The End of Iran’s Revolutionary Social Compact?
Informal Labor and the Politics of State Subsidies in the Islamic Republic

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In November 2008, Iranian President Mahmoud Ahmadinejad spoke during a visit to Zanjan province about recent criticism of his proposed economic reform plan, which included a “targeting” of cash to poorer Iranians to replace the phasing out of universal subsidies on many staple goods:

The government has presented an economic reform scheme which aims to reform banking, customs, insurance and subsidies… We are determined to distribute the seventy percent of the subsidies that only serves less than thirty percent of the population. This is justice... Some people are against targeted subsidies and claim such a move is “raising beggars.” Let me tell them this: targeted subsidies are justice... Don't insult the Iranian nation. What would you like to see? Subsidies for you whose pockets and stomachs are full? You have distanced yourself from the people. When you talk about the people, you think of your family, your cronies and your party comrades, but these are not the people.

On the one hand, the President was correct. Wealthier households in Iran spend a higher absolute amount in total consumption on subsidized goods – gasoline, cooking oil, bread, rice, pharmaceuticals, and health care - than poorer households. It is from this observation that the President can claim, “70 percent of the subsidies go to the richest 30% of the people and vice versa,” something he has repeated ad infinitum over the past several years.

On the other hand, as a percentage of total consumption, the poorer strata in Iran benefit to a larger degree from the system of subsidies that have been in place in Iran for over two decades. Just from electricity, natural gas, and gasoline alone, the lowest income decile in Iran saves roughly 18 per cent of their per capita expenditure due to subsidies, while the highest income decile only saves 7 per cent. Any liberalization of

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Much of the research that informs this paper was conducted by the author in multiple locations within Iran from June 2009 to April 2010, and was assisted by a fellowship from the International Dissertation Research Fellowship Program of the Social Science Research Council, with funds provided by the Andrew W. Mellon Foundation.


2 See the calculations by Djavad Salehi-Isfahani at http://djavad.wordpress.com/2010/03/31/greater-equity-through-redistribution-how-far-will-targeting-the-subsidies-take-iran/
subsidies in Iran, then, would hit the poorest the hardest, unless adequately compensated for such price hikes by income supplements. Some form of cash “targeting,” as mentioned by Ahmadinejad above, is promised by the state. However, the plans for subsidy liberalization are much further along than income redistribution, leading many to believe that adequate compensation to the lowest strata will not occur.

While exact figures for subsidy expenditure by the state in Iran are not released (partly because these figures should include opportunity costs for the extra goods consumed due to subsidized prices and are difficult to collect), estimates of the cost range between 20-30 percent of the annual state budget – a large sum for a middle-income country. Furthermore, as shown in Table 1, in comparison to Iran’s populous neighbors, it remains above the average in spending on food and energy subsidies.

[Table 1 Here]

The arduous route of Iran’s factionalized political elite to the cause of subsidy “reform” will not be fully elaborated here. Certainly, the pre-revolutionary regime of the Pahlavi monarchy, like many states in West Asia and North Africa in the 1960s and 1970s, subsidized staple goods including foodstuffs and cooking oil. Yet I argue that the system of price controls that came into existence after the 1979 Iranian Revolution formed part of a “revolutionary social compact.” This was one portion of a broader set of social policies that, in their effects, partly decommodified the costs of social reproduction. As far as these policies were universally applied, they also were seen as rights of citizenship.

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3 See Harris 2010 for an analysis of the issue.
of the Islamic Republic, rather than particular entitlements granted to a segment of the polity.

As a major reduction in subsidies seems likely over the next several years, many Iran-watchers, opposition politicians, and domestic analysts predict labor upheavals brought on by the inflationary consequences of liberalizing prices of currently subsidized basic goods. However, examination of the composition of Iran’s working class is usually left out of such predictions. I argue below that the effects of any major subsidy liberalization will not be uniform, because Iran's labor force is not uniformly structured. As in any middle-income country, Iran's working class has long been divided into formal and informal sectors. Because of partial and haphazard land reform in Iran's past, only a segment of the informal labor force retains access to rural land. Furthermore, access to welfare benefits from the state partially depends on residence in rural or urban areas. The labor force and its methods of social reproduction, therefore, does not exhibit a simple “dual” nature of formal and informal sectors, but is actively structured by relations with the state. If the removal of subsidies further contributes to an ongoing process of social policy segmentation, where only certain workers and their households receive particular state benefits, then economic grievances among the working class may fragment to an even larger degree. However, the commodification of basic goods may unite solidarities across the large divides in Iranian social structure, given the perception of subsidies as citizenship rights, and provide opportunities for broader labor unrest to take shape. Attention to this social structure, and the role of the post-revolutionary state in processes of social reproduction, furnishes us a more nuanced framework with which to discuss the politics of labor in Iran.
The Role of Subsidies in the Revolutionary Social Compact of the IRI

The Islamic Republic of Iran’s (IRI) subsidization of basic goods is actually a reform in itself of the economic policies of the 1980s. During the 1979 Revolution, the Pahlavi regime was not overthrown in a protracted social struggle, but instead collapsed amidst growing waves of urban protest. There existed no “dual power” situation, whereby an organized set of cadres was prepared to take over the levers of state power. Furthermore, the initial post-revolutionary environment was one where a coalition of opposition groups, which included secular leftists and Islamic liberals as well as the group associated with Ayatollah Ruhollah Khomeini, began to fragment the moment after victory. This state of affairs led to a variety of ad hoc solutions to problems of governance, including the temporary establishment of distribution centers for basic foodstuffs and cooking oil. In fact, the basij (mobilization) militia, which is often believed to have been created during the 1980-88 war with Iraq as a military organization, and today is identified as a major state institution for the creation of new conservative cadres in support of the regime, was actually formed in Spring 1980 to plan the domestic distribution of goods in the threat of a Western economic embargo in response to the hostage crisis at the US embassy in Tehran.  

As the new regime gradually began to corral the various revolutionary contenders into a governing coalition or (often violently) expel them from the networks of power, there were major discussions over what an “Islamic” economy should look like.  

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4 This is recounted by Ezzatollah Sahabi, member of the Khomeini-chosen Revolutionary Council in 1979, in Amouee 2002.

5 Included among the revolutionary victims were scores of autonomous labor cooperatives in oil and other industries espousing principles of worker self-management – see Bayat 1987 for a personal account.
policy outcomes, however, were decided less by ideology and planning than by the sudden invasion by Ba’thist Iraq in September 1980. The planning documents of the mid 1980s were little more than a codification of the improvised policies of the war economy. Included was a deliberate decision by the more radical members of the Iranian Parliament to import consumer goods and maintain existing consumption levels, even in the face of collapsing international oil prices.\(^6\) As seen in Figure 1, even though Iran’s income per capita almost halved during the war from its pre-revolutionary peak, private consumption expenditure per capita remained stable until the latter part of the 1980s war. This is evidence that the post-revolutionary regime prioritized the social maintenance of the population, likely because the war was unexpectedly protracted and demanded continued social mobilization for recruits and support.

\[\text{[Figure 1 Here]}\]

During this period, production and distribution of most consumer goods were organized via the state, with the concomitant ration cards, waiting lists, and black markets. If a family wanted to buy a refrigerator in the beginning of 1985, for example, it could either get on the official waiting list or receive it for a low cost around the middle of 1986, or it could buy one on the black market for three to four times the official price and purchase it sooner.\(^7\) According to interviews conducted by the author in 2009-2010, Iranians today look back upon the war economy as one of hardship, but also one of equal access to goods. Inflation was quite low, given state control over costs, and the distribution of

\[^{6}\text{Amouee 2002.}\]
\[^{7}\text{Interview conducted by author at the Ministry of Welfare, Tehran, Iran, August 2009.}\]
goods to lower strata of the population brought about an increased equalization of life chances. Indeed, due to both the flight from the country of many within Iran’s upper class before and during the Revolution, and the availability of basic goods to the poorest households, inequality in Iran lessened from a pre-revolutionary Gini index of urban household expenditure from .5 in 1976 to .426 in 1985.

The end of the war ushered in the era of “construction” under President Hashemi Rafsanjani. The floating of prices for most goods was part of his administration’s strategy for post-war economic development. Some goods, such as consumer durables, were liberalized quickly. Others, such as chicken, eggs, and meat, saw prices more gradually floated, often not in a very controlled fashion. Lastly, staple goods including bread, sugar, rice, milk, cooking oil, gasoline, electricity, and medicines were subsidized at the point of production. Even with this new set of controls, annual inflation during the Rafsanjani period, especially in 1993-4, leaped close to 50%, and the government’s plans for spurring a domestic capitalist sector were put on hold. The new technocratic cadres surrounding Rafsanjani certainly criticized the artificially low prices of basic goods that remained in place. But the outbreak of urban unrest in populous slums during 1993 and 1994 - Iran’s version of the austerity riots common to middle-income states in the 1990s – gave the government pause. Since then, the subsidies have remained in place, even as a growing consensus of Iranian politicians have decried its effects on government revenue and the economy as a whole.

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8 This is common to many wartime situations where the urban population itself is not conquered. During the Battle of Britain in World War Two, for example, a government run nutrition program saw health outcomes increase in London even while German rockets rained down on the city.
9 Salehi-Isfahani 2009. The Gini index of inequality is between 1.0 (completely unequal) to 0.0 (completely equal).
Factional politics prevented further liberalization of basic goods until the Ahmadinejad government came to power in the mid-2000s. In the intervening period, however, Iran’s population became accustomed to low prices for particular goods. In interviews, most individuals acknowledged that the prices were low in comparison to international levels (gasoline, for example, costs around 40 cents a gallon). Yet few respondents regarded removal of subsidies as the proper action, especially since the prices of many non-subsidized goods, whether they are housing, meat, or fruit, experienced inflationary levels of 25-50% over the past several years. Instead, most interviewees believed that low prices of everyday necessities were a basic right of national citizenship, something that had been earned and deserved. In other words, the populace perceives such policies, rightly or wrongly, as part of a social compact with the state, not as entitlements that can be taken away. Given that the regime’s revolutionary reputation is on its last legs, especially in the wake of the June 2009 election and the ensuing opposition social movement, violent response, and unresolved political crisis, it has been predicted that a new policy of liberalization of prices may lead to huge unrest among Iran’s working class. Since the demonstrations of June 2009 were mostly attended by middle-class Iranians, opposition hopes of the eventual emergence of a broader cross-class coalition against the state, tied to the removal of subsidies and the subsequent social effects, are now common. To begin to understand how such a policy change might affect working class Iranians, however, we need to first look at Iran’s labor force structure.

11 The few Iranians I did find who supported the government’s plan that were not somehow connected to government agencies turned out to have studied economics, and very succinctly parroted the administration’s line of “getting the prices right.”
Semi-Proletarianization in the IRI

Iran has performed a census of its population every decade since the 1970s. Two Iranian economists, Sohrab Behdad and Farhad Nomani, have sorted the resulting data into class locations by occupation. In Table 2, I reproduce part of their work:

[Table 2 Here]

Several notable trends stand out in the data. First, the capitalist and middle classes have expanded as a percentage of the labor force over the past four decades. Second, the petty bourgeoisie and working classes have remained relatively stable during the same period. Although the decade after the Revolution did exhibit some de-proletarianization, with many Iranians moving to the petty bourgeoisie, the size of these two classes in the 2000s looks very much like it did in the 1970s, though some of the working class has shifted to the middle class. Also, while there was a contraction in private sector activity after the Revolution, partly due to nationalization of key industries, the state has been shrinking as an employer.

In sum, like most middle-income countries, the informal sector of the labor force – most of the petty bourgeoisie who do not give or receive contract wages – has persisted over time. This has occurred even as capitalist and middle classes have grown in relative size, belying the expectation that, with economic growth, the informal sector would “wither away.” Alejandro Portes has documented the same phenomenon for most Latin
American countries over a similar period.\textsuperscript{12} While we do not have data about the rural/urban distribution of these classes, we can assume that over time a larger portion of the informal sector has shifted to urban areas. Iran’s urban population was 47\% of the total in 1976, and de-ruralization continued after the Revolution: 55\% urban in 1986, 62\% in 1996, and 69\% in 2006.\textsuperscript{13}

We must make the distinction, however, between urbanization and proletarianization, since most informal sector workers fall into the category of semi-proletarians – that is, workers who only cannot reproduce themselves and their households solely by formal wage labor. Given that a large share of informal sector worker live in urban areas, we need to understand if these households receive income linked to rural areas. Is their social reproduction, in other words, subsidized by rural household production? For decades, a major debate in the development literature has been over this “subsidy thesis,” and whether rural subsistence production allows for the subsidization of migrant labor reproduction in urban areas.\textsuperscript{14} According to Arrighi et al, countries with more equitable and redistributive land reform in the past exhibit longer lasting abilities to maintain such subsidization of migrant labor, as long as this segment of urban labor retains ties to rural areas.\textsuperscript{15}

Where would Iran fit on such a spectrum of middle-income countries in relation to the type and extent of land reform? In the 1960s, as part of the Shah’s “White Revolution,” large land parcels were taken from absentee landlords and given to

\textsuperscript{12} Portes and Hoffman 2003 – although the trends in Latin America over the past thirty years are much starker than in Iran. For example, Portes finds that middle classes actually shrank in many South American economies.
\textsuperscript{13} Statistical Center of Iran (www.sci.ir)
\textsuperscript{14} See Arrighi 1970, Burawoy 1974, and more recent work in Arrighi et al forthcoming.
\textsuperscript{15} Arrighi et al forthcoming.
smallholding peasants. This policy, however, did not remove the large class of landless peasants. It was, more precisely, a move by the Pahlavi regime to break up the autonomous power of the rural landholding class, and substitute it with a pliant capitalist agricultural sector to go along with an import-substitution industrialization strategy.\(^\text{16}\)

During the 1979 Revolution, widespread squatting and occupation of rural land by landless peasants occurred, often encouraged by the revolutionary organizations that volunteered in rural areas, such as the Agricultural Jihad. Yet the post-revolutionary regime never mad up its mind on how to deal with the land question. A radical faction in the Parliament wanted further redistribution, while conservatives argued that Islamic jurisprudence maintained that private property should be respected. In the end, instead of implementing any new land reform, the regime simply allowed those who had squatted on land to take ownership – one more example of the \textit{ad hoc} governance of the IRI.\(^\text{17}\)

Yet, even while the regime kept up price supports for agricultural products, built a wide array of new infrastructure, and revenue to small-holding peasants subsequently increased, the further integration of rural areas into the national market resulted in the diversification of rural labor activities. As Alexander Chayanov detailed in the early part of the 20\(^{th}\) century, rural households will use increased cash income to diversify their economic activities.\(^\text{18}\) When the inflation of the early 1990s occurred, rural Iranian households “began to play the role of safety networks for the members who had migrate to cities for urban jobs and wages”.\(^\text{19}\) Yet the activities in these rural areas had changed: one scholar who studied villages in the southwestern province of Khuzestan in the early

\(^{16}\) See, for example, the case study in Connell 1974 for the winners and losers of the Shah’s land reform. Also see Hooglund 1982.
\(^{17}\) Bakhash 1989.
\(^{18}\) Chayanov 1986.
\(^{19}\) Ehsani 2006: 90.
1990s observed that only 25% of the annual income of rural households were generated by agriculture, with the rest from other economic activities including wage labor in rural or urban areas.\textsuperscript{20} Also, the subsidization policies towards wheat, milk, and other goods in the 1990s favored urban consumers over rural producers, diminishing the returns to agricultural production. By 1995, the per capita expenditures of state subsidies to rural areas were only 13% of the total amount spent.\textsuperscript{21} This tended to exacerbate the insecurities faced by rural agricultural households, forcing more to engage in other economic activities. The outcome, in sum, is likely one where the rural subsidization of the urban semi-proletariat has been in decline over at least the past two decades.

There is, however, another source of “subsidization” of semi-proletarianized labor in middle-income countries other than land: the state itself. A severe problem for social policy in poorer countries is that traditional Bismarckian welfare institutions, such as social insurance and employment protection, do not extend beyond workers in the formal sector. This is because most of these social provisions are tied to formal work and are organized through the employer. Previously, it was assumed that, as the informal sector shrank and the populations of poorer countries developed a fully proletarianized labor market, coverage by these types of welfare institutions would eventually broaden to most of the citizenry. Instead, with the persistence of the informal sector during the last forty years and the continuing stratification of the labor market, middle-income states are hard pressed to construct social policies that can actually reach the poorer sectors of their societies.\textsuperscript{22}

\textsuperscript{20} \textit{ibid}
\textsuperscript{21} Ehsani 2009: 82.
\textsuperscript{22} See Haggard and Kaufman 2008, Barrientos 2009.
In the case of Iran, the presence of what I have called the “dual institutionalization” of the welfare state has, to a certain extent, permitted the state to address this problem more successfully than other countries. The IRI inherited a set of Bismarckian welfare institutions from the Pahlavi regime, such as social insurance for formal public sector employees, which it has expanded to other formal sector occupations. According to Iran’s Social Security Organization (SSO), the largest of such institutions in Iran, 27.5 million Iranians lived in households receiving some form of income stream from the SSO alone. With a population of 73 million, this means that roughly 37% of the population is reached by the main formal welfare institution in Iran. Notably, this percentage is just slightly under the total percentage of middle and working classes in the Iranian labor force in 2006, which stood at 42.7% (see table 2). If we include other formal sector-linked welfare institutions, it is quite possible that we would find that most of the Iranian working class is receiving some form of income from the state, either currently or promised in the form of contributory pensions.

The IRI, however, also has a set of “revolutionary” welfare institutions that arose in the 1980s, which attempt to reach the poorest strata of the population. Their targets include households with widows, disabled war veterans, and the elderly. The budgets for these organizations mainly come from the state. In addition, the subsidization of basic goods in Iran further contributes to the de-commodification of daily life for Iran’s poorest strata. A major problem for these organizations is the identification of households under a particular income threshold. Subsidizing goods at the point of production is much easier for a state than the targeting of particular individuals. Furthermore, certain programs,

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23 Harris 2010.
24 Etemaad newspaper, 1/7/10
25 Again, see Harris 2010 for details on these institutions.
such as the rural insurance program, are only available to residents in villages. Urban laborers in the informal sector who continue to maintain rural ties can take advantage of such programs, but those who permanently reside in urban areas often cannot access such benefits. In other words, while the IRI has a decent record of accomplishment at directing social policy at poorer strata, it too has a problem with the “persistent” informal sector. Arguably, the only welfare policy that consistently reaches the entire informal sector is the subsidization of basic goods. Overall, the segmentation of social policy, where various sectors of Iran’s labor force only have access to particular welfare institutions is likely to worsen if the removal of subsidies goes forward. This may lead to a further commodification of the lives of many Iranians and a reduction in the social wage.

**Prospects for Labor Unrest and Solidarity in the IRI**

As Marcel van der Linden argues, the informal sector is not outside the “true working class” but is an “articulation of the worldwide segmentation of the labor force”. In other words, the hierarchical structure of the world economy, and particular countries’ positions within that hierarchy, shape internal labor markets far more than is usually assumed. A common dilemma for labor activists in the Third World is determining which grievances would draw larger coalitions of workers together, given that such stark divisions exist within the very structure of the labor markets in these countries. In Iran, over the past several years labor unrest among formal workers, often in declining

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26 For example, those migrants who return to the village during the Persian new year are counted in the rural population, and can take advantage of the rural health care system. But this requires extended kin in the villages in order to return. Field research conducted in several villages in winter 2009.

industrial sectors, has been increasing. To cite just an example, the East Azerbaijan representative of the Workers’ House – the government-sanctioned labor association in Iran – recently listed workers’ grievances recounted to him in the northern city of Tabriz. These included: not receiving wages in time, wages that are below the minimum legal standards, not being offered written contracts, calculating wages on hourly basis, not receiving legal compensation including overtime, not receiving government-sponsored entitlements such as food stamps and vouchers, using temporary workers instead of contracted labor, and not calculating overtime hours in the assigning of insurance benefits. While accurate counts of labor unrest in Iran are not available, mentions of strikes and walkouts have been increasing in the domestic press over the past two years. Yet, this has not been accompanied by public unrest in the informal labor sector, which includes most of the working class in construction, bazaar trade, and agricultural labor.

While labor force structure does not fully determine the distribution of labor unrest, it is equally misguided to assume that these divisions do not shape individuals’ political dispositions in any way. During a protest march in mid-June 2009 by Iran’s “Green” Movement, for example, the demonstration route winded through Tehran’s streets and passed nearby the large central bazaar. At least 100,000 middle and formal working class demonstrators marched, yet bazaar laborers, most of whom fall into the informal sector category, stayed on the opposite side of the street, curiously watching but not crossing to participate. This was not for lack of economic grievances, which bazaar workers possess in plenty. Instead, it more likely was a result of the fragmentation in identities – the differential structuring of a worker’s habitus – that emerges from the wide

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28 Mahd-e Azadi, 4/27/2010
29 Personal observation in Tehran by author, 6/18/2010
dissimilarity in lived experience and daily practices between formal and informal occupations.\textsuperscript{30}

Yet, of course, labor unrest can bridge the large divide between these two sectors, and has occurred specifically in Iran’s own past.\textsuperscript{31} As outlined earlier, most social welfare policy in Iran is targeted, intentionally or otherwise, to particular social classes. Formal workers and middle class professionals benefit from Bismarckian-corporatist social insurance. Migrants in the informal sector who retain ties to villages through extended kin networks can rely on rural areas for supplementary income and state-provided health insurance. Informal laborers in urban areas have access to cash and goods from various “revolutionary” welfare institutions, especially if their household possesses an Iran-Iraq war veteran. Just as the structural differences in labor force composition contribute to potential and actual forms of labor unrest, this social policy segmentation shapes the resources that workers have available if they choose to protest.

The largest social policy by far in Iran that does reach all of these groups is the subsidization of basic goods. Because of its universal distribution among the working class, this policy is seen as a social “right,” rather than a state entitlement. If this significant component of the post-revolutionary “social compact” were ruptured, it would provide an overarching issue that could increase solidarity among the whole working class. If, however, the state succeeds in targeted cash distribution to lower strata of the population, generated by the revenue saved during the subsidy reform, and long promised by the Ahmadinejad government, it would further exacerbate the social policy segmentation that exists in the IRI. The words of the president quoted at the outset of this

\textsuperscript{30} See a similar Bordieuian perspective on informal labor in the Russian Caucasus in Derluguian 2005.

\textsuperscript{31} See Ashraf and Banuazizi 1985 for a time-sensitive analysis of which social classes took part in the 1979 Revolution, and in what order.
paper – “targeted subsidies are justice” – may resonate among those who receive the redistributed income, and those left out would be equally resentful. This would likely aggravate the perceived differences of social wages between classes as well as within the working class.

It is doubtful that the IRI possesses the state capacity with which to adequately target the lower strata with a cash distribution system. Instead, it is more likely that a segment of the “deserving” poor will be excluded from this plan, and those that do receive funds will find them inadequate for compensating them for the higher prices of basic goods. If this does occur, we may expect increased solidarities among the working class as a whole. Yet a rose-colored sketch of the Iranian working class as a coherent agent united in opposition to the state, often articulated by Iranian labor activists who live outside the country in exile, is far fetched. In this paper, I attempted to analyze both the origins and development of a revolutionary social compact and the structure of the labor force as a whole. From this perspective, we can see that the relationship between a segmented social policy offered by the state and a divided working class is complex, requiring a more unpresuming stance on the politics of workers in Iran. Of course, possibilities for labor mobilization exist, and events in the future may increase these possibilities. Yet, we need to utilize the tools of social analysis to discuss such prospects in a manner that will contribute to a better understanding of contemporary Iranian society and its workers.

32 Liberalization schemes in West Asia, as elsewhere, often produce unintended consequences and backlashes from a variety of sectors, as Chaudhry (1993) described. This is partly due to the misguided assumption that marketization in middle-income countries requires less state intervention, when in reality it actually demands a more robust state with greater infrastructural power.
Bibliography


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Note: - not available; Energy Subsidies are for 2000-4 period.

Source: Iqbal 2006: 57
Figure 1
Real gross national income per capita and private consumption per capita in Iran 1959-2007
Source: Central Bank of Iran (www.cbi.ir)

Thousands of Iranian Rials (Constant 1997/1998 Prices)

Gross national income per capita
Private consumption expenditures per capita
Table 2

(Percentage of Total Labor Force)

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<td>Total Government Workers</td>
<td>19</td>
<td>31.4</td>
<td>29.2</td>
<td>24.5</td>
</tr>
<tr>
<td>Total Labor Force (thousands)</td>
<td>8,799</td>
<td>11,002</td>
<td>14,572</td>
<td>20,476</td>
</tr>
</tbody>
</table>

Classifications:

**Capitalists** are owners of physical and financial means of production; modern refers to managerial-administrative or professional-technical occupations; traditional refers to clerical, sales, agricultural, or service occupations.

**Middle Class** refers to employees in managerial-administrative or professional-technical occupations in both public and private sectors.

**Petty Bourgeoisie** are self-employed persons who do not hire any paid workers but may rely on the work of unpaid family labor; modern and traditional categories of capitalists are also applied here.

**Working Class** refers to employees of the public or private sectors who do not own the means of production or enjoy the authority and autonomy of those in the middle class.

**Political Functionaries** are those employed in the political apparatus of the state, both managerial and rank and file, such as military, intelligence, and paramilitary forces.

*Source: Behdad and Nomani 2009: 89*