism in Iran*, (Pittsburgh: University of Pittsburgh Press, 1964), pp. 23–32.

<sup>4</sup>During the period 1971–76, 601,195 persons aged five years and above moved out of East-Azərbayjan to Tehran. For West Azərbaycan, Kermanshahan, Baluchestan and Kurdestan the figures are: 113,647; 14,795; 3,196; and 66,602 respectively. See Plan Organization, Statistical Center: Census of Population and Housing, Tehran Sharestan (Tehran: Plan Organization, 1979).

<sup>5</sup>Population figures according to the 1976 Census: Baluchistan 659,297; Kurdestan 781,889; Kermanshahan 1,016,199; East Azərbaycan 3,194, 543; West Azərbaycan 1,404,875. See Plan Organization, Statistical Centre Census of Population and Housing, Volumes 166, 167, 168, 174, 175, Table 5.

<sup>6</sup>Several writers argue that Azari does not have a Turkish origin and is another dialect of the Persian Language. See Ahmad Kasravi, *Azari* (Tehran: Entesharat Mat-buiati Shargh, no date); Manuwhcher Mortazivi, *Zaban Dyrin Azərbaycan*, (Tehran: Moghufat Afshar, 1360).

<sup>7</sup>Cottam, *Nationalism in Iran*, pp. 164–167.

<sup>8</sup>See Peter Avery, *Modern Iran* (London: Ernest Benn Limited, 1965), pp. 74–95.

<sup>9</sup>Almost a total paralysis characterized the Iranian government by 1921 and most Iranians knew that their country needed a strong government. Hence there was no surprise when a coup d'état brought into power a strong-minded leader, Sayyed Zia al-Din Tabatabai. In order to carry out this coup d'état, he had allied with an ambitious colonel of the Persian Gossacks, Reza Khan, who received as his reward the position of Commander in Chief of the Gossacks. Because of his conflict with the land-owning class and being unable to attract nationalist support, Sayyed Zia found himself totally dependent on Reza Khan's Gossacks. Reza Khan soon forced Sayyad Zia into exile and began to climb to absolute power. See Cottam, *Nationalism in Iran*, p. 19.; Avery, *Modern Iran*, p. 215.

<sup>10</sup>Robert Park, *Race and Culture*, (Glencoe: The Free Press, 1950).

<sup>11</sup>Franklin E. Frazier, *Race and Culture Contacts in the Modern World*, (Boston: Beacon Press, 1957).

<sup>12</sup>Ernest A. Barth and Donald L. Noel, "Conceptual Framework for Analysis of Race Relations: An Evaluation," *Social Forces* 50 (1971) pp. 333–348.

<sup>13</sup>A refinery was commissioned on the Iland of Abadan around 1913 and this was a huge capital investment in Khuzistan. This was a starting point for absorbing non-Arabs and especially Persians of the Central plateau. During the war and later, when the 1901 concession was renewed, activities related to the oil industry expanded vastly and in-migration to Khuzistan accelerated. This continued in the 1960s. See L. P. Elwell-Sulton, *Persian Oil: A Study in Power Politics*, (London: Lawrence and Wishart Ltd., 1965).

<sup>14</sup>Out of all the Khuzistan population, about 14 percent were born out of the province and about 60 thousands have arrived in Khuzistan during the period 1971–1976. See Plan Organization, Statistical Office, Census of Population and Housing, Khuzistan Province (Tehran: Plan Organization, 1979), p. 13.

<sup>15</sup>*Ibid.*, footnote 10.

<sup>16</sup>Bank Markazi Iran, Annual Report and Balance Sheet, 1976 (Tehran: Bank Markazi Printing Office, 1977).

<sup>17</sup>Plan Organization, Statistical Center: Sal-name Amari Iran, 1355, (Tehran: Plan Organization, 1357).

<sup>18</sup>Herbert Blumer, "Industrialization and Race Relations," in Guy Hunter (ed.): *Industrialization and Race Relations* (London: Oxford University Press, 1965).

<sup>19</sup>See Gholam-Hosyn Mosahab, *Derat-ol-Ma'aref Farsi: Jeld Avval* (Tehran: Entesharat Jibi, 1345) for detail of changes in the administrative division of Iran since 1906.

<sup>20</sup>See Khosrow Keshavarz, *Tarikh-i-Iran: Az Bastan-ta-Emrouz* (Tehran: Entesharat Tous, 1359).

<sup>21</sup>J. Bharier, *Economic Development in Iran 1900–70* (London: Oxford University Press, 1971); Mohammad Reza Vaghefi and Simin Dokht Vaghefi, *Modernization of Iran*, (Tehran: State Management Training Center, 1976).

<sup>22</sup>An enclave industry or sector does not have backward or forward linkage with other parts of the economy.

<sup>23</sup>See Pan A. Yot Poulos and Jeffrey B. Nugent, *Economics of Development: Empirical Investigations* (New York: Harper and Row, 1976); GERAL M. MEIER, *Leading Issues in Economic Development*, 3rd ed. (New York: Oxford University Press, 1976).

<sup>24</sup>George B. Baldwin, *Planning and Development in Iran*, (Baltimore: The John Hopkins Press, 1967); M. A. Katouzian, "Oil Versus Agriculture: A Case of Dual Resource Depletion in Iran," *The Journal of Peasant Studies* 5, pp. 347–369.

<sup>25</sup>Fred Holiday, *Iran: Dictatorship and Development*, Persian translation by Fazlolah Nik-Poor, (Tehran: Amir Kabir Press, 1979).