

## Seven

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### Collective Action with and without Islam

#### *Mobilizing the Bazaar in Iran*

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Although most “old” social institutions in Iran were destroyed or significantly weakened during the Pahlavi dynasty (1926–1979), the bazaar survived, even flourished, despite numerous challenges by central state authorities and shifting economic and political conditions. During the 1977–1979 revolution, the bazaar was a crucial component of the social movement that brought down the monarchy, providing both material and mobilizing resources. The bazaar’s close cooperation during the revolution with the *ulama* (Shi’a Islamic leadership) engendered scholarly claims of a historic “bazaar and mosque” alliance. Indeed, outside of the *ulama* itself, no group in Iran has been as consistently labeled “Islamic” as the bazaaris—the merchants, shopkeepers, employees, hawkers, and other urban Iranians who make their living inside the bazaar or depend upon it for a living (Thaiss 1971; Ashraf 1988; Keshavarzian 1996). Bazaaris have been nearly uniformly described as conservative, traditional, devout Muslims who joined the revolution either out of cultural-ideological affinity with the *ulama* or out of a sense of outrage at the late Pahlavi secular modernism. While it has been established that the bazaar-mosque alliance was central to the success of the revolutionary movement against the shah in 1978, this alliance is often used to make ahistorical generalizations about bazaari political behavior.

Those generalizations often run afoul of the historical record, even as close to the revolution as 1977, during which time Iranian bazaaris were engaged in a series of collective protests with secular intellectuals rather than with their religious allies in the Shi’a clergy. In addition to questioning the bazaar’s external alliance with the clergy, the 1977 protests suggest a strong internal capacity for mobilization in the bazaar itself and a set of motivations

for political action that are independent of any external alliances. The generalizations run into further trouble when the issue of bazaar-state relations under the Islamic Republic is raised, and the analytical response has often been either to neglect the changing relationship or to explain the changes in an ad hoc manner. In general, scholars have, with few exceptions (see, e.g., Parsa 1995), been willing to presume that the mobilization of the bazaar during the revolution could be explained by the ideological outcome of the revolution itself.

In this chapter I argue, first, that we must be careful about assuming that the constituent social components of a broad-based Islamic movement like the Iranian revolution are uniformly motivated to action by religion. While there was certainly a segment of the bazaar in Iran that sided ideologically with Khomeini during and after the revolution, the evidence suggests that merchants joined the revolutionary movement for diverse reasons and through a spectrum of political organizations, from Khomeini supporters in the ulama to Marxist groups. Moreover, we must give greater attention to the fact that resources mobilized in support of the movement, like those of the bazaar, remain internal to the group, even though they may be “borrowed” by political entrepreneurs during movement periods. The bazaar’s Islamic activism during the revolution, then, was temporally contingent and does not necessarily define a trend. The ulama’s successful attempt to “reach into” and utilize bazaar social networks was crucial to the success of the revolution, but the temporary nature of that alliance becomes much clearer when bazaar-mosque relations are traced into the Islamic Republican period.

Second, as an important corrective to prevalent social movement theory developed from Western European and American cases, the mobilization of the bazaar highlights the importance of informal networks as mobilization resources in authoritarian settings. Whereas formalized organizational structures may increase the likelihood of movement success in a democratic polity, in an authoritarian setting they mark movements or groups as targets for state repression. In such environments, well-established informal networks are likely to be the most successful means of mobilization. Informal networks such as the ones in the bazaar in Iran are not inherently oriented to political action. They are primarily social and economic strategies of survival that have become institutionalized, and thus their potential as resources for political mobilization is secondary. In addition, networks like these make a strong sense of community identity possible for the bazaar, even in the face of serious ideological and cultural divides within the community itself, and suggest that what has been termed a sense of “shared fate” is the strongest communal bond between bazaaris of varying religious and class backgrounds.

Third, social groups like the bazaar, which are not movements per se and thus not inherently inclined toward overt political action, are often, perhaps mostly, politically reactive. Under authoritarian rule, they are inclined to re-

main apolitical when state leaders do not threaten their social autonomy. However, bazaaris are liable to mobilize if the state infringes upon their economic or social interests. Given a consistent potential for mobilization, whether such groups in fact mobilize depends heavily on their ongoing relations with the state. As I argue below, it is crucial to study closely such patterns of state-society interaction over time, as it is state action that has largely driven the bazaar's political action rather than any innate motivation to protest. Rather than focus on political opportunity *structures*, therefore, I argue for a closer concentration on authoritarian states as strategic actors in their own right, whose specific policies can make it too costly for groups like the bazaar *not* to protest.

### Why the Bazaar Rebels

Existing analyses of Iran's bazaar that seek to find a coherent logic for its involvement in politics tend to start with the 1977–1979 revolution and infer backwards to make implicit assumptions based on the religious aspects of the bazaar. As I outline below, these macro-theories tend to explain bazaari political behavior by reference to a very limited time frame, the 1978–1979 protests. By focusing only on the last year of the revolution, scholars have attempted to grant a historical logic to the “bazaar-mosque alliance,” asserting that this coalition is at the center of all major political events in modern Iranian history (Skocpol 1982; Arjomand 1986; Ashraf 1988). By focusing exclusively on religion as a mobilizing ideology, others have been forced to presume that bazaaris and others were primarily motivated to challenge the state on religious grounds (Arjomand 1986; Saleh 1988; Moaddel 1993), despite the sizable documentary and interview evidence suggesting that economic concerns were foremost for many of the bazaaris who joined the opposition (Atiqpur 1979; Parsa 1995, 2000; Kurzman 1996).

Indeed, one of the constants in the bazaar in Iran is that there is a noted lack of ideological uniformity. During the 1977–1979 revolution, merchants mobilized in support not only of Khomeini but also of the National Front and other secular groups (Parsa 1989, 105–25). Moreover, well into the revolutionary crisis itself bazaaris showed a willingness to work with the shah's government. In October 1978, for instance, merchants met with government minister Manouchehr Azmoun to discuss price controls and the status of bazaar guilds (115). That the Islamic Republic executed many bazaari supporters of the National Front and other groups after the revolution further suggests a marked disconnect between the “bazaar-mosque” alliance theory and the reality of pre- and postrevolutionary bazaar-state relations.<sup>1</sup>

Some scholars do note the political diversity present in the bazaar and the periodic tension between bazaar and mosque (see Keddie 1981, 245; Motahedeh 1985, 346–47); however, even these more nuanced accounts grant

analytic primacy to the religiocultural and institutional ties between the two groups. According to Keddie (1981, 245), “the ‘traditionalist’ bazaar attitude, along with the close family, financial, and cultural ties of the bazaar with the ulama, help explain the bazaar-ulama alliance that has been responsible for so much revolutionary activity in Iran since 1891.” Similarly, Mottahedeh (1985, 346–47) acknowledges that the religious spheres in the bazaar retained substantial autonomy from the mosque, such as *hay'at* or “association” meeting groups, but maintains that, on balance, “the mosque and the bazaar actually acted to give each other shape and sustenance.” Among the members of the bazaar community there are doubtless many individuals for whom these characterizations are accurate and for whom this cultural affinity explains much of the willingness to engage in antistate collective action. However, the equally frequent collaboration of the bazaar with radical secular intellectuals across many of the same episodes of contention suggests that it may be the convergence of *interests* rather than ideologies that drives the formation of alliances between the bazaaris and other groups.<sup>2</sup>

There are thus two primary problems with existing approaches to studying the bazaar. The first is that they mesh poorly with the record of bazaari political activity during the late Pahlavi period. The reality is more complex: the bazaari-ulama alliance during the revolution was contingent on the political exigencies of the 1978–1979 period; before then one coalition partner or the other often sided with the monarchy. The second is that, unless we are willing to overlook the complexity of bazaar-state relations in postrevolutionary Iran, we must move beyond the assumption that there exists any permanent alliance between mosque and bazaar. Rather, even now that the bazaar has “captured” a part of the state under the Islamic Republic, as it periodically did to a lesser degree in the monarchic period, the same tensions are exhibited. What remains is to flesh out a theoretical account of bazaar-state relations that can explain conflict under both monarchic and Islamic Republican governments.

### Social Movement Theory and Bazaar-State Relations

Theorists of social movements and collective action have outlined external constraints on the mobilization of groups in terms of political opportunity structures and theorized the capacity to mobilize in terms of internal structure (Tilly 1978, 98–142; McAdam, McCarthy, and Zald 1996; Tarrow 1998). While it is certainly true that potential collective action resources are likely to become actual resources only given certain external conditions (Kurzman 1994), it is less clear from theories of opportunity structures how to make sense of them systematically. Absent greater specification, “[political opportunity structure] threatens to become an all-encompassing fudge factor for all the conditions and circumstances that form the context for collective action”

(Gamson and Meyer 1996, 275), a concern also raised by Hafez and Wiktorowicz in chapter 2 of this volume.

If the focus is on the relationship between a specific group, such as the bazaar in Iran, and an authoritarian state, it seems reasonable to make patterns of accommodation and protest the center of analysis. Theories of state-society relations from the comparative study of state formation in the developing world offer a model based on struggles over social control that can help to complete the “other side” of the equation—the role of the state (Migdal 1988, 2001; Migdal, Kohli, and Shue 1994). One major focus in these theories is how social structure plays a major role in determining the capabilities of states to enact and enforce policy: “The disparity [between state aspirations and achievements] demands an approach that focuses attention on the sources of resistance to the state’s efforts at achieving predominance” (Migdal 1988, 24). To describe the political atmosphere in which social movements exist in this way, we must look closely at the roots and subsequent patterns of conflict between state elites and powerful groups that mobilize to protect social interests and autonomy.

For the question at hand, the other and more important focus is on the state-building project itself. External expectations of what states should be capable of and the internal exigencies of consolidation impose powerful incentives to establish state authority over social spheres. A number of scholars working in the state-in-society tradition have described the conflict as one in which expectations of the nation-state, both domestically and in the international arena, compel elites to strive for a Weberian authority not just over the means of violence but also over economic life within national borders (Chaudhry 1993; Vitalis 1995; Vitalis and Heydemann 2000).

Authority over the national market has been one of the most crucial tests for the success or failure of state-builders. When, for instance, Sidney Tarrow describes the early eighteenth century as the beginning of a “new and more general repertoire of collective action in Western Europe” (Tarrow 1994, 78), it is important to remember the powerful incentives that emerged during this period for merchants and early capitalists to stake their claims for a role in deliberating state policy and limiting state authority over emerging markets (Habermas 1989). Those new patterns of collective action were a response by primarily economic actors to a state intent on extending the reach of “public” authority deeper into the economy. A similar process took place in Iran during the twentieth century, and in my view, it is in this process that external incentives for bazaar mobilization are to be found. As outlined above, prevalent interpretations of bazaari politics have tended to cast it in terms of cultural/religious opposition to the secularizing tendencies of the Pahlavi state-building project. While I do not intend to suggest that either religion or culture is unimportant to bazaaris, the record of bazaar protest suggests a more prevalent motivation to challenges to the state.

During the twentieth century, the bazaar in Iran found itself uncomfortably caught between two groups for whose support various states have vied: the working classes and peasantry, on the one hand, and foreign investors and traders, on the other. Particularly in the late twentieth century, political exigency led state leaders to target the bazaar in order to support other domestic groups. Thus, I suggest here that the roots of bazaari protests lie in a determined effort to resist state encroachment on the bazaar's market autonomy.

Autonomy for the bazaar can be defined along a number of indicators—fair market standing relative to foreign capital, freedom to set prices internally, and freedom from forced competition with state-subsidized cooperatives are arguably the three most important—and interference by the state in any of these arenas is likely to be seen as arbitrary and thus resisted, regardless of the type of government. Arbitrary state intervention in the market, defined as (1) subjection of merchants to unfair foreign competition; (2) the establishment of state-run cooperatives to compete with the bazaar; or (3) the imposition of price controls, is likely to meet with protest by the bazaar. Bazaar mobilization, then, is a function of external factors (particularly state policy) and mobilizing structures internal to the bazaar itself. These factors go far to explain the timing of bazaar protest across a wide range of episodes and under both monarchic and Islamic Republican governments.

### **Informal Networks as Mobilizing Structures**

Nearly every scholar who has written about modern Iranian history has highlighted the solidarity of the bazaar community (Thaiss 1971; Bonine 1981; Ashraf 1988; Parsa 1989, 91–125; Kheirabadi 1991, 62–84, 95–104). While much has been made of the homogeneity of the bazaar as a social organization, the potential for collective action is a relatively new phenomenon. It began in the late nineteenth century and was primarily a result of two factors: the modernization of communication and transportation in Iran and the country's gradual integration into the European global economic system. The first made it possible for geographically dispersed bazaaris to communicate and spread information quickly, and the second raised the likelihood of both state fiscal crises and subsequent state efforts to target the bazaar as a means of revenue during the crises. During this period, as Abrahamian notes, the penetration of a formerly internally oriented economy by British and Russian commercial interests “induced the scattered regional commercial interests to coalesce into one cross-regional middle class that was conscious for the first time of its own common grievances” (1982, 50). Placing the emergence of the bazaar on the political scene in historical context highlights its twentieth-century political potency and incentives for collective action as a direct result of conflict with a consistently encroaching state intent on penetrating domestic markets.

In using collective action theory to get at the social characteristics of the bazaar, it is important to note the role of norms and informal institutions in enhancing merchants' reputations, regulating price levels, reinforcing communal solidarity, and maintaining a network for quickly transmitting information among bazaaris. The bazaar became a socioeconomic sphere adept at reducing information, social, and transaction costs for merchants and customers alike. As we shall see, the array of social institutions that emerged also served to strengthen the bazaar's independence from the state.<sup>3</sup> These were not networks "designed" to mobilize protests; rather, they developed to promote smooth interaction between economic actors (for a common dynamic in other regions, see Greif 1989). The parallel trends of increasing tension between bazaar and state, on the one hand, and a web of social networks that produced and reproduced contact and trust among bazaaris, on the other, laid the basis for conflict and all but guaranteed that the bazaar would maintain the capacity to mobilize against the state.

### *Reputation*

For the bazaar merchant in Iran, reputation as an honest member of the community was central not only to social status but also to economic viability. A reputation for honesty derived, in large part, from customers' sense that the merchant set prices fairly. Freedom to set those prices daily, depending upon availability of a given good (including road conditions between bazaar and suppliers, growing season, weather, etc.), and to offer a sliding price scale for varying degrees of "friend" (Rotblat 1972, 154–64) was the foundation of individual economic viability in the bazaar. Price levels were thus embedded in an interactive relationship between character and reputation. By offering varying price levels, with the lowest paying clients—the "good friends"—forming the smallest group of one's total clientele, bazaaris were able both to augment their reputations and to retain a profitable and continuous clientele. Reputation also affected a range of other factors, including the ability to obtain credit and the terms on which it was offered (164–67, 169–79, 189–208). As Rotblat notes, "character and reputation are the main bases of competition in these bazaars" (161).

A different sort of reputation issue emerged during my research in the Isfahan bazaar in July 1998. My primary informant there, Hossein, had taken great pains to employ carpet sellers who spoke English, Spanish, Japanese, and German. (Isfahan is a major attraction for increasing numbers of European and Japanese tourists.) He had built a reputation as an informal go-to man for foreign travelers and as someone who could call on friends to arrange transportation around or out of Isfahan, visa extensions, hotel accommodations, and other services on short notice and as a last resort. I was sitting in his shop drinking tea when two English women arrived from a sightseeing

trip around the city. They had stopped in his shop the day before. He casually asked them how much they had paid for the taxi ride around the city, and when they told him the amount (too high), he went running out of his shop after the taxi. He yelled at the driver for several minutes, then returned with the balance of the women's money over the "fair" fare. To demonstrate again how salient these reputation concepts are for bazaaris, Hossein told me, unsolicited, how bad things might have been for him if word had leaked out among other merchants that he was incapable of looking after travelers.

### *Religion*

While scholars have pointed to the bazaar as a last bastion of traditional Islamic values in Iran (Bonine 1981; Ashraf 1988), in reality its religious views seem to be less homogeneous. Howard Rotblat's long-term sociological study of the Qazvin bazaar<sup>4</sup> suggests that many bazaaris' outward piety was aimed at maintaining their reputations and, thus, their profits. Community acclaim as a faithful Muslim could enable a merchant, for instance, to call on divine authority that his prices were fair.<sup>5</sup> Furthermore, outward religiosity legitimized the public display of wealth that might otherwise be thought pretentious, and thus the sight of a bazaar merchant or shopkeeper fingering worry beads would be unsurprising but might indicate less piety than first glance would suggest.<sup>6</sup> Another important aspect of religiosity in the bazaar is the distinction made by many bazaaris between their own beliefs and the legitimacy of clerical rule in postrevolutionary Iran. During a 1980 conflict between bazaaris and the ruling Islamic Republican Party, one merchant complained about the ulama's ignorance of economic matters, claiming, "If you shake hands with a mullah you will notice that his hands are as soft as those of a 14-year-old girl because these people never do anything useful" (*Christian Science Monitor*, November 18, 1980). In my own research in the Tehran and Isfahan bazaars in 1998, I encountered many self-identified devout merchants and shopkeepers who passed slow periods by telling their favorite or latest mullah jokes. This practice, along with frequent declarations that one could be a good Muslim while disapproving either of specific policies or of a state run by mullahs, suggests that, even for those bazaaris who consider themselves devout, there is a conscious distinction between Islam and the politicization of the ulama.

Absent the assumption of piety, we might be left wondering whether bazaaris shared any common beliefs. However, the fact that bazaaris from all class levels—from the richest merchants to the most meager wandering street hawkers—have acted in concert against common threats suggests a more general interest: the survival of the bazaar as an institution. Supporting this assertion are the patterns of interaction between bazaaris, aimed at reinforcing social and reciprocity networks within the bazaar. Although we might profit-

ably describe these relationships as “shared interests” (Lamborn 1983, 131–33; Parsa 1989, 92), such an understanding undervalues the strong collective normative commitment merchants have to the bazaar itself.<sup>7</sup> This commitment means that despite ideological diversity among bazaaris, solidarity in response to a threat to the bazaar was and is something on which all could agree.

#### *Reciprocity*

Merchants were also customers, and they not only shopped in other bazaaris’ shops but also on occasion sent their customers elsewhere when they didn’t have the desired item in stock. In 1995, Arang Keshavarzian (1996, 35), for instance, observed a shopkeeper taking a customer to another shop for an item he did not carry. When asked why, the shopkeeper replied that the practice not only “keeps customers happy” but also “uses and strengthens the various channels of communication.” I experienced similarly purposive maintenance of social networks in the Tehran and Isfahan bazaars in 1998. On one occasion, I was taken across the whole of the Tehran bazaar (a walk of about two kilometers) to shop at a specific luggage seller whom my carpet seller guide had not seen in some time, mostly so my merchant guide could say hello.<sup>8</sup> On another occasion, an employee of one shop in the Isfahan bazaar took me a considerable distance (again) to look for something his employer did not sell. He explained to me the importance of frequent communication, suggesting that in addition to friendship and reciprocity there is an active realization among bazaaris that these norms serve their common interests by keeping them in touch with one another.

#### *Credit and Dispute Resolution*

Norms of behavior such as reciprocity, by all counts, have gone far to maintain the bazaar as a viable sector in Iran’s economy, despite the late shah’s conviction that “the bazaaris are a fanatic lot” whose “time is past” (Pahlavi 1980, 156). In addition, the bazaar community fostered a number of other informal institutions that served to reinforce the community itself. Among the most important were the credit process and internal mediation. Most commercial exchange in the bazaar took the form of credit transactions in the 1970s, either in the form of straight loans or postdated checks. Despite the availability of commercial bank loans at a frequently lower interest rate, in-house lending between merchants remained viable because of the “relative easiness with which the merchants themselves get credit” (Rotblat 1972, 203). Merchants were sometimes hesitant to use bazaar moneylenders because of the high interest rates, but again reputation entered the picture: “The moneylender will discount a merchant’s signature at rates which vary accord-

ing to the reputation of the person seeking the cash” (207). Credit-based transactions between merchants became institutionalized as a way to avoid using state-run banks, to reinforce reputations, and to maintain reciprocity and communication networks. Even in the tightly knit bazaar community, however, economic and legal disputes were inevitable.

What is notable about the bazaar, though, is the degree to which it remained independent of the state legal system to resolve these disputes. Even as the “rationalized” state court system expanded under the reign of Reza Shah and then under his son Mohammed Reza Shah, bazaaris continued to rely on internal arbitration and mediation. Why? Gustav Thaiss (1971, 190) offers two answers. First, “the recourse to traditional forms of conflict resolution is less expensive and less time-consuming and avoids the corruption and bribery that are often associated with the courts.” In short, bazaaris trusted the state considerably less than they trusted each other. Second, by relying on mediation and arbitration, merchants, as with their reciprocity arrangements, continually strengthened both the institutions of conflict resolution and their own communal solidarity: “Thus, the persistence of ‘traditional’ behavior . . . coincides to a high degree with what is rational to do with the means available.”

The pattern of informal institutions in the Iranian bazaar of the late twentieth century served not only to reinforce community solidarity but also to maintain autonomy from the state. The process of modern state-building under the Pahlavi dynasty began in 1926 under Reza Shah, and its history is replete with attempts to wrest social control from other centers of authority (Hooglund 1982; Mottahedeh 1985; Keshavarzian 1996). The bazaar was one such center of authority, but it was able to resist state encroachment better than even the ulama, in part because of its continued independence from the state largesse brought by oil revenues (Parsa 1989, 91–125). That the state could rely on oil revenues for well over half of its budget by about 1960 meant that it no longer needed to expend resources to extract significant taxes from the bazaars, which even further enhanced the latter’s autonomy. Thus, the evolution of Iran’s political economy into an oil-rich rentier state augmented the social autonomy and solidarity made possible by the bazaar’s social institutions.

#### **Bazaar-State Relations under Monarchy and Theocracy**

Between 1975 and 1977, before the January 1978 ulama-led protests that most analyses use to mark the “beginning” of the revolution, a modernizing monarchy confronted a coalition of radical students and bazaar merchants in a protest movement that to a large degree was bankrolled by the bazaar. In the postrevolutionary period, despite its close involvement in the consolidation of

the revolutionary government, the bazaar has consistently opposed the populist economic policies of the Islamic Republic. Tracing bazaari involvement in Iranian politics from the late Pahlavi through the recent Islamic Republican periods suggests that there may be underlying interests that created continuity in bazaar-state relations, regardless of whether the country was run by kings or ayatollahs.

*Bazaaris, the State, and the Rastakhiz Party, 1975–1977*

In late 1974 the regime announced that Majlis (parliament) elections would be held the following spring, and the shah apparently was sufficiently confident of his political position to allow opposition parties to participate for the first time in 12 years. The result was vibrant political participation in the election campaign, and the sanctioned opposition party Hizb-e Mardom (Party of the People) won several by-elections before the main parliamentary balloting. The surprise showing by Mardom threw into doubt the national victory of the pro-state Iran-i Novin (New Iran) party and raised questions about the control commanded by the regime. This political setback, coinciding as it did with a bout of inflation and a drop in oil revenues, also apparently spurred the shah to announce the creation of the Rastakhiz (Resurgence) party on March 2, 1975, as a means of extending the control held by the regime in economic planning into societal mobilization (Afkhani 1985, 70; Abrahamian 1989, 22–28; Alam 1991, 415–16; Milani 2000, 275–79).

What the new party meant for the bazaar was soon made clear. The Rastakhiz party became an instrument of invasion beginning in August 1975 as 10,000 party recruits were sent into the bazaars to enforce new price controls (returned to January 1975 levels) on 16,000 goods and a profit margin ceiling of 14 percent, roughly half the inflation rate (Zabih 1979, 30–31; Abrahamian 1982, 442–43, 498; Bashiriyeh 1984, 93–95; Parsa 1989, 103; Chehabi 1990, 94). When crackdowns on industrialists and the richest bazaar merchants failed to ameliorate the problem, middle-class merchants and shopkeepers became the next targets (Green 1982, 56–59). By early August, 10,000 shopkeepers had been fined, over 7,500 had been arrested, and more than 600 shops had been shut down by the Rastakhiz Youth, who were described by Prime Minister Amir Abbas Hoveyda as “the instruments of Iran’s development” (*Kayhan International* 1975; Abrahamian 1982, 498). The antiprofitteering campaign was directed not by a preexisting institution of the state, but by a special “task force” of the Rastakhiz party (Ashraf 1988, 557), tying the attack on the bazaars to official party policy, which identified bazaaris as “enemies of the state.” The shah went so far in October 1975 as to call the antiprofitteering campaign an Iranian “cultural movement,” and he decreed antiprofitteerism the fourteenth principle of the White Revolution (*Kayhan*, October 8, 1975).

In addition to the antiprofitteering campaign, the Rastakhiz party also “opened branches in the bazaars, forced donations from small businessmen, and required shopkeepers and workshop owners to register their employees with the Labor Ministry and pay monthly contributions for their medical insurance. . . . *The government had rushed into a territory in which previous regimes had feared to tread*” (Abrahamian 1982, 443, emphasis added). Finally, the Rastakhiz party began two policies that directly endangered bazaaris on both an individual and collective level. First, all merchants and shopkeepers who were arrested or who had their shops forcibly closed were publicly vilified in party posters hung in the bazaars as dishonest merchants and unsavory members of the community who had engaged in profiteering (Parsa 1989, 103–104). Recalling the centrality of a merchant’s reputation to his economic viability, these intentional character attacks by the party were immensely threatening to individual bazaaris.

While the campaign against the bazaar was notable on a purely socioeconomic level—the degree of state encroachment was unprecedented in Iranian history—the political significance made the writing on the wall even clearer for bazaaris: they were to be the scapegoats in a populist appeal to the poor (Abrahamian 1982, 498). Bazaaris complained to Western journalists that the “Shah-People Revolution” was starting to sound more “red” than “white,” and they openly accused the regime of shifting the blame to the bazaar to cover its own corruption (Rouleau 1976; Cage 1978).

Second, in early 1976 the shah’s government announced the establishment of the Urban and Rural Consumers’ Cooperative, aimed at providing subsidized competition for basic goods previously available only in the bazaar. Shortly after that, the regime announced plans to tear down large portions of the Tehran bazaar in order to make room for a freeway and “modern” market, endangering the bazaar’s survival as an institution. One merchant’s response to the new policies was telling: “If we would let him, the shah would destroy us. . . . The bazaar will be flattened so new buildings can go up” (*New York Times* 1978). As Houchang Chehabi (1990, 94) noted, “The bazaaris interpreted the creation of the [Rastakhiz] party and the antiprofitteering campaign as a declaration of war.”

Other groups in society felt the regime’s pressure and repression as well. In March 1977, the government announced that it would move Aryamehr University from Tehran to Isfahan, most likely to distance it from the capital and thus from the center of Iranian politics. Students and professors protested, and during the demonstrations the entire Tehran bazaar remained closed. After the protest, when the regime cut salaries to punish professors, bazaar merchants “quickly established funds to pay faculty salaries in full” (Parsa 1989, 109).

Intellectuals flooded the regime with demands for increased freedom of expression. In May, a group of lawyers wrote a highly critical letter to the

government, the first time since 1963 that the regime had been so publicly and strongly criticized. In June, the Writers' Association of Iran wrote a public letter to the Prime Minister and Rastakhiz Secretary General Hoveyda (Karimi-Hakkak 1985). In July, another group of lawyers wrote a public manifesto criticizing the regime's control of the judiciary (*Ettela'at*, February 7, 1980).

In early August, the government continued its attack on the bazaaris by levying heavy new taxes on the bazaar in an attempt to balance the budget and by placing political conditions on the availability of commerce licenses (Parsa 1989, 103). Later in the month, the government decried tax evasion by bazaaris not simply as an economic problem but as a problem "of the [Rastakhiz] party," to be dealt with politically (*Ettela'at*, August 23, 1977). Shortly after that, bazaar representatives met with party officials to object to the taxes, and the bazaaris formally protested the Rastakhiz party's price-control campaign (Abrahamian 1982; Parsa 1989, 109).

From October 10 until October 19, 1977, a Writers' Association poetry meeting gathered some 10,000 participants at the Irano-German Cultural Society (also called the Goethe Institute) in Tehran (Karimi-Hakkak 1985, 208–11). When the shah's police broke it up, students and teachers responded by shutting down nearly all of Tehran's universities for a full ten days (the Ten Nights). Government attorneys previously loyal to the regime acquitted all of the demonstrators who were arrested after the poetry reading was broken up. In support, the Tehran bazaar closed throughout the protests.

The magnitude of the Ten Nights indicates that by late 1977 a large portion of Iran's bazaar and intellectual communities had turned against the state. Throughout 1978, the bazaaris remained closed for several months, communicating, as closures always did, "to other groups in society that some sort of conflict [was] underway" (Parsa 1989, 93). Interviews with bazaaris who closed their shops reveal a strong community component to the decision to protest in this way: "When everyone is shutting down [their shops], the rest shut down, too" (Kurzman 1996, 167).

Several years earlier, the same bazaaris did not take action in support of a major demonstration led by theological students in the Madraseh-e Faizieh-e Qom, Iran's most important center of religious training. On June 5, 1975, the twelfth anniversary of the arrest of the Ayatollah Khomeini during the June 1963 protests (Parsa 1989, 100–102; Kurzman 1997), a three-day protest began that ended with a military siege of the Madraseh. Khomeini issued a statement from exile in Iraq strongly supporting the students, but no bazaar support emerged. This incident raises not only the question of why the bazaaris failed to support a demonstration by their "permanent" allies, but why they did not seize on this event as an opportunity to resist the regime. The evidence suggests that the timing of the event is the reason. Although the Rastakhiz party had been in existence for three months, it had directed none

of its energy yet toward attacking the bazaar, and given the latter's continued economic viability and social autonomy, no incentive existed to challenge the state.

While by mid-January 1978 the supporters of the Ayatollah Khomeini had taken a leadership role in the protest movement, albeit one that they would expand as the movement grew, the vitality of the 1977 protests is striking. Equally notable is the frequent economic motivation noted by bazaaris in their specific complaints against state policies. The bazaar-mosque coordination of the majority of the major demonstrations in 1978 is well documented, and by no means do I seek to question it here. I do want, however, to highlight the fact that the coalition, powerful as it was, is sandwiched between the 1975–1977 period, in which the bazaar mobilized independently of the ulama, and the postrevolutionary period, in which the bazaar mobilized *against* the ulama.

#### *Bazaar-State Relations under the Islamic Republic*

One major empirical assumption that I question in this chapter is that Iran's bazaar and Shi'a leadership communities form a "natural" alliance. Even given their close coordination of protests throughout 1978 and the increased role of bazaaris in the Iranian economy after the revolution, tensions remain. Simply put, the arguments by a number of scholars about the "bazaar-mosque alliance" have not withstood the test of time. Bazaar-state relations under the Islamic Republic, in which the "mosque" rules, have been nearly as antagonistic as they were under the monarchy. What is striking is the similarity of circumstances surrounding bazaar protest during the monarchic period and postrevolution Iran. Below, I briefly analyze two cases of protest by the bazaar in Iran since 1979, stressing the common chronology: economic or inflationary crisis, government intervention against the bazaar, and resultant bazaar protest.

In 1980, before the revolutionary government was consolidated, a split emerged between supporters of the new Islamic Republic Party (IRP) and followers of Dr. Abol Hasan Bani-Sadr, the first elected president. Bani-Sadr's foreign minister, Sadeq Ghotbzadeh, had been imprisoned by the IRP, and the Tehran bazaar collected signatures to petition for his release on November 8. The next day the bazaar in Qom submitted a similar petition. After his release from prison, Ghotbzadeh chose the Tehran bazaar as the site of his first public appearance, and the gathering grew into a substantial protest challenging the IRP's intervention in the market. Bazaaris specifically targeted the regime's command economic policies, noting that, while they had opposed the shah, "everything was easier before. The shah supported capitalism and private enterprises. [We] hoped that everything would be better. Instead we have lost our capital and gained nothing" (*Christian Science Monitor*, November 18, 1980). The bazaaris also threatened to mobilize a broader strike if

their concerns were not heeded, despite their support for national unity during the war with Iraq: "We are convinced that if we close the bazaar the workers will support us as they did during the revolution. The Imam [Khomeini] is aware of the effect of a strike in the bazaar on the rest of the country." In response to the show of support for Bani-Sadr, the IRP staged a mass meeting on November 17 in the Imam Khomeini mosque in the Tehran bazaar, but failed to attract much of a turnout. Two weeks later, hundreds of young *komi-teh* members armed with clubs ordered the bazaars in Tehran, Mashhad, and Qom to close following street clashes between IRP and Bani-Sadr supporters.

In late 1989, President Ali Akbar Hashemi Rafsanjani made a serious effort to reform Iran's largely command economy by relaxing import restrictions. However, his first Five-Year Plan opened the country's foreign exchange system and encouraged heavy increases in private consumption without an accompanying political opening that would have made access to foreign markets for Iranian exporters easier. The resultant inflation by the early 1990s spurred a number of demonstrations against the rising prices of consumer goods and public transportation (Pesaran 1998, 5; Smith 1999). In response, in December 1994 Rafsanjani announced a new state-owned cooperative supermarket chain, called Refah (Welfare), to provide heavily subsidized goods in direct competition with the bazaar. Declaring that 1,000 of the stores would ultimately be built, he took aim politically at produce sellers in the bazaar, declaring that "the leech-like elements standing between production, distribution, and consumption [must] be eliminated" (*Christian Science Monitor*, February 22, 1995). Bazaaris in Tehran organized major street demonstrations to protest the Refah stores. Although the government proclaimed victory in the dispute and went ahead with Refah while analysts predicted widespread bazaar bankruptcies, as of mid-1998 most of the stores had been built well outside urban centers and in dramatically smaller numbers than had been planned,<sup>9</sup> posing little threat to the bazaar's near monopoly on produce or other goods.

The same economic distortions that had led to price inflation in the early 1990s had by 1996 compelled the Iranian government to look to tax revenues as a means of balancing the budget. Given the ease of locating bazaaris, and the lucrative carpet trade, carpet sellers faced the heaviest burden under the new tax plan. In July 1996, the carpet bazaar in Tehran, the largest sector of the bazaar writ large, went on strike (*Xinhua*, July 24, 1996; Associated Press, July 25, 1996).

### Conclusion

The history of bazaar-state relations in Iran during the past 25 years suggests a different kind of relationship with the ulama than the one that is often described and a need to examine the political fallout of mass-based Islamic movements like the 1977–1979 revolution in Iran. Even though prominent

members of the bazaar community have successfully “captured” large sectors of the Iranian economy through the leadership of revolutionary foundations, and the bazaar (at large) maintains closer ties to the leadership of the Islamic Republic than it did to the Pahlavi monarchy, economic crisis under both regimes has tended to produce similar state policy responses. These policies have, in turn, elicited bazaar challenges.

While another mass-based movement like the one in 1978–1979 that brought down the shah is unlikely, it is likely that the pattern of state-bazaar contention will continue (and probably intensify). President Mohammed Khatami’s economic plan in 1999 called for significant structural adjustment in an effort to attract foreign investment, and many of those policies will directly threaten the privileged position of the bazaar. However, merchants with significant capital do stand to gain from the economic changes due to their position as “early comers” in an increasingly internationally oriented market (Smith 1999, 6). But bazaar merchants remain divided on whether to support Khatami’s economic reform program, tending to favor the relaxation of restrictions on exports while opposing the opening of the domestic market to foreign competition (*Business Week*, June 7, 1999).

In addition to economic conflict, bazaar-state relations continue to be politicized over religion, in ways that are hard to foresee. For instance, in April and May 1998, bazaaris and university students in Qom, Najafabad, and Isfahan staged collective protests against the arrest of the Ayatollah Ali Montazeri, siding with Montazeri and his reformist supporters against what were rumored to be the direct orders of the religious leader Ali Khamene’i (Associated Press, April 30, 1998). Yet despite this initial support for the reformers, the Tehran bazaar closed to support a government-organized rally decrying student uprisings after the summer 1999, apparently siding with conservatives against a reform-minded student movement (*International Herald Tribune*, July 15, 1999).

In a major contribution to the study of social movements in the Islamic world, Edmund Burke (1988, 26) draws a distinction between studies that examine cases like the bazaar in Iran as “a history of Islamic political movements” and those that view such instances of collective action in terms of “the history of collective action in Islamic societies.” Central as it was to the success of the Iranian revolutionary movement, the bazaar fits better into Burke’s latter category.

Moreover, the bazaar contributes significantly to our understanding of the role of Islam in motivating protest movements. While it is certainly true that many bazaaris joined the protest movements discussed above for religious reasons and, further, that many who joined for other reasons remained devout, it is imperative that analysis of the outcomes of such movements not become behavioral assertions of motivation. These cases of bazaar protest, combined with field research in the bazaar spanning nearly 30 years, suggest

that (1) state economic policy plays the crucial role in determining when the bazaar *as a whole* will mobilize; and (2) individual bazaaris demonstrate a willingness to separate their religion from their politics, even under theocracy.

These cases also present two findings pertinent to social movement theory more generally. First, the role of the state, conceptualized not only as a set of institutions but as a set of leaders with their own interests, helps greatly to specify how and when external conditions—or political opportunity structures—are likely to lead to the activation, or actualization, of strong but potential mobilizing structures (see Boudreau 1998; Wiktorowicz 2001). Islamic activism, if bazaari mobilization is representative, is more likely to succeed when it can tap into the social networks of powerful groups with their own grievances against authoritarian governments. Convergence of grievances, thus, is likely to be a key to the success of such movements. Second, tracing patterns of relations and episodes of contention over time—a process termed “dynamic interaction” by McAdam, Tarrow, and Tilly (2001)—can highlight the variant underlying motivations in cases like the 1978–1979 protests in Iran and shed valuable analytic light on the causes of recurrent contentious movements. Where social movement theory traditionally leaves off, state-in-society theories of struggle over arenas of social control can help to fill in the analytic gaps.

### Notes

1. The British Broadcasting Corporation (BBC), July 15 and 17, 1981, reported the mobilization of the Tehran bazaar for a strike in response to the executions of two merchants convicted of contact with the National Front.

2. Keddie (1981), for example, notes that it was not merely a bazaar-ulama alliance but a tripartite bazaar-radical-ulama alliance that was central to the Tobacco Rebellion of 1891 and the Constitutional Revolution of 1905–1906. As I discuss below, that tripartite alliance of the 1978–1979 revolution in Iran was preceded by a bazaar-radical alliance in late 1977, during which time the ulama was almost entirely absent.

3. It is important to note here that, since the revolution in 1978–1979, the social organization of the bazaar has become more hierarchical and somewhat less autonomous of the state. I am grateful to Arang Keshavarzian for his discussions on this and other issues.

4. Qazvin is a provincial capital northwest of Tehran.

5. Rotblat (1972, 185) notes an example of this. A customer in the Qazvin bazaar questioned the price of an article in his presence, to which the merchant's apprentice replied, “The Haji says only one word.” The title Haji is reserved for those Muslims who have made the pilgrimage to Mecca, and the reference indicates special piety on the merchant's part for which his prices were not to be questioned or haggled.

6. Worry beads were still ubiquitous in the bazaar in the late 1990s, even among those younger merchants who professed to me to be more secular.

7. It should be noted here that the bazaar's hierarchical class structure—with merchants at the top—probably made (and makes) nearly complete solidarity possible, even given vertical discord.

8. The merchant pointed out to me the importance of keeping up these sorts of social ties, although he did not specify why. Author's interview, August 12, 1998.

9. There are a handful of Refah stores in greater Tehran, but nothing to indicate the 1,000 stores nationwide that were promised at the announcement of the chain's establishment. I saw only one Refah store in Isfahan, located several kilometers outside of the city on the highway to the airport. I could find no centrally located Refah stores in Tehran, Isfahan, Mashhad, Ardabil, Rasht, or Tabriz during my research in July–September 1998.

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