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“If I deserve it, it should be paid to me”: a social history of labour in the Iranian oil industry 1951-1973

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INTRODUCTION: A SOCIAL HISTORY OF LABOUR IN THE OIL INDUSTRY

This is a historical study of the people producing oil in the South of Iran in the two decades following the nationalisation of oil in 1951. I call these post-nationalisation, pre-revolution years ‘the long sixties’ in the social history of Iran, where we witness the reestablishment of an authoritarian regime both by a system of surveillance and organized violence, and by institutional reform programs. The persistent continuities and reproduction of differences, through multiple forms of stratification that go beyond the refinery and the oil fields, are at the center of our history. It is a committed attempt to map the tightly woven relations between the workers, the oil company(ies) and the state, focusing on the period between 1951 and 1973, when the management of oil is completely transferred to the National Iranian Oil Company.

History is made of a “dizzying field of possibilities” writes Michael Löwy.¹ This field is composed of a network of relations; some easy to observe, some less significant, some underlined and some ignored. Opening up history to this dizzying field of possibilities is not an easy task.² When the subject is oil, this dizzying field, this fertile space of relations, is often reduced to a white-board, to talk about the character of the state and the choices of national elites, or the dynamics of international relations, or imperialism. This is not to say that these do not matter or do not have

1 Michael Löwy, *Fire Alarm: Reading Walter Benjamin's On the Concept of History* (London: Verso, 2005), 107.

2 Ibid.

a major role in the story. They do. However, this approach exemplifies a typical case of commodity fetishism, which is based on the assumption that commodities are “independent beings endowed with life”, ignoring the social relations of production that brings them into “life.”³

In the case of oil, the assertion that it is a natural resource and not a produced commodity mystifies these social relations even more. However, oil is not an exception to many other materials furnished by nature and re-formed by human beings to meet their needs.⁴ It is explored by seismic and geological operations, wells are drilled to extract it, pipes are laid to transport it, gas is collected in gas treatment units; a part of it is distilled in refineries to make products such as gasoline, jet fuel, and solvents; some of it is used in the petrochemical industry to produce PVC, detergent and chemical fertilizers; a part of it is shipped as crude oil; and every step of this process involves human labour.⁵ It is a product of human labour and a commodity in as much as it is produced for the market. As it is with all commodities, the labour process that brings it into life is objectified in the commodity itself, and represented by its exchange value in the market. As it is with all other commodities, it is fetishized as if it has a life of its own, without the human labour bestowed upon it.

In this dissertation, instead of looking at oil as a natural resource of geopolitical importance, or a “curse”⁶ that breaks the links between state and society, rendering the former a *rentier state*, I am focusing on the

3 Karl Marx, Chapter One, Section 4 in *Capital Volume I* (New York: International Publishers, 1974), 72.

4 “It is as clear as noon-day, that man, by his industry, changes the forms of the materials furnished by Nature, in such a way as to make them useful to him.” Marx, *op. cit.*, 71.

5 See “NIOC in 1969,” NIOC HD 9576. I64 S532a in Library of Congress, Washington. For pictures, see Picture 1, 2 and 3.

6 Timothy Mitchell, “Carbon Democracy,” *Economy and Society* 38, no. 3 (August 2009), 400.

social relations of production that bring this commodity to the surface.⁷

By scrutinizing the case of oil production in Iran over two decades (1951-1973), I delve into two undertakings. The first and primary undertaking is to compose a social history of labour in the Iranian oil industry of the period under study. This brings forth a thorough study of oil workers at the point of production, in the labour market, and in their living conditions through archival work. The extent of the industry with respect to the types of work it covered and generated, the various social class positions its workers occupied, and the specific relation the industry had with the state, all render it a rich terrain to study the social relations of labour. Thus, the primary task of this work is to provide a succinct history of labour in the Iranian oil industry, studying the changes and continuities in the way these various factors were effective in the making of the social relations of labour.

British Petroleum (BP) commissioned a three-volume study⁸, which follows the trajectory of the Anglo Persian Oil Company, later the Anglo Iranian Oil Company, and then the British Petroleum Company from the early 20th c. to the mid-1970s. This is the only work with a claim to cover the history of the production of Iranian oil so far. Nevertheless, as much as it is an indispensable secondary source for our work, this series, being a classic exemplar of business history, does not have much to offer to the discipline of labour history. Moreover, following the change in the British company's interests in Iran, the focus of this series shifts from Iran to a

7 For a critical take on the *rentier* state discussion in the Iranian context see Kaveh Ehsani, "Social Engineering and the Contradictions of Modernization in Khuzestan's Company Towns: A Look at Abadan and Masjed-Soleyman," *International Review of Social History* 48, no. 3 (December 2003), 367-68.

8 Ronald W. Ferrier, *The History of the British Petroleum Company: Volume 1, The Developing Years, 1901-1932* (Cambridge: Cambridge University Press, 1982); J. H. Bamberg, *The History of the British Petroleum Company: Volume 2 The Anglo-Iranian Years, 1928-1954* (Cambridge: Cambridge University Press, 1994); J. H. Bamberg, *British Petroleum and Global Oil 1950-1975: The Challenge of Nationalism (History of British Petroleum)* (Vol 3) (Cambridge: Cambridge University Press, 2000).

global level.⁹ Two other prominent studies on oil in Iran, also extensively referenced in this work, are Mohammad Ali Movahed's *Khab-e Ashofte-ye Naft* [The Nightmare of Oil] and Mostafa Fateh's *Panjab Sal Naft-e Iran* [The Fifty Years of Oil]. The former is a three-volume, detailed study of the nationalisation of oil in Iran, and the latter provides a thorough history of oil in Iran, together with labour-related aspects. However, as its name suggests, 'The Fifty Years of Iranian Oil' covers the period until nationalisation.

Therefore, this study, which is a part of the project, *One Hundred Years of Social History of Labour in the Iranian Oil Industry (1908-2008)*, based in the International Institute of Social History in Amsterdam, is the first initiative in writing the social history of labour in the Iranian oil industry between 1951-1973. Initiated in 2010, the project undertook to document the social history of oil in Iran since the foundation of the industry in 1908, focusing on the social and political relations of production within the oil sector.¹⁰ This brings forth the responsibility to provide the reader both with the basic facts on the conditions of the oil workers of the period, such as the composition of the working population and their working and living conditions in these two decades, together with providing an analysis of the *making* of these conditions; contextualizing and historicizing them. Therefore, as a first study in its field, the scope of this dissertation had to be rather wide. It aims to provide a rich basis for further studies to build on various aspects of oil workers' lives sketched in this work, and the resulting symptoms of company-state-worker relations noted.

⁹ This process started with the end of Second World War, intensified with the nationalisation of oil and the formation of the oil consortium.

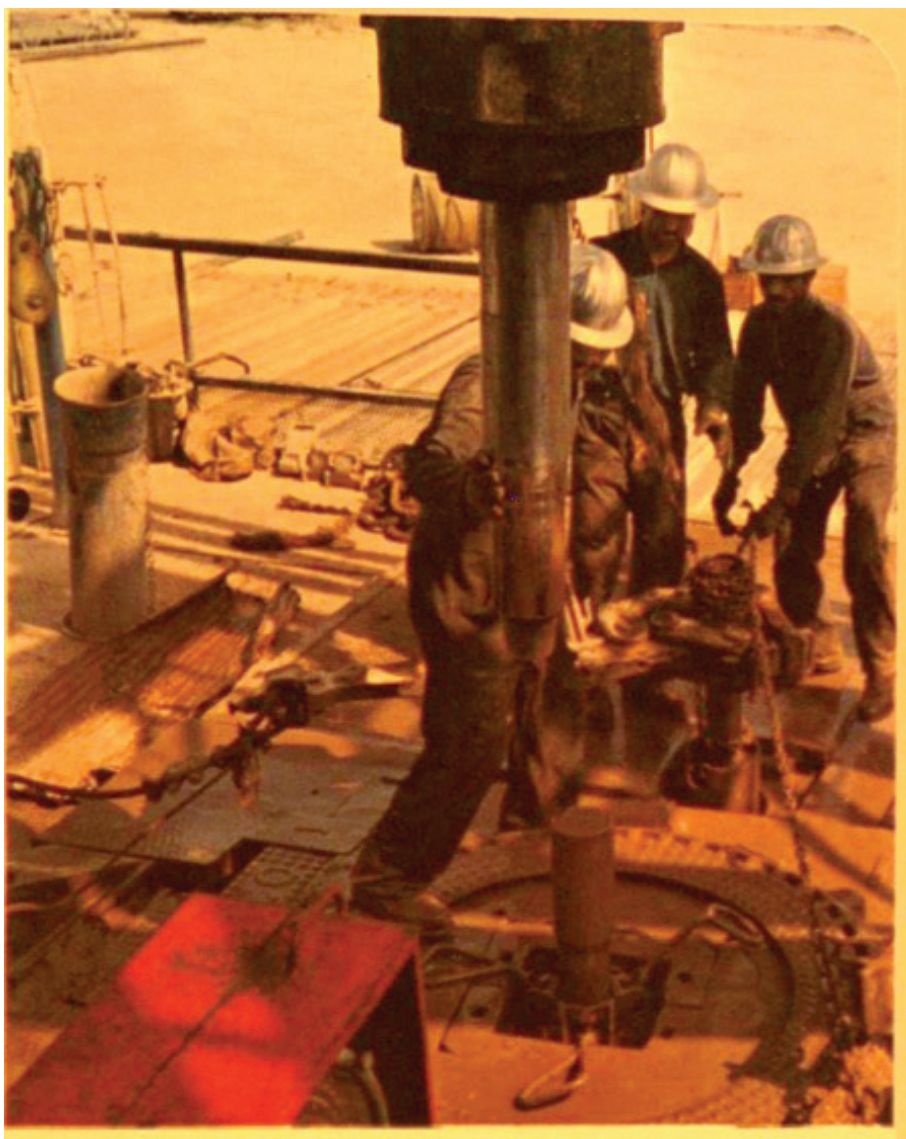
¹⁰ For details of the project, see: <http://www.nwo.nl/en/research-and-results/research-projects/i/87/5887.html> [Accessed on 13/06/2016].

Picture 1



Topographic operation for oil exploration in Gonbad Ghabous. Published in "NIOC in 1969," National Iranian Oil Company. (NIOC HD 9576. I64 S532a in Library of Congress.)

Picture 2



Workers engaged in drilling. Published in "NIOC in 1969," National Iranian Oil Company. (NIOC HD 9576. I64 S532a in Library of Congress.)

Picture 3



Workers at one of the valves on the main route of the Iranian Gas Trunkline. Published in "NIOC in 1969," National Iranian Oil Company. (NIOC HD 9576. I64 S532a in Library of Congress.)

The second undertaking of this work is to reflect on discussions on historiography and the function of the state in the organisation of capitalist relations of production through the case of the labour history of the Iranian oil industry. Here, in contrast with the former, primary undertaking of this dissertation, I am not providing clear answers, but present the knowledge deduced from the case in order to contribute to these long-running discussions in the literature. This is more an effort to problematize than to give concise answers. However, these two undertakings are simultaneous efforts, and the latter shapes the methodological and theoretical backbone of the study. While the primary undertaking is explicit and developed in the text itself, I will use this chapter to unpack this second concern.

The choices in determining the subjects of this history, the terms used, and the units of analysis resorted to are obviously directly connected to these two undertakings. Thus the reader should be aware of their interconnectedness and non-linearity of the narrative.

The actors, objects and location of this history

The actors of our history are the workers in the oil industry. Although I focus mainly on official manual and office workers on the payroll of the oil company, I expand the definition of the oil worker in the dissertation. First of all, I am using the term oil producing community and oil producing South to emphasize that oil production was not an activity confined to the walls of the refinery or the borders of the oil fields. Production of oil was an outcome of a network of relations that involved not only the oil workers and staff of the refinery and the oil fields working at the extraction and refining of the oil, but also other people residing in the oil towns.

The oil industry had two sectors, basic and non-basic operations. While the former involved extraction and refining of the oil, the latter involved operations ranging from the transport of oil to the construction of houses for the oil employees, from maintaining hospitals to supplying

employees with subsidized food items. Therefore, our actors on the payroll of the Company¹¹ involved not only workers and staff engaged in oil extraction and refining, but also employees working as carpenters, bakers, gardeners, nurses, doctors, shoemakers, drivers and cinema attendants among others.¹² The direct employees of the Company were not the only people engaged in oil production. There were also those who were taken on board when necessary and dropped at the first opportunity, such as the contract workers. Moreover, there were people providing services to the direct employees of the Company such as the domestic servants working for company staff. Last but not least, there were the household members of all these above, who were effected by the changes in the organisation of relations of production to varying degrees. Relatives of the official company workers would often benefit from the amenities provided for the oil workers. Some would cohabit the houses allotted by the Company, some would use the infrastructure available for the Company houses by building shacks around them, while some (sons of the oil workers) would benefit by having exclusive access to apprentice shops during times of non-recruitment.¹³

The actors of this history are not confined to national borders, either. Foreign advisors, bureaucrats and trade unionists have their role, too. As will be expanded in Chapter One, the acknowledgement of the role of the historical agents beyond national borders pushes further the methodological necessity to go beyond a definition of a society that is restricted by geography.¹⁴

11 For sake of clarity, I will use “the Company” for the company in charge of exploiting and producing oil in the South of Iran, which was the Anglo-Persian Oil Company (later renamed as the Anglo-Iranian Oil Company in 1935 and the British Petroleum Company in 1954) before nationalisation and the Consortium companies after 1954 until 1973.

12 See Chapter 3 for “Non-Basic services”

13 See Chapter 3.

14 Marcel van der Linden, “The ‘Globalisation’ of Labour and Working-Class History and Its Consequences,” *International Labour and WorkingClass History* 65, no. 65 (2004), 141.

Despite an interest in presenting gender diversity and contributing to the visibility of women in labour history, the main actors of our history are men. Their masculinity or how it is constructed in the oil producing community is not studied, either. The latter point is not necessarily relevant for this study; however, the former point is merely related to both the paucity of the source material and the underrepresentation of women at the oil industry. In Chapter 3, I present the factors that contribute to this picture. It is both a reflection of the state of women's presence in the "registered" labour force, and the oil company's recruitment policies. The source material is problematic in two senses. First, the general studies on the national labour force leave aside the sectors where women's employment is higher. For example, the cited 1958 Iranian *Manpower Resources* covered all enterprises, which employed more than 50 employees, but excluded agricultural workers, household domestic servants, and household handicraft workers. Second, the Company records rarely refer to a distinction between male and female workers, while grades, being senior or junior, working at basic or non-basic operations are among many other classifications that have been seen as relevant for the management. My interviews with retired male oil workers did not provide me reasons to doubt the underrepresentation of women workers in the Iranian oil industry either. An oral history specifically with women staff might have shed further light on this issue.

The object of this study lies in the chapter outline. In a nutshell, it is the changes and continuities in workers' lives and the factors effective in the making of these changes in the two decades under scrutiny. Starting from nationalisation, I map the main developments in the making of the relations of production in the oil industry, and define the characteristic features of them. I contextualize and historicize nationalisation in order to elaborate on the effects of it for the oil workers.

Chapter one explores the setting before the Consortium steps in. The continuities and ruptures in the debates that gave rise to the

nationalisation movement are explored. Whether nationalisation was a *Great Event* in historiographical terms that divides the historical time into two distinct epochs is questioned. The ownership and control in the oil industry, the Iranianisation of the labour force and its limits are analyzed.

Chapter 2 zooms into two levels that shape the working class experience, the point of production and the labour market. The salient collar line among the employees of the oil company and the sustenance of class locations through labour laws, regulations and company management practices are studied. The impact of these regulations on workers' social position among their colleagues beyond the workplace is scrutinized.

Chapter 3 focuses on the extra-workplace institutions, the non-basic operations that tied the workers to the Company. The developments in the housing, education and health facilities of the workers from initiation in the mid-1930s to 1963, when all non-basic Consortium operations were transferred to the National Iranian Oil Company, is studied.

To avoid falling into the trap of turning the working class experience into a floating signifier or all encompassing cloud, I follow the working class experience in three domains: workers' locations in the relations of production (the production level), their position in the labour market (the circulation level), and the conditions of the reproduction of their labour power. Focusing on relations and not static positions, class struggle, and thus labour activism, is taken as a constitutive element of this working class experience. Therefore, I devote Chapter 4 to mapping and explaining the trends in labour activism in the studied period. In this chapter, the links between parliamentary politics, leftist activism and the trade union movement are presented. Going beyond searching for an ideal type of labour activism, I document the existing collective actions in the studied period, and challenge the dominant narrative in the labour history of Iran, which recognizes the agency of the workers only in moments of militant activism.

The choice of the subjects of this history is not separated from its location. In many other industrial or company towns, where the main economic activity of the community is centered on one specific industry, monopolized by one company, which provides housing and social amenities to its workers, it is necessary to expand the notion of the “workers” to involve a large proportion of the residents of the town in order to present an accurate picture of the social history of labour in that industry. This is a history of life and work organized around company towns. Since the early 19th c., big companies in industrial countries such as the United States, Britain, France, and Germany have engaged in providing residence and social amenities to their workers in the vicinity of their factories founded in isolated locations.¹⁵ Building company towns was a practical means of efficient governance for companies. It reduced the costs for the company to house, transport, and feed the workers, and made it easier to control the working population. Furthermore, building extra-workplace connections made workers more dependent on their employer. Both Mark Crinson and Kaveh Ehsani, argue that Abadan, Masjed Soleyman and other oil field towns in Iran, despite being under local municipal control, should be studied as company towns.¹⁶ Acknowledging the strong presence of the company in the making of the living conditions of the workers, in the form of company-towns, leads to further implications. First, the dense network of relations it generates makes it crucial to study the social history of labour in Iran as a study of a *place*, with all the relations it encompasses. As I will expand in Chapter 3, here I use geographer Doreen Massey’s conceptualisation of *place*, which she explained as a particular articulation,

15 Ehsani, “Social Engineering and the Contradictions of Modernization in Khuzestan’s Company Towns: A Look at Abadan and Masjed-Soleyman,” 373.

16 See Ehsani “Social Engineering and the Contradictions of Modernization in Khuzestan’s Company Towns,” 361 and Mark Crinson, “Abadan: Planning and Architecture under the Anglo-Iranian Oil Company,” *Planning Perspectives* 12, no. 3 (January 1997), 346.

a particular moment, where social relations are tied together.¹⁷ Taking the social history of labour in the Iranian oil industry as representation of various moments in this “oil place” and their connection, helps us present a more comprehensive picture than telling a linear story of a limited number of agents, and helps us to “open up” history in the way Löwy describes: studying the process with intent to highlight the sidelined agencies, interactions, and issues opens up the past as much as the future, which should be seen as linked.¹⁸

Finally, this is a study of oil production in the South of Iran covering the original concession areas and not the refineries in Tehran or Kermanshah, which were built later. The discussion over the Northern oil is not covered either. The latter has been more a topic of political history as a chapter in Soviet-Iranian relations, and is covered in that capacity in Chapter 2. The production relations and living conditions around the Abadan refinery and main oil fields in the region, being Masjed Soleyman, Agha Jari, Naft Safid, Haft kel, Lali and Ahwaz are scrutinized.

Sources

This is a study based on archival sources. The main consulted archives are The National Archives of the UK (TNA), The National Archives of the United States the National Archives and Records Administration (NARA), The British Petroleum Archives, Harvard University Library, The International Institute of Social History (IISH) Archives, The Library of the Ministry of Petroleum of Iran, The Library, Museum and Document Center of the Iran Parliament, and the National Library and Archives Organisation of Iran (NLAI). Ten interviews ranging from an hour to five hours were conducted with retired oil workers and their family members

17 Doreen Massey, *Space, Place and Gender* (Minneapolis: University of Minnesota Press, 1994), 5, 155.

18 Löwy, *Fire Alarm: Reading Walter Benjamin's On the Concept of History* (London: Verso, 2005), 115.

in 2013 in Shahinshahr, Iran.

The research at TNA was conducted in 2011. General correspondence from the British Embassy and consulates in Iran from 1948 until 1980 (F0 248), general correspondence from library and research department (FO370), correspondence of the Foreign Office's Political Departments (FO371), Foreign Office, confidential print Iran (FO 416), general correspondence from the British consulate in Khorramshahr in Iran (FO 460), Ministry of Defence - Directorate of Scientific Intelligence: Joint Intelligence Bureau (DEFE 44), Ministry of Power and successors: Petroleum Division and successors: Registered Files (PET Series) (POWE 63), Foreign Office, Eastern Department and successors: Registered Files, Iran (FCO 17), Ministry of Labour and successors: International Labour Division and Overseas Department: Registered Files (LAB 13), and Foreign Office and Foreign and Commonwealth Office: Arabian Department and Middle East Department: Registered Files, Iran (FCO 8) were studied. TNA documents involved yearly and quarterly reports on Iran covering the economic situation, foreign relations and defense situation, labour situation, the oil industry and many other subjects. Apart from general reports, labour attaches reported regularly as well. In addition to these regular reports, letters and specific reports on education, health, and on the situation of the oil industry provided valuable input for this study. The quality and quantity of documents varied according to the years. While reports were regular and numerous for the late 1940s and 1950s (apart from the post-nationalisation/pre-coup years of 1952 and 1953), the frequency of documents decreased by the mid-1960s and 1970s. By 1963, Britain did not have a resident labour attaché in Iran anymore. By 1968, it was decided that there was no need for labour coverage from Iran and Pakistan anymore, and that the priority in the region should instead be given to Turkey and Egypt.¹⁹ The US took the same step in 1965²⁰. However, this

19 "Labour attaché coverage in the Middle East" 10/7/1968. LAB 13/2450, TNA.

20 LA Central Foreign Policy Files 1964-66, Labour box 1303, Entry 1132A, NARA.

did not bring forth the end of reporting, albeit continued in a less orderly fashion. Beside labour attaché reports, consular reports from Tehran and mostly from Khorramshahr were used for this study. Consular reporters have often resorted to native informants such as Iranians occupying senior posts in the oil company.²¹ More than 70 files were studied at TNA.

BP maintains mostly internal documents of the company on organisation of relations of production and reports of developments in the oil industry. They involve accounts of strikes, discussions on minimum wage, job classification schemes, and various policies of the company. Apart from reports of the then current state of affairs, BP archives involve studies of the change in the labour composition, in education, housing and health amenities as well. They were used extensively on Chapters 2 and 3.

The NARA archives were used mostly as complementary to those of the TNA. The changes in the systematisation of the archive and incompatibility of the digital catalogue with the paper folders rendered it much harder to gain comprehensive access to the documents. In fact, a short study at the Harvard University Library, where microfilms of some part of the NARA archives were stored, was indispensable to the study of US state archives, as these involved a well-cataloged copy of NARA documents with respect to countries involved and chronology. As suggested above, the shift from British monopoly over Iranian oil to a multinational consortium by 1954 brought forth the intensification of US interest in the Iranian oil industry and its labour situation. US documents were used for the post-nationalisation period and involved reports rich in information on the oil industry (i.e., the 1954 report). The accessible files on Iran in December 2011 went back to 1973. At NARA College Park, I viewed the General Records of Department of State Record Group 59. Economic review files, political and defense files, labour and manpower

21 For example, reports by Personnel Division of the Refinery, Seyed Khalilallah Kazerooni, FO 371/110051.

files under Central Foreign Policy Files; documents of the Bureau of Near Eastern and South Asian affairs, subject numeric files (social, economic, political and defense) for the time period of 1951-1973 were studied. When available, the TNA reports and NARA reports on the livelihood conditions of the oil workers, the situation of labour activism and trade union activity were compatible. The latter involved some reports on the situation of select ethnic and religious minorities (e.g., the Arab population), which was a valuable addition to the documents at hand. At Harvard University Library, I focused on the 1950s to be able to complement the NARA and TNA archives.

At the Library of Congress, in addition to some rare secondary sources, I had access to some National Iranian Oil Company publications such as the 1968-1970 issues of *Iran Oil Journal*, newsletters and reports.

The International Institute of Social History (IISH) in Amsterdam was the main source of secondary literature of this study. Apart from benefiting from the rich collection of books at IISH, I studied the International Federation of Free Trade Unions Archive and the rather scarce World Federation of Trade Unions' papers.

The Iranian archives in Tehran were studied in 2012. At the Library of the Ministry of Petroleum of Iran, I found the opportunity to view the periodical, *Yaddashtha-ye Rouz*, (Daily Notes) published by the National Iranian Oil Company mainly to circulate among its workers and staff. At the Library, Museum and Document Center of the Iranian Parliament, I viewed the petitions written to the Parliament by oil employees and their family members. At the National Library and Archives Organisation of Iran (NLAI), documents mostly about the region, their municipalities and the welfare amenities were available. With respect to the availability of relevant documents, NLAI and the Library, Museum and Document Center of the Iranian Parliament, are more useful for the pre-nationalisation era.

I made ten semi-structured interviews, and had the opportunity to speak with many other retired oil workers and their family members in

two weeks I spent in Shahinshahr, Iran in 2012. They helped me put faces to the workers in documents I reviewed, gave me some points to clutch at while studying the archives and a general sentiment of what it was like to work in the oil company in the times under research.

The social history of labour is quite a wide terrain to encompass. Therefore, a thematic approach was preferred. The choice of the topics to cover was based on two criteria. First, as it is a social history of labour, the study of changes and continuities in the life of workers in the production process, market relations, and their daily lives were examined. Second, there were recurring topics in the archives and mentioned in conversations with retired oil workers. In other words, there were two types of information that it was necessary to cover: the issues I was investigating, and the issues that were hard to ignore. The factors determining the class location of workers, the factors dividing and/or uniting the working population of oil towns, such as the type of work done, the job and employment security, and prospects of social mobility; the main determinants of reproduction of the labour power such as education, housing, and health amenities, and the formative experience of the working class, i.e. collective actions, constituted the first type of information I searched for. The debates on Iranianisation before and after nationalisation, the downsizing after nationalisation, job classification schemes, the division along the collar line, and obstacles against trade unionism constituted the second type of information, which any researcher of the field could and should not have avoided.

In any kind of research, particularly in the social sciences and humanities, it is necessary to approach the source material with a pinch of (critical) salt. It is no less or more with archives. After all, they are the written impressions of people who have witnessed an event or gathered information on a topic. While studying them, it is important to take into account the potential target of the document as much as the producer of it. Publications made for a wider audience, such as leaflets, newsletters,

newspapers, and books are to a large extent designed representations of a reality to produce a certain effect. Internal documents in an organisation, to a large extent, assume confidentiality and contain personal assessments of the issues at hand. In our case, I use BP company archives, which involve official information about employees on the payroll and company management strategies, and embassy reports by labour attaches or consuls reporting to the Department of State in US and the Foreign Office in Britain. While the necessary information was sought after in these documents, such as the composition of workers, the labour dispute solving mechanisms, the regulations involving the work hours and the conditions, and the extra-work activities regulated by the Company, the discourse of the Company is not mirrored in this dissertation. For example, while the Company formulates the number of workers as a problem and discusses the issue as the “surplus labour problem,” this formulation is presented in quotation marks and problematized in this dissertation. This is exemplified in the possibility of writing two different histories while working on the same archives, i.e., the case of BP history and our initiative. While the “surplus labour” issue is covered in both works, it is explained and interpreted in different ways, namely, the former reducing it to a technical issue, while the latter delves into its operation mechanism and its social effects. Moreover, the silence in the documents, for example, with regards to casual workers or ethno-religious profiles, is taken into account as well.

Using more than one national archive as a source of embassy reports (US and Britain) gave the opportunity to compare reports of the same period. Moreover, British embassy archives often involved at least two or more versions of the same report, with comments for alteration, which provided insight to the sensitivities of British diplomats in reporting. They are also reviewed taking into account the context they were been written in.

Before delving into the historiographical discussion this work aims to contribute to, it will be helpful to quote German historian Jürgen

Osterhammel's description of the state of art in history writing from the introduction to his *The Transformation of the World: A Global History of the Nineteenth Century*, which summarizes the craft in a delicate way:

To know all there is to know is not the key qualification of the world historian or global historian. No one has sufficient knowledge to verify the correctness of every detail, to do equal justice to every region of the world, or to draw fully adequate conclusions from the existing body of research in countless different areas. Two other qualities are the truly important ones: first, to have a feel for proportions, contradictions and connections, as well as a sense of what may be typical and representative; and second, to maintain a humble attitude of deference toward professional research.²²

Bringing together various forms of documents from national archives, to company archives, private archives, newspapers, interviews, and even literature, this work takes history writing as a craft and shoulders the professional responsibility explained above.

Historiographical concerns:

Periodisation, embeddedness, social and global History

This study examines a conjuncture that starts with the nationalisation of oil in 1951 and ends with the end of the Consortium period, in 1973. This period can be described as nationalisation (1951- 1953) and post-coup de-nationalisation (1953 onwards, with a decreasing slope in the 1960s), with regards to finalisation of the transfer of the management of the oil production to the National Iranian Oil Company in 1973. It is also relevant to refer to the entire period as years of prolonged nationalisation, as the years of real nationalisation were interrupted by a coup and the introduction of the management of a multinational consortium thereafter.

The year 1951 marks a cornerstone in Iranian history as one of

²² Jürgen Osterhammel, *The Transformation of the World: A Global History of the Nineteenth Century* (Princeton: Princeton University Press, 2014), xvii.

the culmination points of the articulation of “national will,” which would receive severe blows in the following years. This moment is an obelisk in the collective memory of Iranians, which symbolizes everything that is lost not just with the coup that followed it, but also after the 1979 revolution. Much has been written on this period of nationalisation of oil and the following Coup of 1953.²³

The other pinpoint of historians’ interest in the contemporary history of Iran is the 1979 revolution. Composing a prominent part of the combatant working class active in the revolutionary movement particularly in fall 1978, oil workers’ participation in this movement was covered in studies focused on explaining the roots of revolution.²⁴ Thus, oil workers were studied in turbulent times as powerful agents in social change and in times which lacked of conflict they were off the horizon. The main reference source on labour history in Iran, Habib Ladjevardi’s *Labour Unions and Autocracy in Iran*, follows the trend and finishes up by 1963.²⁵

The period under study in this book is a period that is not only understudied with respect to the social history of labour, but also dealt with in general lines as a gap between two socio-political events; nationalisation/coup and the 1979 revolution. The focus on the turning points of political history has been the dominant trend in the historiography of Iran. Stephanie Cronin is one of the rare historians of Iran pointing to the problem of periodisation in Iranian historiography, which she argues “obscures as much as it illuminates.”²⁶ Cyrus Schayegh takes this critique

23 Mohammad Ali Movahed’s three volumes, *Khab-e Ashofte-ye Naft* focuses on the nationalisation just on this period, Mohammad Ali Movahed, *Khab-e Ashofte-ye Naft* (Tehran: Karnameh, 1378/1999). Also see Ervand Abrahamian, *The Coup: 1953, the CIA, and the Roots of Modern U. S. -Iranian Relations* (New York: The New Press, 2013).

24 See Misagh Parsa, *Social Origins of the Iranian Revolution* (New Brunswick: Rutgers University Press, 1989), 157.

25 The actual study is followed up by an epilogue that covers the pre and post revolution developments through personal impressions. Habib Ladjevardi, *Labour Unions and Autocracy in Iran* (Syracuse: Syracuse University Press, 1985).

26 Stephanie Cronin, “Writing the History of Modern Iran: A Comment on Approaches and Sources,” *Iran* 36 (1998), 183.

of political history's determination of Iranian historiography one step further. Inspired by James Scott's famous title *Seeing Like a State*, Schayegh argues that Iranian historiography is hampered with 'methodological statism'.²⁷ That is to say, historians writing on Iran have appropriated the state's approach in dealing with their subjects of study, giving the main agency to the state and the elites of the top-down modernisation project. His critique is addressed more particularly at the historians who emphasize a divide and a continuous zero-sum game between the Iranian state and society.²⁸ He argues not only that politics have been located in the centre of any analysis on Iran, but also that in these narratives the state has been reified by constructing a detached image of it, presenting a "caricature of the complex practice of *governing*."²⁹ As is stated in Schayegh's article, it is inevitable to understand the historians, who have personally witnessed the state-led reform programs of the 1960s, the increasing power of the state, and its control over the economy and society, before putting the state at the center of their analyses.³⁰ However, some critical distance is necessary to study the state, to see what is beyond the façade, to observe how the state operates.

In this dissertation, I propose the reader look beyond the turning points of political history, and instead bring politics back into history. I base this initiative on pillars developed by the literature on the *embeddedness* of the economy in society, and thus into politics; the debates on the nature of the state as well as historiographical openings developed by practitioners of social history and advanced by global history.

The *embeddedness* of the economy into politics and society constitutes the backbone of this work. In his study on the development

27 Cyrus Schayegh, "'Seeing Like a State': An Essay on the Historiography of Modern Iran," *International Journal of Middle East Studies* 42, no. 1 (2010), 38.

28 Schayegh, op. cit., 46. For a leading follower of this trend, see Katouzian, *The Political Economy of Modern Iran* (New York: New York University Press, 1981).

29 Schayegh, op. cit., 38.

30 Ibid., 46.

of modern market economies, *The Great Transformation*, Polanyi argued and demonstrated, mostly based on anthropological studies, that economies are embedded in social relations, and any attempt to disembed them has been challenged by society.³¹ Polanyi's conceptualisation of state-society-capital relations has been illuminating in developing my approach on labour history. Scrutinizing the myth of the 19th c. *laissez faire* economy, Polanyi demonstrated the state's intervention in making this free-market economy possible. He shed light on the legislations in England in 18th and 19th centuries to make it possible to commodify the *fictitious commodities* of land, labour, and money, and also taking measures against their full commodification to make it possible for the free-market to rule without destroying the whole social fabric. Moreover, this was not done due to benevolence of an omnipotent state or as a result of a homogenous power bloc, but as a result of struggle, which constituted what Polanyi called *double-movement*; of capital to commodify the land, labour and money, and of society to resist this commodification. Accordingly, in our work, law is taken as a prominent site to study the social relations of production in the oil industry. The concession agreements, labour laws, and wage regulations comprise sites of Polanyian *double movement*.³²

Polanyi's story is not only the story of *how* the free-market was made, but also how it was never made. Complicated as it might sound, it is through a study of this complex, intricately woven texture of the socio-economic relations that a history from below can be written.

In the very first part of *The Great Transformation*, Polanyi cheerfully notes:

Ours is not a historical work; what we are searching for is not a convincing sequence of outstanding events, but an explanation of their trend in terms of human institutions. We shall feel free to dwell on scenes of the past with the sole object of throwing light on matters of the present; we

31 Karl Polanyi, *The Great Transformation* (Boston: Beacon Press, 2001).

32 For "double movement" see Polanyi, *The Great Transformation*, 136-138

shall make detailed analysis of critical periods and almost completely disregard the connecting stretches of time; we shall encroach upon the field of several disciplines in the pursuit of a single aim.³³

Ours, this time, is a historical work, which is searching for a -not necessarily convincing- sequence of outstanding events and processes; with a keen eye on their trend in terms of human institutions, without disregarding any sequence of time, but not being limited to explaining individual instances, instead taking them as departure points to understand the *embeddedness* of the economy and the society at each level. Building on the developments of historiography, particularly of social history, we shall feel free to do that.

Back in its heyday, in 1971, one of its prominent practitioners, Eric Hobsbawm, defined three trends pursued in the study of social history.³⁴ These were first, an engagement with the history of the poor or lower classes. This indicated a change in the subject studied by the historian. The interest in lower classes was followed by study of movements and organisations by or for these classes. Social movements history, labour history and history of socialist ideas and institutions was a part of this trend. Second, it was a change in the activities of the subjects that mattered for history writing. The new activities of interest for social historians were the human activities that were seen to constitute everyday life and not necessarily “politically relevant”. Hobsbawm quoted Trevelyan to explain this trend: “History with politics left out.”³⁵ Third, social history was coined together with economic history, thus socio-economic history, with an interest in studying the structure and changes in the society and relations between classes and social groups; however, economy having the upper

33 Ibid., 4.

34 Eric Hobsbawm, “From Social History to the History of Society,” *Daedalus* 100, no. 1 (1971).

35 Ibid., 21

hand in determining the terms.³⁶ Another, quite overlapping, trisection description of social history has been made by Kenneth Pomeranz some thirty years after Hobsbawm, as the history of daily life and small scale institutions such as family; history of large scale organisations and groups, such as state-society relations and class formations; and history of social movements and attempts of social change.³⁷

The current approach to social history has been built upon the founding concerns of studying the underrepresented and their organisations as well as the institutions and relations that make up the social fabric. However, it goes beyond the division of the social and the political, and thus does not abide by Trevelyan's argument of "history with politics left out."³⁸ The post-1968 political climate and the awareness generated thereupon looked into operations of power mechanisms inside the private sphere and the social domain, both at the level of activism, with feminism and anti-colonial struggles, and in the academia, pioneered by Foucault's writings on the operation of power mechanisms in everyday life and technics of governmentality.³⁹ Thus, the conceptualisation of the political has gone through a change and it is not seen as confined to the realm of state. Instead, it is taken as knitted in the private and the social.⁴⁰ This has highlighted the necessity of self-reflexivity in methodological choices, as well. Therefore, the initiative to write a history of society has expanded not only to cover the subjects and activities that have been ignored by

36 Ibid.

37 Kenneth Pomeranz, "Social History and World History: From Daily Life to Patterns of Change," *Journal of World History* 18, no. 1 (2007), 73.

38 Hobsbawm, op. cit., 21.

39 See Graham Burchell and Colin Gordon, eds., *The Foucault Effect: Studies in Governmentality* (Chicago: The University of Chicago Press, 1991).

40 For some examples of this approach in studies on Iran, see Stephanie Cronin *Armies and State-building in the Modern Middle East: Politics, Nationalism and Military Reform* (London: I. B. Tauris, 2014); idem, *Tribal Politics in Iran: Rural Conflict and the New State, 1921-1941* (London: Routledge, 2006); Arang Keshavarzian, *Bazaar and State in Iran: The Politics of the Tehran Marketplace* (Cambridge: Cambridge University Press, 2007); and Asef Bayat,

mainstream history writing, but also to study them not as isolated subjects but as agents in the making of relations that bring together the bigger picture.

In our case, I take parliamentary politics, leftist politics, trade union movements, daily struggle at factory level, and diplomatic activities not as separate realms but as factors that have an impact on each other. Moreover, at each chapter I try to open up the network beyond national borders, both to contextualize the developments and to highlight the trans-border relations present in our *place* of study.

While looking into the *embeddedness* of the economy, politics and society in the oil production is the main historiographical concern in this study, it has a further interest, albeit not to be exploited fully in this work. It is to contribute to “open up history” in the way Walter Benjamin was putting forth in his theses on history. Löwy expands this approach as “a conception of historical process that opens onto a dizzying field of possibilities, a vast branching structure of alternatives, without, however, falling into the illusion of absolute liberty: the ‘objective conditions’ are also conditions of possibility.”⁴¹ I argue that this effort requires exploring the possibilities of expanding the time-space axes of history-writing, and insights from the global history approach can be beneficial for that.

The debate on global history follows various terrains. Bruce Mazlish, in his “Comparing Global History to World History” argues that *global* points in the direction of space. He defines global history as the history of globalisation, which is the study of factors of globalisation and the study of processes that “are best studied on a global, rather than a local, a national, or a regional level”.⁴² While the first part of this definition points to its novelty or contemporariness, the second part infers that it is

41 Löwy, *Fire Alarm: Reading Walter Benjamin's On the Concept of History*, 107.

42 Mazlish, ‘Comparing Global History to World History’, *The Journal of Interdisciplinary History* xxviii/3 (1998), 389.

an extension of world history, shaped by the conditions of the former. What is meant by “factors of globalisation” is explained by David Held as “(1) the extensiveness of networks of relations and connections; (2) the intensity of flows and levels of activity within these networks; and (3) the impact of these phenomena on particular bounded communities.” This approach argues that we are living in a new era for historians not because ‘global enmeshment’ is a new phenomenon, but because an understanding of the intensity and extensiveness of this enmeshment is crucial for writing history.⁴³

In dialogue with Mazlish, Marcel van der Linden argues that the novel part of global history is not an essential part of it. In other words, every era is a historically new era and comes with its own relations of production, power, and technology, among others. Therefore, “all history is contemporary history” as the perspective employed in writing is rooted in the present.⁴⁴ Furthermore, Linden argues that employing the global approach to history writing brings forth a new understanding of the society that we are working on: a society the borders of which reach beyond national confines. That is because the social relations within the group, which makes it a society cannot be confined to local or national borders when a global approach is taken. This is an important contribution not only because of the extent of “global enmeshment” in the global era, but also due to its drawing attention to the interactions between multiple actors in history in the study of a social phenomenon. Acknowledging transnational and transcontinental processes, such as war and migration, as influential to understanding the developments within a territorial nation state helps to break the monopoly of national borders in shaping the

43 Held, ‘The Transformation of Political Community: Rethinking Democracy in the Context of Globalisation’, in Ian Shapiro and Casiano Hacker-Cordon (eds.), *Democracy’s Edges* (Cambridge: Cambridge University Press, 1999), 92.

44 Mazlish quoted in Linden, ‘The “Globalisation” of Labour and Working-Class History and Its Consequences’, *International Labour and Working Class History* lxx (2004), 141.

conceptual framework of history writing, and changes the meaning of a society. This concept of “society without (national) borders” introduces the necessity of opening-up of each group under historical study, and taking into account the web of social and economic relations that agents of the history we write are living in.

New labour history, which is characterized by its concern to contextualize workers’ struggles rather than a descriptive account of relevant institutions, leaders and strikes in the movement, has been in interaction with developments in global history as well.⁴⁵ To emphasize the importance of this interaction, Marcel van der Linden points to the lack of the impact of colonialism in E. P. Thompson’s *The Making of the English Working Class*, otherwise a foundational work in labour historiography. An understanding of the coexistence of global connections in the society under study replaces the tendency to take working class experiences as self-contained processes.⁴⁶ Linden describes “global labour history” as an area of concern rather than a strictly articulated theory. Methodologically, it adds to the efforts to contextualise the working class experience by exposing layers of the relations involved, involving the study of free and unfree, paid and unpaid labour, formal organisations and informal activities, and extending the study of workers to the level of household and community beyond the borders of the factory.⁴⁷

Global history has more to contribute to our historiographical concerns than its highlighting of spatial interconnectivities. The possibilities this new approach promises for opening-up history go further than territorial boundaries. Jürgen Osterhammel’s book on the global history of the nineteenth century revisits the critique of linearity and emptiness

45 Marcel van der Linden, “Labour History: The Old, the New and the Global,” *African Studies* 66, no. 2–3 (2007), 169.

46 Ibid., 170.

47 Ibid., 173 and also see Marcel van der Linden and Jan Lucassen, *Prolegomena for a Global Labour History* (Amsterdam: International Institute of Social History, 1999).

of time. He writes: “A century is a slice of time. Its meaning is given only by posterity. Memory structures time, arranging it deep down into echelons, sometimes bringing it close to the present, stretching, shrinking, or occasionally dissolving it.”⁴⁸ This questioning of linear empty time in global history is built upon the literature on the conceptualisation of time in historiography, starting from the critics of modernisation theory. Benjamin’s writings on historical understanding being an *afterlife* of the original moment, is an antecedent to this argument. This is an approach that does not aim to relive the experience empathetically (empathy with whom?) while writing its history, but to weave or de-weave the historical process (hence the task of brushing history against the grain) and grasping it by unpacking the process rather than making a causal explanation.⁴⁹ It adds temporal connectivity to spatial connectivity in history writing. Here *global* comes to mean locating the historical phenomenon under study in the web of these interconnectivities.

Time has more than one axis, be it linear or not. At any given point of history that is narrated, the narrated event does not happen in a vacuum. Beside the cultural contract that gives meaning to the act and to the way it is perceived and narrated, this means that other events are in the making at the very same time and place while the narrated event appropriates the monopoly of attention and occupies the focal point of articulation. This is what I call the horizontal axis of time. The same moment in time is shared by many agents engaging in acts occupying various spots in an axis. Second, there is an interval between the event that happens and the time it is narrated, which is a process that is shaped by memory and the web of power relations that contribute to its making. It is the *afterlife* of the event, various positions it occupies in posterity. This I call the vertical axis of time and engaging in global history necessitates “to have a feel” of these

48 Jürgen Osterhammel, *The Transformation of the World: A Global History of the Nineteenth Century* (Princeton: Princeton University Press, 2014), 46.

49 Benjamin, *Illuminations* (New York: Schocken Books, 1969), 257.

axes, even if they are not covered.

While critical approaches to the linear understanding of time and periodisation have a prominent place in historiographical debates from Benjamin to subaltern studies, post-modernism, and its critics; space has received less attention from history writers. Either taken as a bounded entity or an interconnected terrain, it is taken as frozen and open to change only with time and/or encounter with the *Other*. Even the debates on spatial interconnectivity, which acknowledge relations beyond borders, do not necessarily take space as a process in living, but as an empty and closed entity that is prone to change only by action or reaction. However, space is a process, a social product that embodies social relationships.⁵⁰ Interestingly, Lefebvre pointed to the globality of the making of space with reference to (the vertical axis of) time, to a continuous move between back and forth. He argued that the historical and its consequences get inscribed to the space, or in other words, “the past leaves its traces”.⁵¹

Contemplating on the relation of time and space axes in the making of the historical narration, and getting inspired by the approach of global history to go beyond national borders and temporal limits of a past event, is more an acknowledgement of the social and historical web that the narrated event is located in, than an attempt to cover all aspects of it.

The Political and the Economic: State, Company, Workers

In our case, the theoretical concern of delving into the embeddedness of the category of the economy into the social merges with the objective conditions of the state of the oil industry in our period. The three actors in the oil industry were the Company, the workers, and the state. It was the interaction among these three actors that shaped the organisation of

50 Lefebvre, *The Production of Space* (Oxford: Basil Blackwell, 1991), 27.

51 *Ibid.*, 37.

relations of production. In different time frames, these three actors built temporary or longer-term alliances. Their interests clashed or converged at times. As we will see in following chapters, both the multinational company and the Iranian state shared “state-like attributes” in the oil producing South. For example, the Company provided housing, health and education services for a part of the population living in the oil towns (the borders of who is in and who is out not being clear-cut) and closely collaborated with the Iranian state in suppressing dissident voices and labour activism; the State mostly went for keeping the status quo and mediating between the Company and the workers, when the economic interests of the latter were in concern.

Even at the time of the peak point of nationalisation where the foreign company’s (Anglo-Iranian Oil Company) and the Iranian state’s interests appeared to be in grave conflict, we observe close cooperation between the two in suppressing workers’ collective actions. In fact, that is when the question of the relationship between the Company and the state becomes pressing. How did these two entities that had similar loyalty claims over workers co-exist and work together?

The discussions on the nature of the capitalist state and its relations with the ruling class enrich our perspective. The debate between Nicos Poulantzas and Ralph Miliband initiated by Poulantzas in the *New Left Review* in 1969 to be taken up by others later on and republished in various forms provides a solid ground for this.⁵² The debate, the first generation of which lasted for seven years (1969-1976), started with Poulantzas’s review of Miliband’s 1969 book, *The State in Capitalist Society*, primarily criticizing Miliband’s uncritical appropriation of bourgeois political science

52 Nicos Poulantzas, “The Problem of the Capitalist State,” *New Left Review*, no. 58 (1969). Ralph Miliband, “The Capitalist State: Reply to Poulantzas,” *New Left Review*, no. 59 (1970). Ralph Miliband, “Poulantzas and the Capitalist State,” *New Left Review*, no. 82 (1973). Ernesto Laclau, “The Specificity of the Political: The Poulantzas-Miliband Debate,” *Economy and Society* 5 (1975). Nicos Poulantzas, “The Capitalist State: A Reply to Miliband and Laclau,” *New Left Review*, no. 95 (1976).

assertions and his effort to refute their arguments empirically. Poulantzas noted that writing against those pluralist arguments and by analysing the motives of the elites and their backgrounds, Miliband claimed the plurality of elites does not exclude the existence of a ruling class, but it is those elites themselves who constitute this class.⁵³ However, for Poulantzas, critically engaging with the bourgeois ideologies of the state started with questioning the epistemological terrain of their argument. He stated:

[I]t is never possible to oppose “concrete facts” to concepts, but that these must be attacked by other parallel concepts situated in a different problematic. For it is only by means of these new concepts that the old notions can be confronted with “concrete reality.”⁵⁴

He argued that it is not individual actors’ motivations of conduct or inter-personal relations in general that constitute social classes and their relations with the state apparatus, but that social classes and the state are objective structures, having relations based on an objective system of regular connections, a structure and a system whose agents are bearers of it.⁵⁵ In other words, “the direct participation of members of the ruling class in the State apparatus is not the *cause* but the *effect* [...] of this objective coincidence”⁵⁶ Miliband called Poulantzas’s critique “structural abstractionism,” arguing that Poulantzas refused to explain the operation mechanism of this “objective system of regular connections.”⁵⁷

In this introduction, I do not aim to delve into the debate further but to sketch its main lines and elaborate on the parts that are relevant for our study of relations of production in the Iranian oil industry. Poulantzas’s contribution to our work is his elaboration on the dense relations between

53 Poulantzas, “The Problem of the Capitalist State,” *New Left Review*, no. 58 (1969), 69. Also see Ralph Miliband, *The State in Capitalist Society* (London: Quartaed Books Limited, 1978), 51.

54 Poulantzas, “The Problem of the Capitalist State,” 69.

55 *Ibid.*, 73.

56 *Ibid.*

57 Miliband, “Poulantzas and the Capitalist State,” 85-86.

the state and the ruling power block in the capitalist mode of production. As opposed to approaches that take state either as an instrument in the hands of the dominant class or as an entity separate from the domain of the economic, Poulantzas argued that the state is an “ensemble of structures,” not a machine or an instrument.⁵⁸ He eloquently rephrased it in his later work, *State, Power, Socialism*, as such:

The State is neither a thing-instrument that may be taken away, nor a fortress that may be penetrated by means of a wooden horse, nor yet a safe that may be cracked by burglary: it is the heart of the exercise of political power.⁵⁹

Poulantzas stated that the main operation mechanism of the capitalist state, being a claim to represent the unity while constantly working to disintegrate the society into isolated individuals, can only function with the state’s relative autonomy from the dominant classes. This is necessary both due to practical reasons of maintaining and continuously reconstructing the power block against its own destruction due to interclass divisions and its concentration on short term economic gains, and to maintain its legitimacy to represent the unity of the “citizens” and therefore, to rule.

Polanyi’s argument, which depicted the market’s move to disembed economy from society by commodifying labour, money, and land; society’s resistance to this commodification in the shape of a constructive or destructive countermovement (thus *double-movement*); and the state’s role in regulating these movements tells the same story with different words. In fact, both are based on a Gramscian analysis of society, which is defined as a third, institutional space between the economy and the political where regulation/governance but also struggle against domination takes place; a separate space but linked to the state and the economy.⁶⁰ Michael Burawoy argues that Polanyi’s society “interpenetrates the market,” while Gramsci’s

58 Poulantzas, *Political Power and Social Classes* (London: Verso, 1975), 288.

59 Poulantzas, *State, Power, Socialism* (London: NLB, 1978), 257-58.

60 Michael Burawoy, “Marxism After Polanyi,” in *Marxisms in the 21st Century*, ed. Michelle Williams and Vishwas Satgar (Johannesburg: Wits University Press, 2013), 45.

civil society “spills into the state.”⁶¹

Both for Polanyi and Poulantzas, class struggle was the engine of history.⁶² It is what determines the constellation of a power bloc at any time in the capitalist mode of production. Political organisation of the ruling class and political disorganisation of the working class, by maintaining the constant isolation of its members and subsuming the conflicts to individual economic interests, is the main role of the state in this composition.

Poulantzas argued that the separation between political power and economic power is not an absolute one. First, the lack of interpersonal violence, which is taken as an essential difference between relations of production in the feudal mode of production and the capitalist mode of production, does not mean lack of repression in social relations of production in capitalism.⁶³ Second, the claim to represent the unity of the nation is the basis of state’s legitimacy and is a product of class struggle in the political and economic realm.⁶⁴ We will observe both of these conditions in the following pages. In Chapters 2 and 3 we will observe the conditions of social and economic bondage between the workers and the Company. In Chapter 4, we will see the collaboration of the state and the Company in repressing labour activism and the state playing a pro-labour mediating role in solving labour disputes at the same time. In Chapter One we will observe the operation mechanism of the claim to represent the

61 Michael Burawoy, “For a Sociological Marxism: The Complementary Convergence of Antonio Gramsci and Karl Polanyi,” *Politics & Society* 31, no. 2 (2003), 198, 206.

62 According to Polanyi, the social history of nineteenth century was shaped by a double movement consisting of the movement of establishing a self-regulating market and disembedding economy from the society (with the support of trading classes), and the movement of social protection against the market (primarily led by the working and the landed classes). Polanyi op. cit., 138-140. Moreover, the form of social protection depended on the strength of the latter classes in the social struggle (the working and the landed). He wrote: “[But] while the landed classes would naturally seek the solution for all evils in the maintenance of the past, the workers were, up to a point, in the position to transcend the limits of a market society and to borrow solutions from the future.” Ibid., 162.

63 Poulantzas, *Political Power and Social Classes* (London: Verso, 1975), 228.

64 Ibid., 291.

unity of nation in the Iranianisation debates.

If we use Burawoy's terminology in this debate, it is the ways of the state's *expansion* (to involve education, law and social amenities) and *extension* (to civil society and its institutions) that we observe in the Iranian oil industry.⁶⁵ Where does the state start and where does it end in our case? How does it function in regulating the relations of production and what is the effect of sharing the rule over institutions operating in civil society with a foreign company? The following chapters present an entry point to engage with the function of the state in the organisation of production in a capitalist regime, through the specific case of the Iranian oil industry between 1951-1973.

65 Michael Burawoy, "For a Sociological Marxism: The Complementary Convergence of Antonio Gramsci and Karl Polanyi," *Politics & Society* 31, no. 2 (2003).