Tormented births: passages to modernity in Europe and the Middle East

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Tormented Births
PASSAGES TO MODERNITY IN EUROPE AND THE MIDDLE EAST

Isam al Khafaji
Tormented Births:
Passages to Modernity
in Europe and the Middle East

Academisch Proefschrift
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Dedication

In the long, seemingly endless years of preparing, writing and struggling to end this book, when despair and distress seemed to prevail, they were always there to cheer me up and extend their moral and material support and encouragement. Thanks to their infinite sacrifice, their love and affection, I never lost hope despite all the adversities.

Dedicating this work to Weam and Salar is a small token to express my profound love and gratitude!
And also...

For the Western Reader, physical harassment of a writer or a scholar for his/her opinions may look as a relic of the medieval times, or pertaining to people living in another planet: the non-western planet.

The present work has tried to establish the existence of universal trends that apply to both western and non-western planets. Ironically, it has been written in exile, and its bibliography contains many names of authors who have paid the heavy price of living up to their principles, a reminder that universality does not preclude the uneven spread of universal values and norms.

Before her premature death in exile, Marion Farouk-Sluglett saw her first husband butchered after the Ba'athist coup d'état of 1963 in Iraq. Sabah al Durra and Safa' al Hafidh “disappeared” in Iraqi prisons since 1979.

Muhammed Salman Hassan was found dead in his Baghdad house in 1984 after forcibly spending two years in a mental asylum. Three years before his death, his younger son Ammar, a medical school student, was “mysteriously” killed in a car accident.

In 1987, the eighty-year old Lebanese historian Hussein Mrouwwah was burned alive and the Lebanese philosopher Mahdi 'Amil (Hassan Hamdan) was shot to death by obscurantists.

It is to the memory of all those and many others: friends, teachers and comrades that this work is modestly dedicated.
Acknowledgement

Almost fifteen years ago, the present author wrote his last book. Not laziness, nor even what a person can flatteringly excuse himself with; the difficult times that he has been through. No! What looks so certain and easy to grasp in your youth (militant youth especially!), becomes mercurial and slippery with age, and not necessarily with wisdom. Answers turn into questions and clearly defined disciplines pop into each other's erstwhile well-defined and respected domains violating their boundaries. Then come the uncalculated events in one's life. And because they are uncalculated and they are there at any rate, it would be futile to ponder on their advantages or disadvantages.

What in my twenties seemed to be satisfactorily 'answered' in rigorous economic analysis looked now subtler. A sudden uprooting, not only in the spatial sense of the word but also occupational turned out to be a blessing. A lifelong company with non-economists-political scientists, philosophers, historians, musicians, novelists, painters and poets, and most of all militants fighting some of the most brutal contemporary tyrannies on earth has brought invaluable experience, all the more that this precious company was not confined to people of one and the same coloring or the same nationality. And that is mainly thanks to what we always like to curse: EXILE!

Thanks to the circumstances that made me change seven countries of residence, desperately striving to keep my
roots solid and my affections warm, that some modus vivendi between caring for your host society and your country of origin was reached.

Would that have been possible without the love, help and affection of those friends and colleagues whom it would be impossible to enumerate here? To all those Iraqi, Syrian, Lebanese, Palestinian, French, British/Irish, and American friends and colleagues I would like to say: thank you! My special thanks go to Abadalla Hanna, Rizkalla Hilal, Timothy Mitchell, Mahir al Sharif and Peter Sluglett.

Yet, it is in the Netherlands that this work, a first part of a lifetime project I hope, had the chance to be completed through the many ups and downs. Trying to make me feel at home and doing what they could to ease problems and provide a comfortable and friendly atmosphere for life and work, Paul Aarts, Bertus Hendriks, Otto Hollman, Henk Houweling, Gert Junne, Tom Nieuwenhuis, Henk Overbeek, Ruut Peters, Jan Nederveen Peterse, Kees van der Pijl, as well as the many colleagues in the International School of Humanities and Social Sciences, the Amsterdam School of Social Sciences, informatica and other sections have done a tremendous job on my behalf. My students in the Department of Behavioral and Social Sciences, the Amsterdam School of Social Sciences, the Amsterdam School of International Relations, and New York University have provided me with the greatest stimulus to develop my ideas and research. I

* Alphabeticall y and titles withdrawn.
hope that this acknowledgement stands as an expression of my deepest gratitude to each and everyone of them.
Introduction: 
Posing the Problematic

“(T)he trouble with history is that it is largely concerned with brute facts, which, insofar as they are discoverable, have a terrible way of revenging themselves on the practitioner who pretends that they are not as they really were.”

(de Ste. Croix 1985: 24)

The theme of this study is to question many of the assumptions upon which a huge edifice of ‘third world’ development/underdevelopment, and/or area studies, studies on the paths to modernity and ultimately our understanding of modern world history rests.

This endeavor has become more than necessary today, because of the almost general consensus among social scientists, historians and economists that ‘third world’ studies are in a deep crisis. New approaches to tackling this issue have become, moreover, more promising given the ever expanding literature, much of it producing fresh insights over the past two decades, on processes of social, economic, political and cultural change and transformation in Europe as well as in other parts of the world.

It is the view of the present author, that in order to overcome the impasse in development studies, one needs to take a novel comparative approach to the history of modern Europe, rather than rejecting in advance any comparison between the former on the one hand, and the present day juncture of many non-industrialized societies on the other. A formidable task, indeed, yet the many profound contributions to the making of modern Europe, as well as many still compartmentalized studies on particular regions, histories and societies in the third world have made it possible today.

But before proceeding with this, let’s pose the fundamental (and ever recurring) question: why should we make Europe our point of reference?

The question is, obviously, not novel. It has been posed from various perspectives, but mostly as a protest against attempts at carrying such a comparison. The reasons behind that protest are not difficult to discern. The first and most important objection comes from those who would immediately label such an attempt as Eurocentric. According to those, the fact that Europe was the first to industrialize and to play the role of the world’s hegemon for a long while does not mean that any other region aspiring for a more equal share in world power and/or wealth will emulate its path. This objection takes various forms: one is ‘cultural’, so to speak, in the sense that it implies that Europe’s development has to do with its cultural, historical, as well as particular

---

1 Throughout this study, I will not go into the age-old debate on what to call those countries in Asia, Africa and Latin America that had not been part of the ex-socialist system. Aware of the deficiencies of all of the proposed, and used, denotations, I will arbitrarily use the widely used term: third world.
social structures, and that its path is not open to others simply because the latter have their own specific cultures, histories and structures that will unfold differently.

The second objection is the radical one most clearly associated with the dependency/world systems approach, but is by no means confined to it. This approach does not view the advanced capitalist ‘core’, or ‘center’ in cultural terms, but as a socio-economic system which has arisen first in a certain geographical zone, and by establishing itself there it has deformed the social structures of all other regions in the world, via exploitation, and surplus appropriation. As development in the core is inconceivable without the underdevelopment of the ‘periphery’, there is an inherent impossibility for the latter to turn into a capitalist center. The only possibility is to transform the whole world system and do away with capitalism.

Yet a third objection to the comparative approach with Europe comes from what I will call a romantic and humanistic approach. While the first two approaches base themselves on, supposedly, structural and historical factors, this one is more of a policy implication. It does not necessarily depart from the premise of the impossibility of ‘catching up’, but questions its desirability, given the negative outcome of capitalist development, in terms of exploitation, environmental and ecological costs as well as the internal and world inequalities that it inevitably bring.

The last approach will only be touched upon marginally and implicitly in this work, because its point of departure is not necessarily the existence of some essential difference between various societies, whether these differences are inherent, as in the first approach, or are the product of some perceived historical process, as in the second. The romantic approach belongs more to the domain of policy, while the first two approaches deal more with historical analysis, and/or with the analysis of present-day social and economic structures.

The present work does not have the pretension of adding to a growing body of critique of the cultural specificity theses, nor to the critique of the dependency/world system theories. Over the past two decades some seminal works have appeared in both fields. Suffice it to mention Edward Said’s “Orientalism“ (1978) and Robert Brenner’s “Critique of Neo-Smithian Marxism“ (1977) as two outstanding examples in each field. In order to examine the presence or absence of some similar patterns of evolution across different regions one has, obviously, to go beyond the general description of the processes involved and to link them to a conceptual apparatus that can have an explanatory power. To the best of the present author’s knowledge, this task has not been addressed satisfactorily up till now. I will argue that the reasons for this can be attributed to ideological bias and/or to the ever-expanding compartmentalization, even within each of the social science disciplines.

Despite the many breakthroughs in studies concerning the rise of modern Europe, or of capitalism on the one hand, and the socio-economic structures of various regions of Asia, Africa and Latin America on the other, scholars and students of early modern Europe brushed aside in advance the possibility of extending their findings to non-European societies. In fact, this tendency was shared by many scholars from disciplines far removed from history who saw that ‘pure science’ is that whose ‘laws’ are derived exclusively from the contemporary capitalist reality. A prominent economist like Sir John Hicks expressed his serious doubts on whether “the problem of developing of the underdeveloped” should be studied within the framework of the theory of growth,
suggesting that the former issues should better be dealt with by sociology, but not economics:

“I begin with one meaning that I shall set, quite firmly, on one side. “Growth Economics” is often taken to be particularly associated with the problem of ‘developing the underdeveloped’. The appearance of a branch of theory called growth theory, at a time when the economics of underdevelopment has been a major preoccupation of economists, has made it look as if there must be a real connexion. I much doubt if there is. Underdevelopment is a vastly important subject, but it is not a formal or theoretical subject. It is a practical subject which must expect to call upon any branch of theory (including non-economic for instance sociological theory) which has any relevance to it. If there is any branch of economic theory which is especially relevant to it, it is the theory of international trade”

(Hicks, 1969: 3)

But besides those westerners following the traditions of Max Weber on the ‘uniqueness’ of the West, there are many others, who tend to take for granted that the processes of state, society, nation, or economy formation, or consolidation in today’s third world are radically different from the ones that prevailed in early modern Europe. Despite the wide differences between the various authors who share this view, one or more of the following is almost always assumed to lie behind the differences: the revolutionary changes in communication, information or technology, or the radically different political setting of today’s world, or simply imperialism, globalization, multinational institutions and transnational processes. Charles Tilly, for example, warns his readers that “…the fact that European states formed in a certain way, then imposed their power on the rest of the world, guarantees that non-European experience will be different” (Tilly 1990: 16 italics added).

This approach is much more pronounced among the other group of scholars. Development students, as well as anthropologists, historians and economists have shown a remarkable aversion against comparing their object of investigation with any European context. Any attempt at carrying such a comparison was seen as an apology for the view that the gap between developed and underdeveloped regions is only a diachronic one; i.e. that Europe’s advantage lies essentially in its earlier passage to capitalism, and that all that the peoples of the third world need in order to become like them is time. Such attempts were therefore doomed from the outset as turning a blind eye to the deforming effects of colonialist and imperialist hegemony on the social structures, and therefore, on the economic prospects of the colonized, semi-colonized and newly independent countries. Over the past three decades, all sorts of ‘designs’ for autonomous growth paths, ‘authentic’ modes of production were tried. Even those who believed in some kind of universal and common patterns were led to believe that such universal paths were more of policy options than historical processes that have their internal logic and dynamics. Thus, universalism was transformed -especially during the cold war era- into an option between following a ‘socialist’ or a ‘capitalist’ path. This option, moreover,

---

2 The Euro-centrist view of Hicks also shows in his advice to treat the problems of underdevelopment within the framework of the theory of international trade Third world problems are important only insofar as they influence the developed world.
was thought to be no more than a good and resolute choice lying in the hands of the political leadership of third world countries.

There were exceptions to this, to be sure. On the one hand, a statistical-structuralist approach initiated by Simon Kuznets and pursued by Hollis Chenery and others has contributed to give a more profound knowledge on the relationships among various quantifiable variables over the long term and across various regions (time-series and cross-sectional analyses). Kuznets' and Chenery's works have shown that there is some correlation between changes in population growth, foreign trade patterns, consumption, investment and saving levels and national income growth (Kuznets 1966, 1971. Chenery, 1975). Because these profound and meticulous studies had no pretensions of presenting theoretical causal explanations on what triggers all these series of changes (and thereby to study the 'origins' of capitalist growth), in addition to their concern with observing certain correlations rather than trying to explain them, they were, obviously, insensitive to the fact that some unquantifiable variables can not be simply kept aside. Moreover, the fact that these studies appeared at a time when development studies were being heavily 'terrorized' by the radical environment of anti-imperialism contributed to their confinement to scholarly institutions.

Another contribution came from a totally different field and motivation. Bill Warren, basing himself on what he saw as Marxist traditions, tried to show that colonialism and later imperialism were, and are, far from harmful to development of the third world. His arguments were developed through a heated debate with Bob Sutcliffe in the early 1970's (Sutcliffe 1972, Warren 1973), but his main work was published after his death (Warren 1979). Warren produced many innovative arguments, but his conclusions and main arguments tended to be very apologetic, even to the imperialist plundering of the third world.

Such an *a priori* ideological bias against linking the history of the third world with that of the rest of the world was, in the present author's view, behind the almost total ignorance of the processes that led to the formation of modern Europe (and capitalism in general) among third world scholars. A deliberate ignorance of European (and capitalist) history has made it so familiar to begin with a few paragraphs replicating well known (and unfounded) generalization about a stereotyped European history to show where and why "we"; i.e. the third world could not, cannot, and will not become one of "them". A standard contrast would involve the following statements:

- *Unlike Europe*, the role of "external factors"; i.e. incorporation in the world capitalist and/or colonial annexation, has been crucial in:
  i) shaping and creating an arbitrarily defined national space in the third world;
  ii) transplanting modes of production that are more favorable to the needs of the world market;
  iii) the formation of local class structures in the dependent countries; and
  iv) causing dependency/underdevelopment.

- Because of the above, the relationship among domestic social structures is *different from the one we find in Europe*, in that:
  a) Whereas a rising productive bourgeoisie entered into conflict with the feudal system in Europe, third world bourgeoisie originated from the feudal landlords, and thus entered into alliance with that system;
ii) Whereas the bourgeoisie captured state power in Europe and transformed the existing institutions into democratic and pluralist ones, a dependent state in the third world had a stake in perpetuating dependency on the world capitalist market, and hence in perpetuating underdevelopment and authoritarian rule;

iii) The national revolutions of the third world were not the product of processes similar to those of Europe. They reacted against capitalists as well as pre-capitalists in the meantime and installed étatist regimes in place, and therefore;

d) Unlike Europe, third world states shape domestic classes and give rise to dominant ones and not vice versa. The 'classical' and 'normal' relationships between dominant classes and states that existed before the revolutions, i.e. affluent classes harnessing the state apparatus to their interests, were 'inverted' now.

The final conclusion of such typical approaches is that it would be futile, or at least irrelevant to study the structures, struggles and evolution of third world societies in terms of 'western' categories, such as classes, class interest, and class based ideologies, for these are simply inapplicable to the third world context.

*What this work aims at is to show the non-uniqueness of the third world path to modernity, which means by implication the non-uniqueness of the point of reference: Europe's path to modernity.* However, a huge edifice of theory/description and speculation on a priori contrasts rather than comparison made it almost impossible to proceed without critiquing several standard works on several topics. And I must immediately try to put this critique in perspective. No serious author would venture into writing if s/he were completely satisfied with the existing literature in her/his discipline. This implies that every attempt to make a contribution is in fact a critique/elaboration/expansion, and/or extension of the body of analysis contributed hitherto, whether the author makes a reference to what s/he is critiquing or not.

Obviously, the more authoritative and established the criticized authors are—and naturally, the more sound and scientifically legitimate the critique is—the more innovative one can aspire to be. For it would add a little—if any—to our knowledge to criticize works of secondary—or no—importance, or works that a given discipline has long surpassed. Hence, the present author’s attempt to critique some established authors in the fields of state and identity formation, state/class theory, the theory of imperialism and development, trajectories of capitalist/bourgeois development, and Middle East studies, is in a way an expression of tribute to those authors who produced thought-provoking and influential studies. Were these works judged of little value, I wouldn’t have spent much time and effort in exploring what I saw a deficiency in some aspects of their methodologies or analytical framework. My own analysis, which undoubtedly will be subject to the harsh critique of others, could not have been produced without these criticized works. And it is my view that no discipline can develop without this successive cycle of questioning the basic assumptions.

The endeavor to demystify the processes of rise to modernity and to show the non-exceptional history of the Middle East has been the preoccupation of several other authors and has gathered momentum since the 1980s at least following the publication of
Edward Said’s seminal work: Orientalism*. Yet the powerful influence of this work, which applied Michelle’s Foucault’s methodology on the studies of the European discourse towards the “East”, has been contradictory because of the many ways one can read the book.

Said traced the roots of delineating, demonizing, or exoticizing a distinct universe since the days of Dante, thus he did not link that European discourse to any one particular social system. Obviously, the literature that Said had consulted is authentic and highly indicative. But by so doing, Said opened the door for a very risky reading of his work. While the author explicitly states that he wanted to show how mythical that “Eastern universe” is, one reading of Said’s work can argue that a distinct universe called the west that confronts the east does indeed exist, otherwise how can we explain the persistence of a culture that bound (and still binds, according to Said) a whole continent (plus its descendants in America and Australia) by mobilizing them against that “common threat” of the other?

The point, however, is not to ‘blame’ Said for this way of reading history. The book appeared at a time when celebrating authenticity was gathering momentum in most of the third world, especially in the Islamic world and the Middle East*. Much of the culturalist, almost racist, approaches of the nineteenth and early twentieth century was now replicated by the ‘defendants’ of Islam. Hinduism, Buddhism, etc. who drew ammunition from Said’s work to ‘prove’ that there is indeed an ethnic or religious enemy called the west and that defending one’s own identity passes through showing the specificity and corruptness of the other as a culture and a system.

Another reading of Orientalism to which the present author subscribes, and the reader may justifiably accuse me of putting words in Said’s mouth, is that it is a celebration of universality and universal history and trajectories. Delineating others, and demonizing them was there in Europe long before the colonial era. But then, delineating ‘foreigners’ who do not share our norms and culture was (and unfortunately is) the alter image of identifying one’s community in Europe and elsewhere. Naturally, when others are far away and pose no threat to one’s perceived community, there is no point in delineating them since space and the absence of massive contacts make such an effort redundant. It is only natural that the two neighboring regions: Europe and the Middle

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3 One work, which appeared in the same year as Said’s “Orientalism” and has been unfortunately eclipsed by this coincidence, it seems, should be singled out; namely Bryan Turner’s “Marx and the End of Orientalism” (1978).
4 Predictably, the reader would rightly assume that this statement refers to the Islamist trends which were on the rise in the second half of the 1970s all over the Middle East. Although this subject goes beyond the scope of this study, I would like to draw attention to a phenomenon that goes far beyond this and may have unwittingly paved the way for Islamism and other forms of introvert ideologies to gain the ground. The cold war atmosphere has turned the ideological struggle into a geographical and ethnic one. In the Middle East, Marxists who enjoyed huge popularity in such countries as Iran, Iraq, Syria and Lebanon until the 1960s gradually moved from attacking capitalism to attacking the ‘West’. A painful history of plunder, aggression, and humiliation by western colonialism and imperialism provided a fertile soil for a Maoism that pitted poor nations against rich nations. Nationalist ideologies in the Middle East, especially Ba’thism, now no longer needed to embarrassingly quote the early Nazis, who in the 1920s declared that the “German proletarian nation was waging a struggle against the bourgeois nations”, but a ‘progressive’ Marxist version. Yet it would be a gross mistake to confine the rise of ‘authenticity’ to a particular region. Suffice it to look at how the French and Russian communists attack the aggressive US policies today by invoking pathetic xenophobic instincts, just like their extreme right wing rivals.
East, or the world of Christianity and the world of Islam, each with a claim to upholding a universalist ideology single out each other as the target to be demonized. Competition and rivalry over territory and control of people made the loss of identity a real and imminent threat for each of the two adjacent regions. What gave Eurocentrism its particular aggressiveness is not the existence of these prejudices that have been floating in each region’s culture since time immemorial. It was the fact that Europe gained its socio-economic hegemony since the sixteenth century and could now articulate all these ideological elements in a powerful colonial and aggressive discourse that would pervade other cultures, including the subjected ones, precisely because of the superior cultural development, techniques and means of communication. The regrettable absence of reference to the changing power relations with the domination of capitalism made Edward Said’s book vulnerable to the first interpretation based on cultural specificity.

Nonetheless, attempts at showing the non-exceptional trajectories and structures of the Middle East have been under way for several years now. So, can the present work have any claim to originality?

Ironically, these contributions, many of which have advanced our knowledge of the working mechanisms of the region, have only privileged the region by incorporating it within the third world. This statement may look surprising. But the fact is that even when ‘third worldism’ was at its height, the Middle East (perhaps with the partial exception of Egypt) was rarely, if ever, taken as a representative case study in the sociological and economic works. Middle Eastern scholars, as well as specialists on the region, have almost always tended to find some peculiar trait(s) that prevented them from merging their object of study with other regions. When much of the third world, the ex-socialist camp, as well as countries like Spain and Portugal were under the rule of étatist regimes, Middle East scholars preferred to ‘explain’ the region’s socio-political structures in terms of some historical traditions of ‘oriental despotism’ or ‘Asiatic mode of production’.

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5 The power to delineate, demonize and inferiorize others reached its zenith in Europe in the late nineteenth and early twentieth centuries, as pseudo-anthropological and ethnological scholarship seemed to provide a powerful legitimating weapon for the colonial claim of civilizing ‘barbaric peoples’. From 1874 to the 1930s, ‘human zoos and ethnological exhibitions, where ‘exotic natives’ were displayed with animals in cages and enclosures, to a sensation-seeking public’ were regularly organized in the major European cities. See, Nicolas Bancel, Pascal Blanchard and Sandrine Lemairé “Human Zoos: Racist Theme Parks for Colonialists”, *Le Monde Diplomatique* (English edition), August 2000: 8-9.

6 One needs hardly to mention that each country and region has its own specific features. However, attempts at romanticizing or transforming these specific traits into unique characters have been almost always part of the ideological turmoil that nations face on the eve of their passage to modernity. Thus it is the view of this author that Arab nationalists who tend to exaggerate the specificity of Arab culture are not much different from the Russian narodniki or the German Historical School of the nineteenth century.

7 “Oriental Despotism” and its pseudo-scholarly twin “the Asiatic mode of production” have been the subjects of countless studies. Their history date back to the period of European enlightenment when European thinkers invoked imagined stories about the east in order to legitimate their own views on how Europe should proceed. Voltaire’s admiration of organized and civilized China, for example, led him to find the causes in the absence of landed property there. Conversely Montesquieu and Rousseau used the same argument to denounce despotic rule in Asia. This tradition reached its zenith with Hegel’s “Philosophy of History” and Marx’s few and ambiguous passages on the “Asiatic mode of production”, which strongly echo Hegel’s wording.

Empirically, the idea of non-existence of landed property in Asia has been shown to be a myth (among others, see Thaper 1980. 655-71). The most powerful critiques on how the power of Western knowledge
Theories of underdevelopment went from Latin America, passed by sub-Saharan Africa and ended in East Asia over-flying the Middle East. Most, if not all, of the Middle East scholars were political scientists, some with qualifications of the highest caliber. They therefore had their aversion to socio-economic generalizations, comparisons, theorization, or testing a specific theoretical notion, even when they produced some of the best empirical studies - to which the present work is indebted. Hence, the attempts at rescuing the Middle East from its exceptionalism were aimed at demonstrating that the Middle East follows the same modalities that govern the rise, functioning and outcome of the other third world formations. As far as I can ascertain, no study has ever tried to compare the region, or aspects of its structures, with the developed capitalist countries, or with Europe. Such a comparison was not even made with Eastern Europe with which the Middle East has so much in common: both regions were parts of large and centralized empire, the Ottoman or Austro-Hungarian. Both were subject to the threat of invading nomads. In both regions “modern” state structures and independence came only around WWI.

The outcome of such studies, which attempted at putting theory in the heart of the study of the Middle East, was not hard to predict. Even when a given author did not explicitly adhere to the dependency/world systems approach, the notion that colonialism/imperialism have deformed the regions’ structures, diverted it from its ‘natural’ path of development, ‘created’ underdevelopment and dependence, and produced a peripheral capitalism that is radically different from the capitalism of the core almost always formed the backbone of the story. We will note that some of these more recent studies tried to show the inapplicability of these paradigms to the Middle East (Gerber 1987, for example), yet they unwittingly ended up endorsing them. Thus, the reader might rightly complain that the dependency/world systems theories are too old and discredited to be rehearsed once again, but I had to address some of the issues raised by them whenever they were applied to the Middle East.

The present work attempts at presenting a radically different account of the making of the contemporary third world. It argues that social change should not be viewed in terms of a false dichotomy: internal vs. external effects. Each and every community, society or entity cannot be identified without the existence of some other community, society or entity with which it interacts. The crucial questions are, however: how does a given community or entity internalizes the surrounding effects? And, why does it internalize them in a particular way at a given point of time? As I will attempt to show, neither early modern Europe developed in isolation, nor naturally, the third world. Yet it was, and is, the existing social relations within each society that determined and defined the outcome of this interaction, which entails the clash of two, or more sets of interests.

has constructed a mythical space called the East is naturally Edward Said’s seminal work “Orientalism.” (Said 1978, 1995) Grosrichard (1979) shows how the imagination of the classical West designed the fiction of Asiatic despotism, the monster that only the East is claimed to have begotten. Nikiforov work provides a very useful and critical survey of the history of the two concepts (Nikiforov1977: 99 – 120). Other important contributions to the concept of Asiatic mode: Hobsbawm ed. 1965, J. Chesneaux 1964, Suret-Canale 1964, Tókei 1966.
This, as will be shown, is not to say that the power relations between the two, or more, clashing sets of interests are irrelevant, but that in order to assert its supremacy the more powerful set only acts within the constraints laid down by the existing set of social relations within a given community or society. In other words, one cannot reach any clear understanding of a particular society, or region by simply invoking such notions as "the interests of colonial or imperialist powers", "processes of globalization", "western plans", etc.

Despite the many above references, the present writer's ambition is not to produce a work on the 'third world', the theory of development/underdevelopment, nor on a particular area within this world, or a comparison between Europe and the Middle East. This work aims rather to contribute to the theory of social formations, especially to understanding the dynamics of capitalism: its origins, potential and modalities of expansion over time and space. In other words, I am trying to situate local histories within a general framework of a theory of capitalist expansion on a world scale. This naturally entails a study of the forms, institutions, instruments and mechanisms by which and through which capitalist relations of social production take roots within various societies. Thus, Europe here will not be treated as a geographical area, as much as an abstract model. This may explain why England, which is conventionally taken as an exceptional case, has been deliberately chosen as a case for many comparison, in addition to other European countries. It goes without saying that many policies, processes and procedures that took place within a specific European context were not necessary ones to the rise and consolidation of capitalism. It is the common processes, or those that can be demonstrated to be necessary that will be dealt with in this work. Obviously, 'necessary' processes should not be viewed as those that all countries and societies have passed through. The 'Gerschenkron' effect, for example, is a necessary one for late comers to capitalism. A France with a relatively large free peasantry on the eve of its revolution underwent changes that Britain did not know. Fragmented Germany had to centralize in ways that many others did not need to experience.

In this research, the main arguments regarding the origins of capitalism, the causes of development and underdevelopment are basically those developed and elaborated by Maurice Dobb and Robert Brenner. However, whereas Brenner's powerful analysis covered the above mentioned issues, the present research tries to move from the deconstructive approach; that of refuting the basic premises upon which world-system and dependency analyses rest, towards a constructive one, whereby the dynamics of capitalist transformation in a particular third world region, the Middle East, will be compared with those that gave rise to modern Europe. But even here, I had to make some hard decisions on the specific area and span of time that this study should cover. The few theoretical studies on the Middle East normally take their case at quoting a sixteenth century fact, for example, to show their point regarding the nineteenth century, thus perpetuating the myth on the stagnant Middle East even when they want to prove the opposite. A certain fact pertaining to Cairo, for example, is assumed to be a characteristic of a Middle East that is the home of hundreds of other cities and towns. In order to avoid unfounded and sweeping generalizations, and/or broad categories that tend to hide the actual processes of change, the present study has chosen to forsake stretching the investigation in favor of concentrating on that part of the Arab world, usually called the Mashrek, i.e. Egypt, Iraq, Syria and Lebanon, with frequent reference to other parts of the
Middle East, especially Turkey, Iran and the Arabian Peninsula. The period that this study will cover begins with the nineteenth century (sometimes sneaking a little bit earlier to lay the background), because the foundations of the dramatic changes that have been sweeping the region until today began then.

But in order to establish the existence (or absence) of any universal trend in development and social transformation across modern historical epochs and across different regions, we have to develop first and foremost a conceptual apparatus that can be applied to our object of study. This conceptual apparatus should not be confined to a redefinition of abstract categories, although this must occupy a prominent place in our research, but also goes further to questioning the meaning and significance of some structural changes that certain European regions have witnessed during their transformation and to see whether they had been of coincidental nature, or whether they had been necessarily associated with the modern bourgeois transformation. This, I believe, is an essential step towards reconstructing a model of capitalist change that would be verified in later stages in the light of the experience of late-late (perhaps too late?) comers, including the Middle East.

Such an approach, I think, would make it possible to answer the above posed question: why Europe? Why should we compare processes of change in any particular region with that of modern Europe? The need for such a comparative approach does not stem from a belief in the superiority of any particular system or culture, nor from a political concern of how to make a certain region emulate the European path. I will try to show that long-term processes of social change follow an internal logic of their own that is insensitive to policy prescriptions and that the job of social scientists is therefore not to be more "imaginative" in "designing" new paths, but to study the internal social structures in order to discern the likely paths that these structures would tend to take irrespective of the policy preferences of the researcher. This, naturally, does not mean that the scope of policy changes is null, but that it is not an open-ended one in the meantime. Since the end of WWII, many parts of the third world have been through processes that are almost identical to what modern Europe had witnessed in its formative decades. Therefore, it would be naive to turn a blind eye to such a comparative approach under any pretext. A more fruitful exercise would rather attempt to see how similar are these manifestations, whether they are symptoms of the same or similar phenomena, and whether the outcome would necessarily be similar to that of Europe.

Structure of this Work:

Ordinarily, the reader would expect an author to begin his/her work by stating the theoretical issues that the work is going to deal with. Following the 'theoretical chapters' the empirical ones are expected to follow. Another conventional way is to lay your empirical data and end up with the theoretical conclusions. The structure of this research follows neither of these approaches. The reasons for this follow directly from the type of arguments that we have tried to develop throughout this work, which despite relying on a wealth of empirical data remains theoretical by nature.

Establishing the existence of universal patterns for the passages to modernity could not be made without addressing -at least- four intricate and interrelated topics:
1. The structure and working mechanisms of pre-modern systems in the Mashreq whose "peculiarity" has been almost always taken for granted by various authors and schools of thought. This alleged peculiarity takes two overlapping - but not necessarily exclusive - forms. One is assumed to be embedded in the precolonial history of the region and has produced the various forms of "oriental despotic" (Wittfogel), "Asiatic" (Marx), or tributary (Amin) structures.

The first three chapters of this book attempt to examine these hypotheses by comparing the precapitalist structures of the Mashreq on the one hand, and the supposedly normally functioning precapitalist formations of Europe on the other. However, deconstructing the myth of the particular Mashreq could not be carried straightforwardly by presenting an already existent precapitalist 'model' against which some concrete cases could be standardized to fit neatly within. That abstract model had to be worked out first. And this is where the second topic came to the fore.

2. The stylized textbook version of Europe's precapitalist history and its diverse and complicated trajectories to modernity had made it necessary to reexamine some widely accepted "truths" regarding the class formations and identities under precapitalism, the relationship and conflicts among the major social groups, the relationship between political authority and property and the dynamics of transition to capitalism. Hence the first chapter begins with an analysis of agrarian class structures and relationships as they determined the social nature of the precapitalist systems. Agrarian class structures set their limits and constraints on the dynamics of the urban structures, which we dealt with in the two following chapters in order to verify the widely held opinion that the "third world bourgeoisie" differed from its European counterpart, the first being pro-feudal and parasitic, while the second was anti-feudal and productive.

3. The empirically-based analysis of the first three chapters provided the basic material to address the third topic; namely an analysis of the highly abstract concepts of social formation, power and authority, classes, class identities and class positions under precapitalism. Addressing this topic in chapters four and five allowed us to draw some major conclusions on the functioning, logic and structures of the Mashreq systems. The conclusion was that setting the latter in a qualitatively unique category that differed from the European formations is a product of a doubly mistaken (but unfortunately dominant) reading of history.

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8 The statement regarding Samir Amin's peculiarization of the Mashreq should be qualified. For in his overarching concern to 'prove' the applicability of the center-periphery dichotomy over time and space, he went so far as to lump all human precapitalist history under the rubric of tributary formations. The western European and Japanese variants of feudalism were thus easily portrayed as the peripheries of two respective advanced centers that were characterized by the presence of a strong state machinery: the Islamic and Chinese respectively. The ideological and formal urge in this portrayal is quite evident. Amin wanted to 'prove' his Maoist (and wishful) theory that today's periphery is tomorrow's center. (Amin 1976, and my critique of the lack of a theory of history in Amin's work, al Khafaji 1995: 63-76)
The fourth major topic of our study dealt with the other variant of ‘exceptionalizing’ the Mashreq, namely the one emphasizing the role of colonialism/imperialism in ‘distorting’ the ‘internal logic’ of its development. Whether the proponents of the “original peculiarity” theses believe that the Mashreq formations had an inherent tendency to develop capitalism or not becomes an irrelevant question in view of the fact that almost all of them (in addition to many others who do not subscribe to these theses) agree that the era of colonialism, and later of imperialism, has radically reshaped the fate of the Mashreq and the entire non-capitalist world⁹. Now it was the ‘core’ industrialized countries that were ‘underdeveloping’ the rest of the world. The rise –or non-rise for that matter- to modernity in the latter part was solely a function of colonial/imperialist interests, and the particular view of a given author on the modernizing or non-modernizing role of colonialism/imperialism. Chapters six to nine tried to carry the comparative journey of both the Mashreq and Europe from precapitalism to the rise of modernity. Although one would expect that the post-WWII Mashreq would be analyzed in terms similar to those applied to other third world formations, various authors still tend to shield this region by making various claims on its ‘exceptional’ traits, such as the role of Islam, or its alleged resistance to democratization. By contrast, my contention is that most arguments in chapters six to nine may be extended to other non-Mashreq cases. These four chapters try to situate the Mashreq’s path to modernity within a universal path. The universal path is, once again, abstracted from the only historical pattern that we have up till now: Western Europe, Japan, the US, and now the NICs.

Although the supposed peculiarities of the Mashreq are treated explicitly and with detail in these chapters, the present author’s overarching concern was to show that much of the exaggeration about the so-called specificity of the Middle East or Mashreq is actually non-specific if we carefully study the role of religion as an identity-maker in Europe’s rise to modernity, or the role of politics in the rise to modernity. Hence the conclusions and methodology of chapters six to nine may well be tried on other parts of the third world.

At first sight, chapter ten may look somewhat peculiar in a double sense. First, it is not a summary of the work done and the main conclusions reached. But the second reason for its peculiarity is that while the entire book tries to establish the existence of universal trends in the paths of different formations to modernity, this chapter attempts to explain the irony that despite the strikingly similar processes that the Middle East and many parts of Europe have undergone, the former region today is now only second worst to sub-Saharan Africa in most wealth and human development indicators.

Chapter ten builds on the analysis presented in the previous chapters, especially chapter seven, where I tried to distinguish between modernization or bourgeoisification on the one hand, and capitalism on the other. In this chapter I suggested that despite the similarities between the Mashreq’s path to modernity and many other successful cases,

⁹ The widely accepted thesis that colonial/imperialist exploitation created two qualitatively distinct sets of formations can thus be seen as a thesis that ‘peculiarizes’ Europe and the ‘core’ countries.
an entire social structure based on rentierism made any attempt at industrialization meaningless and unprofitable. The present author is quite aware that the methodological and empirical issues involved in analyzing rentier formations certainly require much more than a concluding chapter. However, my intention was to point once again to the fact that there was nothing in the Mashreq’s trajectories to modernity that implied a necessary perpetuation of underdevelopment, a reminder that similar trajectories and starting points do not necessarily lead to similar outcomes.
Chronology:

Some major events and dates related to topics in this work

1921: Proclamation of the Kingdom of Iraq headed by King Faisal I under British mandate.
1920-1946: Syria and Lebanon under French mandate.
1923: Turkey renounces the Caliphate system and becomes the Turkish Republic under Kemal Ataturk.
1925: Reza Shah overthrows the Qajar dynasty and establishes the rule of the Pahlavi dynasty in Iran.
1930: Iraq gains independence and enters the League of Nations.
1941: Reza Shah, suspected by the British of pro-Nazi sentiments, is deposed and his son, Mohammed Reza acceded to the throne.
1946: Syria and Lebanon gain independence and establish parliamentary republics.
1948: Proclamation of the State of Israel.
1949: The principedom of Transjordan declared the Hashemitte Kingdom of Jordan under King Abdullah I.
1949: A Coup d'état overthrows the parliamentary rule in Syria.
1950: Return of parliamentary rule to Syria after a counter coup.
July 1952: A coup in Egypt overthrows King Farouq of Egypt and appoints a regent.
September 1952: A Land reform act passed by the Egyptian military leadership.
1952: Dr. Mohammed Mosaddegh elected prime minister of Iran. Nationalization of Iran’s oil industry.
1953: The CIA sponsors a military coup that deposes Dr. Mosaddegh and oil nationalization revoked.
1953: The Egyptian military proclaim Egypt a republic.
1954: The ‘democracy crisis’ in Egypt. General Muhammed Neguib is deposed and Gamal Abdul Nasser takes the lead.
1954: A third coup overthrows parliamentary rule in Syria.
1955: Return of parliamentary rule to Syria.
1955: Britain, Turkey, Iran, Iraq and Pakistan sign the Baghdad Pact to form an anti-Soviet alliance. The US joins as an observer.
1956: Abdul Nasser nationalizes the Suez Canal.
1956: Israel, Britain and France launch a tripartite invasion of Egypt, but are forced to withdraw.
1958: Syria merges with Egypt to form the United Arab Republic.
1958: General Qassim overthrows the monarchy in Iraq, declares a land reform act and gets Iraq out of the Baghdad Pact that will be renamed ‘the CENTO Pact’.
1960: Qassim declares law no. 80: all Iraqi territory that had not been explored by the oil consortium regained by Iraq and will be explored by a newly established National Iraqi Oil Company.
1960-1961: The ‘Socialist’ decrees in Egypt and Syria: Scores of private establishments are nationalized, the unique party renamed the ‘Arab Socialist Union’, but in the meantime harsh persecution of thousands of Egyptian and Syrian communists.
1961: The Communist party of the USSR under Nikita Khrutschev formulates the theory of the ‘non-capitalist path’ to socialism: the petty bourgeoisie can lead the road to socialism without necessarily organizing a communist party. The alliance with anti-communist Egypt is legitimated.
1961: A coup d'état in Syria takes the country out of its union with Egypt. A right-wing parliamentary regime follows.

1961-3: Mohammed Reza Shah initiates a ‘white revolution’, a mild land reform to preempt radical changes.


Nov. 1963: A pro-Nasser coup in Iraq overthrows the Ba’thist regime.

1964: Iraq follows Egypt in nationalizing local establishment and establishing an Arab Socialist Union. The Oil Consortium left intact.

1966: The Ba’th Party splits into rival ‘left’ and ‘right’ wings. The left wing overthrows the right and undertakes radical measures in Syria.

1967: The Arab-Israeli war ends up with a humiliating defeat of the nationalist regimes of Egypt and Syria, as well as Jordan. All historic Palestine plus the Syrian golan Heights and Egypt’s Sinai Peninsula is under Israeli occupation.

July 1968: The ‘right-wing’ Ba’th takes power in Iraq.

1970: Gen. Assad overthrows the left-wing Ba’th in a ‘correctional move’ and eases pressures on private sector.

1970: Death of Abdul Nasser. President Sadat renounces Egypt’s alliance with the USSR and ‘the socialism of poverty’ and initiates an ‘Infitah’ (open door) economic policy.


1973: OPEC countries manage to raise oil prices dramatically: the beginning of the ‘oil boom’ in the Arab world.

1978: Under pressure from Iran’s Shah, Iraq ousts an Iranian exile, Ayatollah Ruhollah Khomeini, from the holy city of Najaf.

1979: A popular revolution overthrows the monarchy in Iran. An Islamic republic is declared.

1979: The Iraqi vice-president Saddam Hussein takes over presidency.


1987: Iraq begins a sweeping privatization campaign under the rubric ‘the administrative revolution’. The official General Federation of Trade Unions is dissolved. The Labor Act is amended: abolition of minimum wage and maximum work time conditions. Private banks are legalized.

1991: Syria adopts Law no. 10 that removes limits and constraints on private sector’s activity.
Chapter 1

The Logic of Premodern Structures

Despite the universal retreat of the dependency/world system in ‘third world’ studies, the origins of the Mashreq formations, their functioning and the roots of their underdevelopment are still implicitly couched in some variant of their analytical tools. General statements describing their ‘peculiarity’ often tend to assign some exceptional role to the state/political authority in the making of their ruling classes. The mantle of the old ‘Oriental despot’, whom the enlightenment philosophers imagined to loom over every aspect of life in Asia, has fallen now on the shoulders of a world market and imperialism (and later of a national state bureaucracy) that designs, creates and determines the fate of the ruling classes.

From this follows a series of speculative judgements on assumed capitalist classes in the Mashreq that, for one reason or another, could not behave as rationally as a Western bourgeoisie: a behavior that is no less assumed or imagined as this work will try to show. Hence the debate over the nature of the Middle East social structures prior to the rise of nationalist regimes is not an academic one. Defining the nature of these social formations is of crucial importance for understanding the dynamics of the existing regimes, the paths that these formations are likely to follow and the socio-economic and political constraints under which these formations function.

The theme of third world social formations undergoing a process of transition to “peripheral capitalism” has been a recurrent one in history, economics, politics, and social science in general despite the many studies that tried to show the false assumptions upon which the arguments on peripheral capitalism rest. It seems that a survey of the available empirical data on the transformation of the land tenure structures in the major Arab Mashreq is necessary, in order to verify some of these assumptions.

1.1 The Rise of Big Landed Aristocracy:

Much has been written on the transformation in land tenure system in Egypt under Muhammed Ali, the Asian parts of the Ottoman Middle East under the Ottoman land codes of 1858, and the Persian attempts to reform the land system in the nineteenth century. The hypothesis that the Middle East was a peculiar region because it did not know private land ownership before the introduction of these reforms has been seriously challenged and shown to be a relic of orientalist thinking and misconceptions. Until recently, it was fashionable among many orientalists to distinguish eastern formations where land was the sole property of the sovereign and the European ones where ‘private’ property by feudal lords was acknowledged and sanctified.

However, the formal –and largely nominal- control over a community’s land by its leader was a distinguishing feature of precapitalist formations east and west. In pre-feudal and early feudal Europe, land was nominally in the hand of the sovereign who only in the ninth century began allotting parcels to the nobility in the form of temporary ‘benefice’ (P. Anderson 1974a: 138-9).

“The property rights of the lord over his land was typically of degree only: he was invested in them by a superior noble (or nobles), to whom he would owe
knight-service - provision of a military effective in time of war. His estates were, in other words, held as a fief [by definition a delegation] The liege lord in his turn would often be the vassal of a feudal superior, and the chain of such dependent tenures linked to military service would extend upwards to the highest peaks of the system - in most cases, a monarch- of whom all land could in the ultimate instance be in principal the eminent domain. ... The consequence of such a system was that political sovereignty was never focused in a single center. The functions of the State were disintegrated in a vertical allocation downwards, at each level of which political and economic relations were, on the other hand integrated. The parcellation of sovereignty was constitutive of the whole feudal mode of production."

P. Anderson 1974a: 147-8

The Ottoman Sultan's 'ownership rights' over the empire's territory were no less nominal than in the western case, as will be shown below. Up to the nineteenth century much of the land in the Ottoman empire was communally exploited and tilled by families, clans and tribes. Put in a simplistic way, we can say that the effective possession of land was in the hands of those who could control it. From this broad statement, we can see that a broad variety of possession structures rose irrespective of the legal framework that existed in the Empire or its particular regions. The power relations between the center the Ottoman Sultanate and the Persian Empire, between the Wilaya and the center of the Sultanate, between the Wali and the provincial power holders -notably the nomadic tribes- determined the type of authority, and therefore the type of tribute to be paid to that authority. Each of these in turn determined the ensuing type of land ownership and the system under which labor was recruited. When the nomadic tribes got the upper hand for a sufficient number of years, and could collect tribute on a more or less regular basis, these nomads could make some legal claim on land, thus transforming themselves into the real landowners. This was the case of the powerful Shammar and 'Iniza tribes in northwestern Iraq and northeastern Syria, and the Abadhas, Shawarbis and other tribes in Egypt. In relatively secure regions -normally near the seat of the Sultanate and around the major centers of wilayas- some kind of private absentee ownership of land by urban individuals was in existence. Urban notables farmed land via their agents.

"A major cause of the nonemergence of large estates in the Middle East ... was the prevailing pattern of settlement. With the weakening of the Ottoman authority at the end of the sixteenth century, the subtle balance of power in many areas of the state was tipped in favor of the nomads, whether Bedouin in Syria and Palestine or Turcoman in Anatolia. ... In few other empires was the desert civilization so close to the settled world. A minor weakening of central authority in the Ottoman Empire was enough to let loose a safety valve that had kept the nomads in check. The outcome of such a small slip was vastly more catastrophic than in other civilizations where the weakening of the central authority might entail greater autonomy for the villages. Here it meant desertion of the most fertile stretches of land, decline of population and the loss of vast amounts of revenues to the government. ... In fact, the valleys of Anatolia and the Fertile Crescent were only settled when public security increased in the mid-nineteenth century."

Gerber 1987: 59-60

1 See also Parain (1961: 46-75) who showed that under feudalism the lord's ownership of land was effective but not absolute since he himself belonged to the feudal hierarchy of lords and was the vassal of an overlord who had the ultimate but not effective ownership of land.
Improvement in war and communication/transportation technologies helped the state extend its authority and pacify/subjugate increasingly distant areas and tribes. This came at a time when European capitalism was expanding and its needs for raw material, and to a lesser extent, for external markets were equally expanding. All these factors must be taken into consideration when trying to understand the radical changes in the social structure of the Middle East from circa the second third of the nineteenth century. In other words, the crucial issue to be discussed is not whether European expansion impacted socio-economic development of the Middle East (or the third world) or not, nor is it whether this impact was 'positive' or 'negative'. The major question that I would like to address is what exactly were the changes, and why did they take that particular form.

Thanks to new research over the past two decades, the existence of private property of land in Egypt prior to its insertion in the world trade network is widely accepted by researchers today. According to Gerber, Egypt was the main granary of the empire and thus had to be considered one administrative unit. In most areas of the Ottoman Empire the surplus (the land tax) was disposed of locally, it was assigned either to timar holders (demesnes given to warlords in exactly the same way that much of West European feudalism arose; i.e. according to the number of men they can provide in military campaigns) or to waqfs (religious endowments intended to preserve land in perpetuity). Only in the case of Egypt was the governor of the province entrusted with the task of handling that surplus centrally and redirecting it to other parts of the state. This was a decisive factor in the transformation of Egypt into a semi-independent (and eventually independent) country (Gerber 1987: 64).

Probably this factor, in addition to the relatively lesser danger that nomadism posed to the settled peasantry -in comparison to eastern Anatolia and the Arab Mashreq- accounts for the establishment of private possession of land at an earlier stage. Elsewhere, land was communally allotted by tribes to their member families according to the number of individuals who could till it. Communal exploitation of land seems a universal phenomenon known by all societies at one point or another in their history. Perry Anderson has noted that “When the Roman legions had first encountered the Germanic tribes in the time of Caesar, they were settled agriculturalists, with a predominantly pastoral economy. A primitive communal mode of production prevailed among them. Private ownership of land was unknown, each year the leading men of a tribe would determine which part of the common soil was to be ploughed and would allocate sections of it to respective clans” (Anderson 1974a: 107). Even in a much more recent period, in eighteenth century Russia and Germany, the persistence of the mir and the mark respectively-both forms of communal land- is acknowledged by historians (Mandelbaum 1979: 522).

But in the Middle East, this type of possession should not be viewed as a “stage” in a linear evolutionary procession, because historians of the early Islamic Empires, as well as the Persian and Roman Empires which dominated the region before that, have shown that some variants of feudalism did prevail until the Mogul invasions in the thirteenth century (Al Douri 1984). Relying on first-hand documents, Cuno traced that development to the beginning of the eighteenth century; i.e. more than a century before Egypt’s agriculture was transformed into commercial one:

“As Ottoman authority in the provinces weakened, its land laws became increasingly irrelevant, while intermediaries gained increasing control of the land at the state’s expense. By the early eighteenth century, they had acquired landholding rights in Egypt that established them as landlords in every sense of
the term These included: (1) lifetime possession of the *iltizam* (tax farming), as long as taxes were paid; (2) inheritance of it by descendants, wives, or white slaves; (3) the ability to convert land into *waqf*, thereby guaranteeing the family's continued possession of it; (4) the ability to mortgage the land; (5) to pawn it; or (6) to sell it outright.”

Cuno 1980: 247

Gerber remarked that a fundamental element of the *iltizam* in Egypt was a sort of demesne given to the tax farmer in perpetuity for his personal livelihood. “Tax farmers, however, regularly coerced the peasants of Egypt into cultivating land as corvée (forced labor). This part of the *iltizam* became private property in a more pronounced way than the rest. ... Turning tax farms into religious endowment became a major avenue to large-estate formation. Jabarti noticed in 1813 that about one-fifth of Egypt's cultivated land was in fact *waqf*” (Gerber 1987: 65)

Ali Barakat's detailed and profound study of the land ownership regime in nineteenth-century Egypt showed that by the beginning of the nineteenth century three groups consolidated their hold on land. Out of the six thousand *mutazims* (land farmers) then in place, three thousand were mamluks possessing more than one-third of the total agricultural land in Egypt (Barakat 1977: 17). Because of the wide recourse to *waqf* as a means of securing private property of land, the 'ulama and religious notables formed the second branch of that landed aristocracy. Brakat gives detailed examples of whole villages registered in the names of the religious shaikhs and exempt from paying taxes. The third group was composed of the shaikhs of bedouin tribes who controlled large estates, especially in the Sā'īd: Egypt's south. But the position of these shaikhs deteriorated when fierce military campaigns were directed against them in the era of Muhammed Ali (1805-1848).

Muhammed Ali introduced wide-ranging changes in the land system in Egypt. The aim was to force some kind of economic unification of Egypt and the centralization of state power. He abolished the *iltizam* system, confiscated the land that the *mamluks* had acquired, and introduced new systems of taxation due to his need for additional revenues. However, Barakat admits that the new system, the 'uhda as it was called, did not differ much from the *iltizam*, which it had superseded (op. cit. 38). For this system consisted of a royalty given to someone who promised to pay the accumulated and current taxes of a village in exchange for getting part of the village's land as a private possession. The villagers were obliged to work for the 'lord' in exchange for a share of the crop.

According to Gemal Hamdan, Muhammed Ali established the firm basis of feudalism in Egypt, whereby the ruling family appropriated the largest portion of land for itself (around one million feddans on average). The modern system of land ownership developed through three phases: Muhammed Ali sanctioned the farmers' right to cultivate but not to inheritance, Khedive Sa'id allowed constrained ownership through the Sā'īd Decree (*al La'īha al Sā'idyya*), while Khedive Ismail allowed unrestricted ownership (*Qanoun al Muqabala* “The Law of Reciprocity”) (Hamdan 1996, vol. 3: 107-108).

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2 One feddan = 1.038 acres or 0.42 hectares.
3 This title: Khedive (vicroy or deputy to the Sultan) was accorded to the Wali of Egypt in 1867 during the era of Ismail. It reflected the significant role of Egypt in the Ottoman Empire.
4 Hamdan, however, misconceives the significance of these developments when he contrasts them with what he thinks is European history: “Here we notice that, while property rights came as the product of the gradual and slow popular struggles in Europe, in Egypt it was a concession of rulers because of
With the firm establishment of private property in land, a steady trend towards the concentration of land in the hands of big landowners was clearly noticeable. Out of Egypt’s total cultivable land of 5.1 million feddans, large holdings of more than 50 feddans increased from around 2 million feddans in 1894 to 3.4 million feddans in 1914 (Baer 1969: 103-104, 224). Medium-sized holdings (5-50 feddans) covered 1.6 million feddans or 30 percent of total cultivated land in 1914, leaving only 100,000 feddans to small plots of less than 5 feddans.

Although the proportion of big plots to total agricultural land tended to decrease following WWI and more land was brought into cultivation making the total cultivable area almost six million feddans, concentration of large estates in fewer hands and increase in the size of estates continued until the outbreak of the republican revolution of 1952. In the year of the revolution, 94 percent of landowners owned only 35.4 percent of land, amongst whom more than 2 million owned 738,000 feddans, i.e. an average of ½ feddan per owner, that is they were practically landless, while almost two-thirds of the land (64.4 percent) was owned by 6 percent of the landowners, amongst whom 0.3 percent owning more than one third (34.1 percent) (Hamdan 1996: 114-5).

Patterns of land ownership in Anatolia and the Mashreq countries seem to confirm the same trend, which had emerged in an earlier period in Egypt for the reasons mentioned above. In the case of Anatolia, Charles Issawi studied British consular reports pertaining to the period prior to the enforcement of the 1858 Ottoman land codes. His findings are very interesting in that large-scale private ownership of land was only predominant in the eastern parts, whereas the rest of Anatolia was characterized by the preponderance of small holdings and relatively free peasantry. Issawi found that in the region of Izmir, one of the major trading cities of Anatolia, holdings between 3 and 20 acres were the most widespread until the second half of the nineteenth century (Issawi 1980: 203). In fact, this trend continued, it seems, well into the twentieth century following the establishment of the modern Turkish state. On the eve of WWII, more than 86 percent of the total cultivated land was in parcels with an average area of 60 decares each, while big estates only covered 3.7 percent of the total cultivated land.

Despite the absence of detailed and precise studies on land ownership in Persia/Iran, it seems that more than a century of weak state authority has led to the rise of unrestrained feudal lordship in the countryside. When the Shah regime promulgated a land reform law in January 1962, no surveys on land ownership were available to the government. Out of an estimated 40 - 50 thousand villages that existed in the entire country, around two hundred families owned an average of one hundred villages each, that is half the total. Ten thousand more villages (between one fourth and one fifth of the total) were in the hands of landowners whose property ranged between five and one hundred villages. Seven thousand villages were owned by landlords controlling one to five villages (Baldwin 1967: 94 fn.).

Table - 1.1 -
Egypt: Structure of Land Ownership

their need for cash” (op. cit. 108). For what else are social struggles other than the power of influential classes to impose their interests on a ruler in exchange for responding to his interests? In fact, Egypt’s case is strikingly similar to the bargains made between kings and nobility in early modern Europe.
Prior to the Land Reform Act of 1952

<table>
<thead>
<tr>
<th>Size of Property of Property</th>
<th>Number of owners</th>
<th>%</th>
<th>Area</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5 feddans</td>
<td>2642000</td>
<td>94.3</td>
<td>2122000</td>
<td>35.4</td>
</tr>
<tr>
<td>5-10</td>
<td>79000</td>
<td>2.8</td>
<td>526000</td>
<td>8.8</td>
</tr>
<tr>
<td>10-50</td>
<td>69000</td>
<td>2.4</td>
<td>1291000</td>
<td>21.5</td>
</tr>
<tr>
<td>50-100</td>
<td>6000</td>
<td>0.2</td>
<td>429000</td>
<td>7.2</td>
</tr>
<tr>
<td>100-200</td>
<td>3000</td>
<td>0.1</td>
<td>437000</td>
<td>7.3</td>
</tr>
<tr>
<td>200</td>
<td>2000</td>
<td>0.07</td>
<td>1177000</td>
<td>19.6</td>
</tr>
<tr>
<td>Total</td>
<td>2801000</td>
<td>100</td>
<td>5982000</td>
<td>100</td>
</tr>
</tbody>
</table>


Table - 1.2 -

Turkey: Distribution of Cultivated Lands, 1938

<table>
<thead>
<tr>
<th>Size of Farm (decares)*</th>
<th>Total Farms</th>
<th>Total Cultivated Land (decares)*</th>
<th>Average Size</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
<td>Area</td>
</tr>
<tr>
<td>5,000 and above</td>
<td>418</td>
<td>0.02</td>
<td>6,400,000</td>
</tr>
<tr>
<td>500 - 5,000</td>
<td>5,764</td>
<td>0.23</td>
<td>17,200,000</td>
</tr>
<tr>
<td>Subtotal</td>
<td>6,182</td>
<td>0.25</td>
<td>23,600,000</td>
</tr>
<tr>
<td>Less than 500</td>
<td>2,493000</td>
<td>99.75</td>
<td>149,180,000</td>
</tr>
<tr>
<td>Grand Total</td>
<td>2,499,182</td>
<td>100.00</td>
<td>172,780,000</td>
</tr>
</tbody>
</table>

*One decare = 1,000 square meters, or 0.2471 acre.

In Grand Syria (Syria, Lebanon, Palestine and Trans-Jordan) and Iraq, big land ownership developed to a much larger extent than in Turkey, but wide variations were noticeable across and within each country. Basing his study on a large number of untapped first-hand Ottoman documents, Gerber challenged many hitherto accepted axioms on the patterns of land tenure in the region, as well as the origins of landowners and their relationship with the state or its officials. The notion initiated by eighteenth century voyagers and shared by many contemporary scholars of a system of large feudal estates dominating the whole region is vehemently denied. Gerber’s research meticulously traces the evidence demonstrating the wide existence of small peasant property. Yet, as will be shown below (relying on Gerber himself as well as others), the author goes to the other extreme by denying the existence of large landed property in almost the entire Asian part of the Ottoman Empire in the period 1600-1858 (Gerber 1987: 66). Moreover, the author whose work successfully attempts at refuting the myth on cultural exceptionalism that characterized the Middle East puts the Ottoman Empire’s land system in a unique place “Off all the great empires in history, the social evolution of Ottoman society unfolded in such a way that the peasantry remained relatively free” (Gerber 1987: 66).

Viewed in comparison to its contemporaries, however, the Ottoman system is hardly unique. Even in feudal Western Europe, peasant property was far from extinct. Legal definitions of ownership rarely coincided with actual practices and property
rights before the rise of capitalism and the clear separation of politics, law and economics as distinct institutional instances. Thus “for most of the medieval epoch, much of the land was owned outright by neither lords nor peasants, it was “possessed” by peasants, subject to exactions by the lords which were in theory fixed, but in practice often fluctuating” (Brenner 1985b: 218). Reflecting on England’s successful transition to capitalism ahead of its continental neighbors, Robert Brenner highlighted the fact that in neighboring France peasant proprietorship at the end of the seventeenth century constituted “some 40 - 45 percent of the cultivated land”. In England, by contrast, the owner-occupiers at this time held no more than 20- 30 per cent of the land (Brenner 1985a: 61).

A similar situation existed in Scandinavia too.

“The Swedish land laws of the thirteenth and fourteenth centuries reveal a society still strikingly similar in many respects to that depicted by Tacitus in his account of Germany in the first century; the two main differences being the disappearance of tribes and the existence of a central state authority.

“By the end of the Middle Ages, despite the encroachment of aristocracy, clergy, and monarchy, the Swedish peasantry was still in possession of half the cultivated surface of the country. Although this was later to be declared the dominium directum of the monarch by royal lawyers and was hedged with legal restrictions on leasing and dividing plots, in practice it formed a broad allodial sector which owed taxes to kings but no further dues and services.”

P Anderson 1974 a: 180 fn. , 180-1

These and other similar cases in some German Principalities are interesting in that they may shed some light on the political structure erected upon small peasant property. In other words, the ‘absolutism’ of the Ottoman state may well be explained on similar lines as those of France.

“(In France, unlike England, the centralized state appears to have developed ...as a class-like phenomenon- that is, as an independent extractor of the surplus, in particular on the basis of its arbitrary power to tax the land ... Correlatively, the state could develop, as it ultimately did, as a competitor with the lords, largely to the extent to which it could establish rights to extract the surplus of peasant production ... Probably the archetypal case of the state actually developing in this manner as an independent class-like surplus-extractor in relation to the emergence of an entrenched landholding peasantry can be found in the rise of mini-absolutisms” of the west German princes in the early modern period.”

Brenner 1985a: 55-6

Thus in France strong peasant property and the absolutist state developed in mutual dependence upon one another. The state increased its own power by virtue of its ability to get between the landlords and the peasants to ensure peasant freedom, hereditability and fixed rents, and thus to use peasant production, via non-parliamentary taxation, as the direct source of revenue for royal strength and autonomy (Ibid. 58).

Seen in this light, the Ottoman land system seems hardly unique, and the state’s attempts at preserving small landed property are quite comprehensible. More important is the point regarding the correlation between fragmented landed property and non-representative rule. Yet in the case of the Ottomans, it must be noted that the ability to defend peasant property fluctuated depending on the power relations with the nomadic tribes. And this must be seen as a crucial element in explaining why were entrenched peasants (especially around the major towns) supportive of the Ottoman
state, because despite the taxes paid, these seemed fairer protection costs than the devastation and/or loss of property that was the "price" that would be paid to nomadic tribes.

Gerber casts serious doubts on the notion that tax-farming was as corrupt a system as it is generally viewed. Quoting a study on nineteenth century Palestine, he agrees that the iltizam (tax farming) was not given to the highest bidder and that in this system of taxation there was no excessive extortion. This only came in the wake of the Egyptian occupation (1832-1840) when the principle of selling the iltizam to the highest bidder was introduced (Gerber 1987: 54). He found little evidence that mulatazims (land-farmers) abused their positions to become an effective landed elite. In fact, he found that the land farmers were rarely free handed, and they were rarely awarded the right of farming very large regions (op. cit. 53-4). In many cases Muftis (religious scholars) responded positively to complaints by farmers and ordered multazims to lower their taxes, which demonstrates that the tax farmers were not as despotic as we generally tend to portray them, and that local social forces did play major roles in restraining and constraining state power even when there was a tendency towards despotism.

Tax-farming for life (malikane) was not a natural development of iltizam, Gerber asserts. It seems that this form, which could be conceivably viewed as large-estate formation par excellence, only held in relatively secure areas. Thus in the case of Damascus and its valley region a number of families received several villages as malikane and held them for several generations (Gerber 1987: 54).

But apart from Damascus, landlordism was an entrenched phenomenon in the Hamah region north of Damascus even in the early nineteenth century. In 1834, the Russian traveler Peotr Lvov described Syrian peasants as "semi-slaves" who had to pay landowners most of their produce in exchange for the right to use the land (Lvov 1993: 288). Rafiq and Behjet described large landlordism in the regions north of Beirut in 1915. In northern Syria and especially in Latakia, Jabla and Tartus, three cities lying on the Syrian shore on the Mediterranean, and in Akkar, in the north of Lebanon, the names of families owning exceptionally large territories of up to 150,000 donums, and many others owning 10,000 donums are frequently cited in the context of the post 1858 Ottoman land codes era (Gerber 1987: 84). The consolidation of land in the hand of a few landowners has been documented by many authors. Yet one should note that landlordism in Syria, Lebanon and Palestine was much less pronounced than in either Egypt or Iraq. Al Siba’i notes that when the 1958 Land Reform Law was passed, 3240 landowners had surpassed the maximum allowed by the law. Big landlords owned or actually possessed 2,375 million hectares. Al Siba’i found that 3240 families composed around 0.6 percent of the rural population and owned 35 percent of cultivated land. The average ownership by a big landowner was 700 hectares, while for the average rural family it was 7 hectares.

Table - 13 -

Syria:
Land Owners falling within the Jurisdiction of Land Reform Law 1958

| Land Owners falling within the Jurisdiction of Land Reform Law 1958 | 23 |
Until 1958 when the land reform laws were enacted, the Syrian countryside was dominated by large landlords. Gerber notes however, that the “greatest concentration of large estates was not in the immediate vicinity of the great urban elites. Where the urban elite was strongest, we also find important centers of small peasant independence. The region of Hama was an exception to this trend; it was the region where one could actually speak of a feudal regime. A small number of families in Hama owned whole villages” (Gerber 1987: 97). Yet, although Gerber is perfectly right in his critique of the thesis that exaggerated the role of landlords, it seems to me that he tended to exaggerate the preponderance of small-sized independent peasantry. This latter case may well have been the case in a country like Jordan, with little fertile land, sparse population, and few marketable agricultural products. Thus it does not look surprising that in 1950 Jordan, only 14.2 percent of privately held land was in large estates (1000 donums and more), 49.5 percent in medium-sized estates (100-1000 donums), while 36.3 percent was in farms of less than 100 donums (Baer, quoted by Gerber 1987: 100). But Syria had a much less egalitarian land system in the 1950s, as can be seen from the following table:

<table>
<thead>
<tr>
<th>Governorate</th>
<th>No. of Landowners</th>
<th>Property in hectares</th>
<th>Average area per owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Damascus</td>
<td>415</td>
<td>108841</td>
<td>262</td>
</tr>
<tr>
<td>Dir’a</td>
<td>27</td>
<td>50317</td>
<td>1863</td>
</tr>
<tr>
<td>Al Suwaida</td>
<td>11</td>
<td>37661</td>
<td>3423</td>
</tr>
<tr>
<td>Homs</td>
<td>201</td>
<td>213554</td>
<td>1067</td>
</tr>
<tr>
<td>Hama</td>
<td>261</td>
<td>217626</td>
<td>834</td>
</tr>
<tr>
<td>Aleppo &amp; Idlib</td>
<td>608</td>
<td>419831</td>
<td>690.5</td>
</tr>
<tr>
<td>Latakia</td>
<td>51</td>
<td>23997</td>
<td>470.5</td>
</tr>
<tr>
<td>Dair al Zor</td>
<td>881</td>
<td>618660</td>
<td>702</td>
</tr>
<tr>
<td>Al Hasaka</td>
<td>1062</td>
<td>698022</td>
<td>657</td>
</tr>
<tr>
<td>Total</td>
<td>3247</td>
<td>2467955</td>
<td>760</td>
</tr>
</tbody>
</table>

Source: Al Siba’i 1976: 44

The wide variance in systems of land ownership within Syria can be gauged from table 1.5 pertaining to the same period.
Statistics on land tenure in Lebanon are much more scanty and confusing. Until the end of the French mandate in 1946, statistics on Lebanon used to be compiled jointly with those on Syria. But since the Lebanese government did not enact land reform laws, we can cite a 1961 official survey carried by the Lebanese Ministry of Agriculture as an indicator of the land ownership pattern throughout the first half of the twentieth century.

Table 1.5

Syria: Distribution of Privately Owned Land by Size and Province (% / Hectares)

<table>
<thead>
<tr>
<th>Province</th>
<th>Less than 10</th>
<th>10-100</th>
<th>Over 100</th>
</tr>
</thead>
<tbody>
<tr>
<td>Damascus</td>
<td>19</td>
<td>44</td>
<td>37</td>
</tr>
<tr>
<td>Aleppo</td>
<td>14</td>
<td>40</td>
<td>45</td>
</tr>
<tr>
<td>Homs</td>
<td>8</td>
<td>59</td>
<td>33</td>
</tr>
<tr>
<td>Hamah</td>
<td>2</td>
<td>42</td>
<td>36</td>
</tr>
<tr>
<td>Latakia</td>
<td>32</td>
<td>30</td>
<td>38</td>
</tr>
<tr>
<td>Euphrates</td>
<td>15</td>
<td>47</td>
<td>39</td>
</tr>
<tr>
<td>Jazira</td>
<td>7</td>
<td>58</td>
<td>35</td>
</tr>
<tr>
<td>Hauran</td>
<td>47</td>
<td>46</td>
<td>7</td>
</tr>
<tr>
<td>Jebe Druze</td>
<td>30</td>
<td>58</td>
<td>12</td>
</tr>
</tbody>
</table>

Source: Warriner, quoted by Gerber 1987: 97

Table 1.6 shows that the patterns of land ownership in Lebanon were very similar to those in neighboring Syria before the enactment of land reform in the latter country. One should keep in mind that despite its small area (10,300 sq. kilometers), Lebanon has a varied topography ranging from rugged mountainous regions to river-irrigated plains. Hence, some authors have suggested that whereas a holding of 10 hectares is considered medium-sized in other countries, it should be considered a large one in the case of Lebanon (Daher 1983: 56). Whatever criteria one adopts, the gross inequality in land distribution is quite clear from the above table, which shows that 0.3 percent of landholders owned more than 15 percent of the total cultivable area, while more than one half the agricultural population (53 percent) owned only 9 percent of the agricultural land.

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5 The Lebanese historian M. Daher cites a survey conducted by the French mandate authorities and pertaining to the 1940s (Daher 1983: 168). The statistical discrepancies in this survey, however, are quite clear. For example, he mentions that 191 landowners making up 0.09 percent of the population owned 40,500 hectares and they belonged to the category of owners of between 5-10 hectares. By dividing the total area on the number of owners, it turns out that the average exceeds 200 hectares! Even if we assume that the number is 1910 owners, the average would be more than 200 hectares. In addition, Lebanon’s population in the 1940s was more than 2 million, which means that the 191 owners were less that the 0.09 percent cited in Daher’s work. The same applies to all other categories mentioned. Unfortunately, the source of this survey is not cited in full, which made it impossible to verify the figures cited by the author.

6 It goes without saying that the area of a holding is hardly a sufficient indicator of the socio-economic status of a landowner. Other factors, such as land fertility, proximity to markets, means of irrigation, and the development of road networks are equally important determinants of the income from land.
Table 1.6
Lebanon: Structure of Land Ownership
1961

<table>
<thead>
<tr>
<th>Size of Holding (hectares)</th>
<th>No. of Holders</th>
<th>% to total holders</th>
<th>Total area (hectares)</th>
<th>% to total area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1/2</td>
<td>44,510</td>
<td>35</td>
<td>11336.1</td>
<td>3.73</td>
</tr>
<tr>
<td>1/2-1</td>
<td>23,615</td>
<td>18.7</td>
<td>15805.6</td>
<td>5.2</td>
</tr>
<tr>
<td>1-2</td>
<td>23,708</td>
<td>18.7</td>
<td>32472.2</td>
<td>10.6</td>
</tr>
<tr>
<td>2-3</td>
<td>10,598</td>
<td>8.3</td>
<td>25652.5</td>
<td>8.43</td>
</tr>
<tr>
<td>3-4</td>
<td>6,706</td>
<td>5.3</td>
<td>32330.1</td>
<td>7.3</td>
</tr>
<tr>
<td>4-5</td>
<td>5,949</td>
<td>4.6</td>
<td>26173.2</td>
<td>8.6</td>
</tr>
<tr>
<td>5-10</td>
<td>7,277</td>
<td>5.8</td>
<td>49194.9</td>
<td>16.2</td>
</tr>
<tr>
<td>10-20</td>
<td>3,017</td>
<td>2.3</td>
<td>38652.7</td>
<td>12.7</td>
</tr>
<tr>
<td>20-50</td>
<td>1,304</td>
<td>1</td>
<td>36434.5</td>
<td>12</td>
</tr>
<tr>
<td>50-100</td>
<td>299</td>
<td>0.2</td>
<td>21102.4</td>
<td>6.94</td>
</tr>
<tr>
<td>100-250</td>
<td>119</td>
<td>0.09</td>
<td>14461.2</td>
<td>4.75</td>
</tr>
<tr>
<td>More than 250</td>
<td>21</td>
<td>0.01</td>
<td>10398.9</td>
<td>3.4</td>
</tr>
<tr>
<td>Total</td>
<td>127,123</td>
<td>100</td>
<td>304,014.3</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Baalbaki (1973: 35-6).
*Percentages in the last column corrected by the present author, and they do not add up to 100, because of rounding.

The similarity with Syria lies in the wide provincial differences within the country. In the province of Mount Lebanon, 90 percent of the total agricultural population owned land, while in the south the ratio dropped to only 70 percent (Baalbaki 1973: 43-4). Similarly, large holdings were rare in the mountainous and coastal areas, whereas they were preponderant in the south and the internal plains of Ba‘lbeck, ‘Akkar, Hermel and Tripoli.

Yet no other country in the region faced the devastating effects of nomadism and bedouin invasions on its land system more than Iraq. The Moguls’ devastation of a once prosperous Baghdad, the seat of the Abbaside Caliphate in 1258 is too well known. Yet, even centuries after that when the Persian state acted as a buffer against such invasions and after more than a century of relative peace between the Persians and Ottomans when wars were no longer fought on Iraqi territory, Iraq was not immune from another source of bedouin invasions. The nearby Arabian Peninsula kept pumping thousands and thousands of tribal waves whenever ecological reasons made it impossible for those to find a living in their homeland. The last grand wave, which reached Iraq and Syria, dates to the mid-eighteenth century (Hourani 1961: 47-7).

It is interesting to note that Gerber’s otherwise profound study on land ownership in the Middle East relies on very limited sources regarding Iraq. Whereas the author goes into very important details to show the wide differences in the patterns of land ownership in Palestine whose total historic area did not exceed 27 thousand square kilometers, he gives sweeping generalization on land ownership in Iraq, whose area is sixteen times that of Palestine. In fact, the total area of the entire historical region of Grand Syria (present-day: Syria, Lebanon, Jordan, Israel and Palestine), which is 314,470 sq kilometers is only 72 percent of Iraq’s area of 434,920 sq kilometers.
50). But even in the nineteenth century, incursion and attacks by Arabian Peninsula tribes were frequent.

Salih Haider succinctly described how the migration of the powerful Shammar tribe from Najd, in central Arabia, has tremendously altered the structure of Iraqi society in the first half of the nineteenth century. This wave of migrants eventually caused a huge turmoil in the economy and was manifested by the expulsion of other tribes’ peasants from land and the competition with other tribes on their graze lands. Tay tribe was pushed north to fight the Turcoman and Kurdish tribes. Al Jubour, another powerful tribe, was expelled from its lands on the right banks of the Tigris towards Mosul in the north and Hilla in the south. Some sections crossed the Tigris to the areas lying south of the Lower Zab River. Albu Hamdan were dispersed after being forced out of the Tigris Jazira. Al ‘Ubaid left their homes in al Dujail north of Baghdad. They crossed the Tigris to Hawija, while other sections migrated to the Khabour area. Some of the Yazidis of Sanjar left their lands to other mountainous regions. Since then the final map of tribes took its present form (Haider 1942: 80-83).

Yet the rain-fed zones and the Mosul area in the north of present-day Iraq were less affected by these waves of migrations than the rest of the country. The rugged mountainous regions provided a natural shelter for the Kurdish tribes, as well as the Christian Assyrian community and the followers of the ‘heretic’ Yazidi religion. And Mosul’s proximity to Anatolia brought a minimum degree of security, since proximity to the seat of the Sultanate has made it relatively easier for the central authorities to send military expeditions against trespassers.

Since the early nineteenth century, most of Mosul’s villages were registered in the names of shaikhs, aghas, mukhtars (chiefs of villages), mullahs or other notables. In some cases tribes continued to provide protection to peasants holding tapu (property) titles. Such cases existed in ‘Aqr a and ‘Amadiyya where, according to a questionnaire prepared by Sir Ernest Dowson in 1930, it was found that 95 percent of the cultivators owned land and cultivated it by themselves. The rich among those would employ tribesmen (Haider 1942: 541, Al Jawahir i 1978: 118). But even here, a fee was paid to the aghas or city notables for protection (Al Jawahir i 1978: 118).

The land tenure system in Mosul was much harsher than elsewhere in Iraq. In 1880-1882 the Ottomans suspended the registration of land, but that did not apply to Mosul and the northern part of Iraq. With time the proportion of tapu in Mosul was highest than anywhere else in Iraq. The process of land registration in the names of shaikhs and notables is documented by many sources, amongst whom Nadhmi: “The peasant was given 25 percent of the value of his land in order to sell. If he refuses, he would be thrown in prison under a false accusation like murder, until he changes his mind” (Nadhm i 1984: 94 quoting Gertrude Bell who was a close observer of the 1920s Iraq).

A classical study on Islamic society in the early modern era asserted that Mosul developed a Western-type feudal system where peasants were reduced to serfs. An Ottoman document from the Mosul Wilaya imposes on the subjects the following duties:

1) payment of “bridal fees” to the timarchi (owner of the fief) when a subject obtains a marriage contract;  
2) the timarchis take parts of the crops which they help in transporting to the market;  
3) rights in fat lambs which pasture in the timar;  
4) rights when the grain is ground in the mill;  
5) right of passage of goods in the timar (Gibb and H. Bowen 1951: 158).
The eastern part of Iraqi Kurdistan had to wait until around the 1830s for the Ottoman-Persian wars to end in order that its land structure take its final shape. But even before that, tribal ties assured that Aghas (Kurdish chiefs of tribes) would subjugate their tribe members or non-tribal Kurds to semi-serf conditions. Claudius Rich cites a Mahmoud Agha from the war-torn Sulaimaniyya province as saying:

“The want of security in our possession is the sole ruin of the country. While we tribesmen are not sure of holding our estates, we never will addict ourselves to agriculture; and until we do, the country can never prosper. Why should I, for instance, throw a tagar of seeds into the ground, when I am not sure that my master will hold his government, and I my estate until the season of harvest? Instead of doing this, I allow the peasants to cultivate my estate as they might find it convenient, and I take from them my due, which is the zakat, or tenth of the whole, and as much more as I can squeeze out of them by any means and on any pretext.”

Rich 1831: 96 Italic s added

Thus even when the land titles were not settled yet, feudal-like exploitation of peasants was ‘legitimated’ whenever aghas could lay their hands on a territory. In fact, tribal Kurds did believe that peasants -the Goorans- did not belong to their ‘race’ and that they were destined to serve the ‘superior’ clannis ‘race’ (Rich 1831: 80fn ). Rich even goes to confirm this as an “anthropological finding”:

“I had today confirmed by several of the best authorities...that the peasantry in Koordistan are a totally distinct race from the tribes, who seldom, if ever, cultivate the soil; while, on the other hand, the peasants are never soldiers. The clannis Koords call themselves Sipah, or the military Koords, in contradistinction to the peasant Koords, but the peasants have no other distinguishing name than the Rayahs [literally a subject, but generally used for a peasant] or Keuylees [a villager] in this part of Koordistan. A tribesman once confessed to me that the clans conceived the peasants to be merely created for their use; and wretched indeed is the condition of these Koordish cultivators. It much resembles that of the negro slaves in the West Indies...The treatment which the peasantry receive is well calculated to brutify them.”

Rich 1831: 88-89 (misspellings in original text)

The more we moved to the west, to the mountainous regions of Bahdinan, land plots tended to be individually farmed, as we have seen in the case of ‘Aqrā and ‘Amadiyya. It is interesting that because of the relative freedom of the peasants in this region and the preponderance of small-sized plots, Rich found that “there is no peasantry properly so called, or a peculiar race of cultivators of the soil, either in Amadia or Hakkari” (Ibid. 279). Haider gave a convincing explanation for the frequency of peasant proprietorship in this part of Kurdistan. One can sum the reasons for the variation in the ownership structure as functions of the variation in protection costs. Where security was absent, a tapu holder was forced either to rally under some tribal organization and claim membership of it, or place himself under the protection of some Kurdish agha against a share of his produce or perhaps even the title of his land. By contrast, in the western and mountainous part of Kurdistan the tribal system gave the peasant ample protection (Haider 1942: 541-2).

In the ex-wilayas of Baghdad and Basra, the situation was much more complex and the struggle and conflicts over establishing title deeds played a decisive role in shaping the modern history of the country. The difficulty of controlling these

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4 On the notion of ‘protection costs’. see chapter 5 on political authority and identity.
parts of the country posed a dilemma for the Ottomans who wanted to impose their central state authority on the region, but knew that they could not do so without reaching a modus operandi with the actual holders of social power, namely tribal chiefs. Naturally, those shaikhs were not willing to cede their autonomy and authority unless they were forced to do so. Exploiting their social functions, the shaikhs initially shared part of the revenues with the multazims, in exchange for facilitating the collection of taxes from tribe members. Then they assumed the job altogether.

This process enabled the shaikhs to lay hands on the entire dira (the tribal communal land) (Al Jawahiri 1978: 79). After the enactment of the Ottoman land codes of 1858, Baghdad’s wali Midhat Pasha tried to pacify some tribes and sedentarize others by handing them land titles. Thus Ibn Hadhdhal of I’niza bedouin tribe acquired gardens and land on the Upper Euphrates, Farhan of the Shammar Jarba was granted a tapu sanad (property title) on part of the tribal dirah of Shammar at Shirqat, the Sheikh of Cha’ab was granted land on the Shatt-al-Arab. In Muntafig, Madhat Pasha authorized Nasir Pasha al-Sa’dun, his nominee chieftain of the tribal confederation of al-Muntafig, whom he had appointed as liwa governor (Mutassarif) of the district to have the major part of the tribal land of the Muntafig Confederation registered in his name and in the names of various members of his family; and granted large estates to his Christian clerk Naoum Serkis, to his Jewish banker Mr. Daniel, as well as to some townsmen in Shatra and Nasirriyyah (Haider 1942: 566-7).

<table>
<thead>
<tr>
<th>Size of Holdings (Donums*)</th>
<th>Landholders</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td>Under 1</td>
<td>23,089</td>
<td>9.12</td>
</tr>
<tr>
<td>1 - 9</td>
<td>90,496</td>
<td>35.73</td>
</tr>
<tr>
<td>10 - 49</td>
<td>71,049</td>
<td>28.05</td>
</tr>
<tr>
<td>50 - 99</td>
<td>29,884</td>
<td>11.8</td>
</tr>
<tr>
<td>100 - 499</td>
<td>31,508</td>
<td>12.44</td>
</tr>
<tr>
<td>500 - 999</td>
<td>2,916</td>
<td>1.15</td>
</tr>
<tr>
<td>1,000 - 1,999</td>
<td>1,832</td>
<td>0.72</td>
</tr>
<tr>
<td>2,000 - 9,999</td>
<td>2,128</td>
<td>0.84</td>
</tr>
<tr>
<td>10,000 - 19,999</td>
<td>224</td>
<td>0.09</td>
</tr>
<tr>
<td>20,000 - 49,999</td>
<td>95</td>
<td>0.04</td>
</tr>
<tr>
<td>50,000 - 99,999</td>
<td>25</td>
<td>0.01</td>
</tr>
<tr>
<td>100 thousand and over</td>
<td>8</td>
<td>0.003</td>
</tr>
<tr>
<td>Total</td>
<td>253,254</td>
<td>100*</td>
</tr>
</tbody>
</table>

Note: Figures have been rounded
* One donum = 2,500 sq. meters or ¼ of a hectare.
Source: Batatu 1978: 54

But the process by which shaikhs, alongside many urban notables and highly placed bureaucrats and officials, acquired vast estates of land did not pass smoothly. Despite the unconditional support of the British mandate authorities - and later the
Iraqi monarchy– peasants, as well as tribes that were not supported by the British waged ferocious struggles in order to forestall this development. But once again, it would be erroneous to consider this development as the product of political maneuvers or plots. The fact is that politics intervened in deciding who among would-be landlords would put his claim on land and not in the rise of the cruel sharecropping system in agriculture. The social configuration in the Middle East in general, and in Iraq in particular could not allow the rise of a more progressive social system.

1.2 The Nature of the Agrarian Systems in the Middle East:

Despite a quasi-consensus on defining the precapitalist methods of labor recruitment and exploitation in Middle Eastern agrarian systems prior to the nationalist transformations of the 1950s and 1960s, there is an astonishing quasi-consensus on describing the nineteenth and early twentieth century developments as capitalist. This tradition began by a pioneering study by Ibrahim ‘Amir (1958) who tried to refute the traditional communist notions that the Egyptian countryside was feudal before 1952, so he concluded that the landowning class was transitional to agricultural capitalist. He exaggerated the role of capitalism and denied the presence of precapitalist relations. Anouar Abdel Malik (1968) based his argument on what has become the trademark of the dependency dogma as long as agriculture was commercialized, capitalism was predominant. This dogma culminated in Samir Amin’s emphatic assertion that the old feudal classes in the Arab world were transformed into big capitalist landowners during the second half of the nineteenth century (Amin 1976: 182-4, 242). This statement overlooks the fact that a sizeable portion of land was exploited communally during the first half of the nineteenth century and that feudal or semi-feudal relations were actually confined to those areas where state protection could be provided. Moreover, he deduced the assumed transformation to capitalism from the mere fact that the landowning classes were producing for the world market and that their wealth was dependent on this market.

Similarly, Simon Bromley states that the need of the Ottoman state and Mohammed Ali’s Egypt for revenues during the first half of the nineteenth century “laid the grounds for the formation of a settled agrarian capitalist class” (Bromley 1993: 387). That the processes of class differentiation were going apace under the

Critiques of the dependency/world system dogmas have become so numerous and well known today that I do not feel a need to review them again in this context. The present author, however, shares the basic arguments that were advanced by Robert Brenner in his classical critique of this trend. According to Brenner, capitalism cannot be simply defined as a system producing for the market or for profit. It differs from all pre-capitalist modes of production in its systematic tendency to unprecedented, though neither continuous nor unlimited, economic development in particular through the expansion of relative as opposed to absolute surplus labor. That is, under capitalism, surplus is systematically achieved for the first time through increases of labor productivity, leading to the cheapening of goods and a greater total output from a given labor force.

It follows that not all production for profit that is realized through the market is capitalist production, because production for exchange is compatible with a system where reinvestment is either impossible or not necessary or both. This necessity only arises when free labor and capital exist at the meantime. Therefore it is not trade but the transformation of class relations that accounts for the origins of capitalist development because the world market does not determine a) what to produce, nor b) the level of production. Rather, it is the level of development that determines a country’s position in the world market. (Brenner 1977).
complex influences of the evolution of the Ottoman social structures and the incorporation of the region in the world capitalist market is a well-known fact. But why would that lead to the rise of a capitalist class? Neither Amin, nor Bromley find it necessary to address this question, nor do they attempt to prove that this was indeed a capitalist class, since it is the insertion into a world capitalist market that defines, according to them, the nature of the appropriation and ownership system.

For Gerber, Syria in the middle of the twentieth century "was well ahead in its capitalistic development, while Transjordan was still at the beginning of that road" (Gerber 1987: 100). The same author goes even to talk about "the growing complexity of Egypt's capitalistic economy" in the late nineteenth century (Ibid. 102). Ali Barakat examined developments in Egypt following the British occupation of 1882. These include the consecration of full private property of land, abolishing coerced labor for the state, forbidding the whipping of peasants and the transformation of Egypt into an agricultural colony for the production of cotton for the world market.

But are these developments sufficient to talk about the rise of capitalism in agriculture, as Barakat does (1977: 52, 273-6)? The author describes three forms of peasant exploitation under Muhammad Ali, all of which are hardly compatible with encouraging capitalism. The first was the imposition of state monopoly in 1812, where the government forbade the direct sale of crops to merchants and confiscated all the cereal products, including those destined for personal consumption by the peasants. The government used to resell those products to the peasants themselves. The second form of exploitation was taxes, which increased from around 7 million piasters (gurush) during the French occupation of 1798 to 66 million in 1820-21, and to the unbearable 230 million in 1844. And the third form of exploitation was forced labor for the state. An average of two months of forced labor per year was imposed on Egyptian peasants to dig, guard, reinforce and clean water canals and rivers (A. Barakat 1977:40-44).

On a micro level, detailed descriptions of the early twentieth-century system under which the peasants were exploited easily show that the social relations were far from capitalist. There were first the large estates, which depended on resident peasants (tamalinya) who received a share from the final produce, or a daily payment. But even those working for a daily payment cannot be considered wage workers in the strict sense of the term. For they lived permanently on the lord's demesne and had members of their families renting little parcels from the demesne in exchange for their work on the lord's proper land. The "wage" then is considered as a contribution to the payment of the rent that the family must pay for the plot of land (Kushuk 1996: 40). Thus it can be easily seen that this form is quite similar to the most primitive variant of feudal rent extraction: labor rent, which Europe had cast away early on.

An alternative form consisted of the successive subletting of the demesnes by dividing them into small plots worked by individual peasants and their family members. A third form was the sharecropping system\(^\text{10}\), where the peasant contributes his tools and workforce against a fixed share of the product. And finally, there was the

\(^{\text{10}}\) Sharecropping is naturally not a form that is peculiar to the Middle East. It corresponds to the French métaîerage system. Perry Anderson describes a similar trend, the contado movement, in Italian cities in the thirteenth century, which according to him was an attempt of the towns that gained autonomy to control the country:

"Rural relations were radically altered by the spread of the contado, for the towns tended to introduce new forms of semi-commercialized dependence for the peasantry that were a considerable remove from serfdom: mezzadria or contractual share-cropping became customary over much of North and Central Italy by the thirteenth century." (Anderson 1974a: 166)
rarer case of medium-sized farms depending on wage labor (Barakat 197: 276, 361-4, Kushuk 1996: 32-3). Abdel Fadhl took a cautious distance and preferred to echo Ibrahim ‘Amir’s early designation of the agrarian system as ‘transitional to capitalism’. The ‘Izba system, which resembled the feudal demesne “was the predominant form of socio-economic organization in the Egyptian countryside. It was a form of relations of production that was transitional between feudalism and capitalism. Peasants were a unique combination of serfs and agricultural laborers in the meantime. Their wages were paid in money or in kind, or they acquired a subsistence plot” (Abdel Fadhl 1975: 116). An almost identical position had been presented before by Mahmoud Hussein (Hussien 1973).

Yet in order to define a system as ‘transitional’ it is not sufficient to show the presence of elements of wage labor, otherwise we should define the Italian city-states of the thirteenth century as transitional to capitalism. Unless the author presents convincing evidence that the structure of such a system contained an inherent tendency that inevitably led to the predominance of capitalist relations, the term ‘transitional’ is scientifically invalid.

Salih described the conditions of permanent workers in the ‘Izba or tafatasheh. Those workers were called tamalleya. A tamalle (singular of tamalleya) is “the peasants who lives with his family in the ‘Izba or tafatasheh permanently. He is attached to the landowner via a series of ‘semi-feudal service relations’. There was no fixed basis for the payment of the tamalle. Sometimes he received a daily wage that was less than the wage paid for laborers coming from outside. The difference in wage was a deduction in exchange for the residence of the tamalle and his family on the land. According to some prevalent practices, the tamalle was given a plot of land ranging between half a feddan and 20 karats depending on land fertility. The physical output of the plot is supposed to equal the annual wage of the tamalle. In exchange he was expected to perform all the agricultural duties in the ‘Izba (Salih 1978: 217, 226).

Glavanis and Glavanis conducted a long study on agricultural relations in Egypt and reached the conclusion that by 1952, Egypt’s agricultural society has become differentiated and commercialized, but it did not experience capitalist transformation. Non-capitalist relations dominated the vast majority of small peasant holdings, where producers had the right of possession of the land that they tilled, and produced mainly for subsistence, which included rent and taxes and so on. But they did not produce for profit, and labor force did not earn wages.

But even in big holdings, the authors conclude that relations of production were still not capitalist. Permanent laborers were still attached to land via rent arrangements- like sharecropping or labor dues- in exchange for which a peasant family would acquire a plot for its survival. As for the temporary or informal labor force, it only complimented the enserved labor power during the seasons of high demand for workforce, like harvest. The migrant or informal labor force was not composed of the landless, but of peasant families whose possessions of land were no longer sufficient for their survival. This point needs to be stressed; namely the

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11 It is astonishing, however, that Abdel Fadhl criticizes ‘Amir for calling the system capitalist (which he did not actually) and for exaggerating the role that capitalism played in Egyptian agriculture (Abdel Fadhl 1988: 72).

12 Abdel Fadhl’s basis for designating the system as transitional seem, however, to vacillate between a position based on the nature of labor exploitation process, as the above quote shows, and a ‘circulationist position typical of the dependency approach, where he states that these relations are transitional because the subsistence economy had disappeared and replaced with a system directed to satisfy the market, but “the dominant relations of production were not capitalist in the strict sense of the word”.

32
absence of clear border lines between owners, tenants and agricultural laborers, which is a familiar characteristic of Egyptian agricultural relations until today (Glavani and Glavani 1983: 62-3).

The social relations of production in Syrian agriculture have been well described in a six-volume work by the Syrian historian Muhammed Kurd Ali (1925-1928).

"[E]xcept in al-Ghouta, al-Marj, some irrigated land, and farms around cities (where some owners farm their land directly, paying their workers monthly or annual wages), land in Syria is exploited under different kinds of sharecropping. In Homs and Hama the landlord takes a quarter of the produce and pays the 'ushr (tax), leaving the tenant three quarters; in such cases the tenant has to meet all the expenses and supply all the work, but the landlord generally advances him seed, charging interest and recovering it from the threshing floor. In some villages in Hauran landowners take a quarter of the crop and pay the 'ushr and the land tax, leaving the rest to the farmer to cover his work and expenses. But the most prevalent method in Hauran is the leasing of land for a specified quantity of grain.

The thicker the population and the less available the land in a village, the greater is the landlord's share in the crop, and vice versa. Thus in 'Biqá' the landlord takes half the crop, paying the 'ushr to the government. In Huleh, where land is irrigated, the landlord's share is one third ... But in al-Ghuta and al-Marj the landlord takes a third and pays 'ushr only on that one third...

Cited in Issawi 1988: 331

Daher described similar systems of peasant recruitment in Lebanon, where share-cropping is the most prevalent, while wage-labor is only confined to such farm jobs as carpenters, smiths and tractor drivers (Daher 1984: 241-6). Nasr and Dubar presented a strong argument against designating agricultural relations in Lebanon as capitalist, a designation that was adopted by the Lebanese Communist Party. The authors showed that small commodity production had been expanding since the nineteenth century, but this did not necessarily lead to capitalism. They showed that even in the 1970s (when sharecropping was rapidly declining) the class of small landowners (independent + family members who did not earn wages from contributing to the family plot) was twice as big as that of agricultural workers (57 percent against 28 percent). In fact, the authors showed that precapitalist land rent and usurer rent expropriated more than 50 percent of the value of agricultural output, which points out to a situation of commercialization without capitalism (Nasr & Dubar 1976: 114-16).

Sharecropping was also the prevalent system in Iraq's agriculture. Salih Haider described the process of transforming tribal shaikhs into semi-feudal landlords who used the government forces to affirm their full claims as landlords of the land of the tribes. They claimed payments of the mallakeyah (rent) and the miri (state-taxes), whereas under the older regime of coercion they were only required to make insignificant payments (plus military service) which would cover the irregular payments of tribute to the central authority and maintain the mudhi f (tribal guest house) and other duties of sheikhdom. They began to assert their right of eviction of peasants, while before they had been bound by respect of tribal custom with regard to tribal holdings and distribution of land (Haider 1942: 578). The ensuing system of land cultivation took the following form:

1. The tribal dirah usually consisted of one or more muqata' ah leased by the sheikh from the legal owner (state, Saniyyah, Waqf, Tapuholder). It could reach tens of
thousands of acres, but in rice producing areas it rarely surpassed few thousands, some estates more than 100 thousand, in most cases rice areas were some one tenth, and date producing areas even smaller.

2. A muqata'a was divided into qit'a, generally held by sub-tribal chiefs. This was generally a few hundred acres, and less than 100 in rice producing areas.

3. A qit'a was divided to holdings of peasants: 10-50 acres (winter crops), 3 or 4 – 10 in rice and dates (Haider 1942: 620-21).

Batatu described the riverine sharecropping tribal tenants, who with the nontribal peasants formed the vast majority of tillers, as extremely poor “They formed the backbone of the country, but they labored without living” (Batatu 1978: 140). In theory, the Iraqi tiller received a share of the land produce not very much different from his counterpart in Syria, Lebanon or Egypt. Depending on the method of irrigation and the location and fertility of land, he received no less than a quarter and no more than a half of the proceeds of his labor, but he might have taken as low as an eighth, as was the case in Mosul in the period of the British occupation of Iraq.

However, as elsewhere in the Middle East, the peasant did not receive his portion from the total farm produce, but from what was left of the crops after a series of deductions of dues. Most common among these were a 1.5-4 percent of the total yield as a contribution to the men who guarded the crop, a 3 percent due to the shaikh’s coffee-man, a 2.5 percent levy for the support of the shaikh’s guest-house, payments to the man of religion in the region, a five kilogram payment to the measurer of the crop, a levy on behalf of the man who supervised the distribution of water (Batatu 1978: 143).

What distinguished Iraq’s sharecropping system from the other Middle East countries was the legal system that sanctioned it. In 1933 the Parliament passed law no. 28 “The Law on the Rights and Duties of Tillers”, which forbade any landowner from hiring a peasant unless he had a document signed by his ex-landlord to the effect that he was not indebted to him, and forbade any peasant from leaving ‘his’ land while in debt. Since virtually no peasant was not in debt (and even if that remote possibility was there, a landlord could easily not hand such a document), the law turned Iraqi peasants into semi-serfs. Another distinguishing feature of Iraq’s land tenure system lied in the fact that the establishment of large individual estates out of the tribal communal land was of recent origin. The British and the Iraqi monarchy had settled on the idea that big landlords were the pillars guaranteeing social and political stability in the country. Thus, legitimacy of authority was never established. Rampant stories on semi-feudal lords having to establish their own armies and police forces with the approval of the central government confirm that tribal and non-tribal peasants harbored no genuine trust in their landlords, unlike the nineteenth century tribal structures (Batatu 1978: 136-44, al Kadhimi 1986: 104-110).

The above discussion clearly shows the precapitalist structure of Middle East’s agriculture prior to the nationalistic revolutions of the 1950s. Agriculture, it should be remembered composed the most important productive sector in the economies of the region before the spectacular rise in oil revenues in the early 1950s. It contributed around one quarter of the total national income of each of the region’s countries. Many other sectors in the economy, such as transport, banking, services, foreign and domestic trade, were dependent on it. And most important, it was the main employer of the countries’ work force. Therefore, the social character of this sector defined the nature of the social formations of the region.

With the exception of a few scholars who tried to inflate the trend to rely on wage labor in the Middle East agricultural sectors, most authors who described the
latter as capitalist (or transitional to capitalism) derived their arguments from the commercialized structure of the region’s agriculture and its dependence on the demand by advanced capitalist countries. Undoubtedly, agriculture has been commercialized between the nineteenth and twentieth centuries in all the Middle Eastern countries. Overall dependence of those economies on the capitalist market is also an undeniable fact. But to deduce a capitalist (or peripheral capitalist) nature of Middle East economies or agriculture (or other similar parts of the third world) from these facts is totally erroneous and leads to misleading conclusions regarding the subsequent history and trajectories of these countries. The assumption that trade and weakening of precapitalism are two identical processes is spelled in its starkest form in Batatu’s work on Iraq. The author, undoubtedly unaware of the existence of many similar historical cases, is bewildered that “the circumstances- the development of towns, of the central government, of commerce, and of communication- that, in the nature of things, should have hastened the downfall of the shaikh, were on the contrary attended by the growth of a new commercial shaikhly semifeudalism. He goes on to look for the reasons for this ‘unnatural result, for what is in essence a reversal of history’ in the attempts by the British and later the monarchy to bolster this class (Batatu, 1978: 78).  

That the British and the monarchy supported this class is a well-documented fact. Yet, it would be an oversimplification to assign political forces such an omnipotent capability to create, revive, or demolish modes of production. The British supported some shaikhs and withdrew support from others depending on the latter’s record of rendering them services, or of controlling their peasants. But this is a totally different question from that of ‘planting’ modes of production’ at will. A production system that has not decayed in the historical sense of the word would show varying degrees of survival capabilities, a potential for keeping the exploited classes under control, and an ability to nurture acquiescence among the population at large or to stem- for a while- the mounting resistance against it. Under such circumstance, political power can assign positions of dominance within the existing social formation, but it cannot create or demolish that formation.

Seen in this light, the developments in Middle East following its insertion in the world capitalist market were hardly ‘unnatural results’, let alone ‘a reversal of history’. Actually, they were quite analogous to other cases where the conditions for the rise of private property in land did not coincide with the conditions for the rise of capitalism, i.e. the existence of generalized commodity production and therefore of a market for commodities including workforce, and the separation of the producers from their means of labor. Although we cannot designate the social relations of production that prevailed after the settlement of private property in land as feudal, it seems that a better explanation of these changes can be made through an analogy with the phenomenon of the ‘second serfdom’ in Eastern Europe following the commercialization of its agriculture in the sixteenth century, despite the fact that peasants in these regions: Brandenburg, Pomerania, East Prussia and Poland, had been among the freest in Europe (Brenner 1985a: 23).

13 In a slightly different way. Simon Bromlely describes the situation in Iran by asserting that “growing integration into the world market altered the internal balance away from peasant-landlord sharecropping to he production of cash crops for export” (Bromley 1994: 146). The author, however, provides no evidence that the relations of social reproduction underwent radical changes. As we have noted above, landlords owning hundreds of villages persisted until the early 1960s. And many authors, including Bromley himself, admit that big landlords were the most powerful political pillar of the Shah’s reign.
Several historians and scholars have reflected on that peculiar turn of events. "Postan was... concerned to show that in the medieval period the force of the market, far from automatically bringing about the dissolution of serfdom, might actually coincide with its intensification. Most spectacular, as Postan pointed out, was the case of eastern Europe, where during the late medieval and early modern period the powerful impact of the world market for grain gave a major impetus to the tightening of peasant bondage at the same time as it was stimulating the development of capitalism in the west (Brenner 1985a: 25) Maurice Dobb observed "the recrudescence of feudalism in Eastern Europe at the end of the fifteenth century...that "second serfdom"; a revival of the old system which was associated with the growth of production for the market. "Alike in Baltic States, in Poland and Bohemia expanding opportunities for grain export led, not to the abolition, but to the augmentation or revival of servile obligations on the peasantry. ...Similarly, in Hungary the growth of trade, the growth of large estate farming and increased imposition on the peasants went hand in hand" (Dobb 1963: 40).  

But even more significant is the findings by anthropologist Claude Meillasoux, who studied the effect of the introduction of commerce on a tribal society based on kinship relations. Meillasoux concluded that the tremendous change that commerce brings to society "in transition between the direct economy and the feudal economy", which eventually leads to a stage of control of the land by a dominating class (Meillasoux 1978a: 154). Moreover, he found that the notions of kinship and seniority will be maintained throughout these changes and acquire the strength of kinship and religious ideology. We will see later how this transformative process has impacted ideological representations and, more important perhaps, how it brought the state forcefully into play as a crucial agent in preserving 'property rights'.

But let me try first to show how the social relations within agriculture have shaped and conditioned the performance and functioning of the whole society, such that it would be ridiculous to designate it as capitalist.

1.3 The Logic of Precapitalism:

We have to admit that not much research has been carried on the precise functioning of precapitalist agricultural systems in general. The tendency has been to dismiss the whole problematic by labeling such systems as irrational and/or by assigning cultural, political and non-economic factors (which are presumed irrational) a paramount role in the decision-making processes and the structuring of these systems. Yet, the mere fact that these systems prevailed for a sufficient period of time, managed to suppress the dominated classes and generated wealth to a dominant class should warrant us against any such hasty conclusions. A system that can reproduce itself over long periods of time must be seen as functioning within the historical limits defined by the level of knowledge and development of the human beings who.

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14 Dobb notes that even in England, those regions that were closest to London and thus more prone to commercial activity lapsed into a period of reinvigorated serfdom in the fourteenth century, while those farthest removed from the effects of trade developed wage relations earlier (Ibid.: 38).
compose it, and the level of technical development of its means of production. Nevertheless, it is true that when viewed from a historical perspective, these systems were stagnant, parasitic and wasteful to resources. But it is exactly this paradox that we should set to understand: an overall but durable stagnation that generated wealth to some and absolute misery to many.

Despite some wide variations in the land tenure system that prevailed until the 1950s in the Middle East, the most prevalent one, as mentioned above, was the sharecropping system. On the surface (but only on the surface) its resemblance with capitalist production lies in the fact that it is based on the production of commercial agricultural products destined for marketing mostly to the world market, and its objective is the maximization of monetary gain for the landlord. But the analogy ends here. For sharecropping labor power is not a commodity in the strict sense of the word. In addition, there is no generalized commodity production in the sense that different inputs and outputs in the agricultural process are commensurate in a common means for measurement, namely money.

The sharecropping system, although not a feudal one, shares with the latter many characteristics. Even if one does not take into account the various means by which landlords squeeze additional surplus from the peasants, the ‘legally’ accepted share that accrues to the landlord is fixed. It ranges, as we have seen, from 25 percent of the total yield to 60 percent and actually it went much higher than that. This share is independent of the number of peasants that did the work. It is here, in the specific form of surplus-extraction and the class structure that conditioned the process that the major difference with capitalism, as well as the major reason for the non-rise of capitalist relations lies. That’s why we should expand on this point with some elaboration.

Because the share of the landowner is fixed in advance, a change in the number of peasants at his disposal will have no effect on the total costs, because it is the same agreed upon work share that will be divided among the number of peasants employed during the season. Indeed, the sharecropping obligations stipulate that when seasonal laborers are employed- and these were often needed in the harvest seasons- their ‘wages’, as well as their maintenance costs were to be deducted from the peasants’ shares. Could the peasants push for a higher percentage of their share, and thus make the landowner’s share less stable, thus forcing him to find ways to raise productivity? The simple answer is no, because this situation is a cause, as well as a product, of the general level of underdevelopment in the whole social formation. The non-utilization of the full capacity of the resources and labor force in particular and therefore the high levels of unemployment were characteristics of the Mashreq economies. One may add that they were the necessary requirements for the perpetuation and consolidation of precapitalist relations. While underemployment and unemployment were rampant in the Mashreq countryside, the ‘shortage’ of labor was also cited by landlords in their -successful- attempts to enact laws that prevented peasants from leaving the landlord’s estate. For the existence of a wide layer of unemployed constituted the sine qua non for the reproduction of sharecropping systems.

In Egypt it was estimated that out of a rural population of around 14 million, landless families comprised between 44 and 59 percent of the total number in 1950 (Glavannis and Glavannis 1983: 80). With an unlimited supply of labor, to borrow W.

15 Just like a critic of capitalism can -rightfully- point to the same characteristics of wastefulness and parasitism in that system, without, in the meantime, abstaining from the hard task of analyzing the ‘rationality’ and mass appeal of capitalism.
Arthur Lewis terms, there was no pressure on the landlords to make a more efficient use of the disposable labor force. And with a low level of productivity there were no chances for substantial increases in employment in the economy at large. The fixed share of the landowner, as well as the unlimited supply of labor, may help us understand the ‘rationality’ of this specific form of pre-capitalist exploitation. The landlord had no interest in raising the productivity of the individual peasant, but in maximizing the total output, even if that leads to a decline in the former.

The last statement may look contradictory when we look at it from the point of view of capitalist rationality: how can maximizing total output be something else than raising productivity? But if we keep in mind that the costs of labor, as well as most of the inputs—mainly the seed—are calculated physically and deducted from the total product while the returns to the landlord are calculated in money, then analyzing the rationality of sharecropping systems would require a totally different set of tools. Under capitalism, commodification; i.e. The possibility of reducing all inputs and outputs not only into measurable, but also commensurable quantities via money and the market makes it possible to conduct a cost-benefit analysis and thereby a decision on the efficiency of investment from the capitalist point of view. This is not the case under precapitalism, and yet, one cannot dismiss this system as irrational. Whereas agricultural labor and inputs are treated more or less as fixed costs under sharecropping, the monetary returns to the landlord are not, and they determine the viability of the agricultural enterprise from the latter’s point of view. For unlike a capitalist enterprise where the total return is divided into rent, wages and interest payments in addition to net profits, the landlord would treat the monetary return as a net profit (with the exception of some necessary minimal payments in the form of money). This (and not the assumed scarcity of money or the non-existence of trade) is what makes landlords very reluctant to use money as a means of investment of cost-payment.

In a pioneering study on the mechanisms of feudal economy, Wittold Kula found that despite the wide use of money and the existence of commercial transactions under feudalism, landlords actually accord a much more important role to monetary expenditure than to physical investment. “In a dual sector economy (monetary and natural) it is the natural sector which is generally of prime importance to the peasant, whereas for the nobleman it is the monetary one. The nobleman eagerly takes up anything that serves to increase his revenue in money...The enterprise we are considering appears highly profitable if we take into account solely the monetary sector, and clearly deficient if we include in our calculation an approximation of the non-monetary investments”. The author concludes by stating that “this result can be taken as typical... this question concerns every type of enterprise based on non-wage labor” (Kula 1976: 33).

This form of calculation has very important consequences on the functioning of the Middle East formations. Introducing harvesters or tractors to the agricultural process would present a ‘loss’ to the landlord since he has to pay for it in money without in the meantime being able to deduct these expenses from the peasants shares, while increasing the number of peasants working in the enterprise is costless, because the peasants’ share will only be divided among a larger number of families. Thus adding more workforce not only to participate in the agricultural process in the strict sense, but also to build dikes, strengthen dams and canals, or even replace animal work can add to the total output without raising productivity; on the contrary it will tend to depress productivity beyond a certain limit. The only monetary investment that landlords weren’t reluctant to make in irrigated regions in the Middle East took
place in installing mechanical pumps to lift water from rivers and canals, because the laws and customs ensured that in a pump-irrigated land the landlord’s share is 15-20 percent higher than in naturally irrigated lands. Thus the returns on this kind of investment were immediate.

The depressed productivity and peasants’ income had another important consequence regarding the way the formers made their calculations. Whereas the landlord was interested in his monetary returns and made his decisions according to the amount of money he would part with at the end of the season, peasants, including the few who received their shares in money, calculated in physical terms. Thus we had two sets of calculations here: one carried by the peasant, the other by the landlord. For as we have noted earlier, plots of land were apportioned according to the number of workers in a peasant family such that the final share would barely sustain the physical reproduction of the family. This kind of calculation had crucial repercussions for the functioning of the socio-economic system, and decisively refutes the dependency/world system narratives on third world formations, as I will show below.

Physical factors of production did not follow the law of market. They were non-competing and non-interchangeable factors, thus they were not evaluated as precisely as other factors. Obviously, it is because unlike the process of capitalist production, the “entrepreneur” under sharecropping did not begin with money in order to buy commodities (including labor force) and end up with a larger sum of money. On the other hand, physical goods could not be accumulated ad infinitum, thus calculating their value should be carried from the point of view of a landlord’s “utility” point of view: his needs to reproduce labor force and the conditions of production. That is why the sharecropping enterprise appears highly profitable if we take into account solely the monetary sector, and clearly deficient if we include in our calculation an approximation of the non-monetary investments.

What distinguishes sharecropping, therefore, is not its non-reliance on trade, not its non-use of money as a means of circulation or a medium of exchange. It is rather the specific relationship with the market and money, which results directly from its class structure and form of calculation. This relationship with the market is almost diametrically opposed to what one would expect under a capitalist economy: when prices go down, peasants would sell more in an attempt to compensate for their losses, and when prices go up, they will reduce their marketable product. This ‘negative’ relationship has also been shown by M. Postan where peasants in medieval England either did not react at all to market incentives or else reacted in the above-mentioned way (Kula 1976: 43). The same conditions applied to Eastern Europe since the rise of the ‘second serfdom’ in the sixteenth century. In the Middle East, detailed series compiled by Hassan show how the same effect existed in Iraq for its two major cereal products. The only exception occurred in the case of barley production in the period 1919/1925.

Table - 1.8 -
Iraq Relationship between Unit Prices and Exports of Major Cereal Products

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<tr>
<th>Period</th>
<th>Wheat</th>
<th>Barley</th>
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<td></td>
<td>Exported quantity 100 tons</td>
<td>Price: dinar/ton</td>
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An explanation of this peculiar relationship with the market can be advanced if we remember first that the revenue derived from the sale of the grain was, to a much greater extent, a function of the harvest than of the market incentives. In a poor year, increase in prices compensates only to a limited extent the decrease in the volume that could be sold. Therefore, when the prices go up, the money income of producers goes down due to the operation of stronger factors, i.e. reduced size of the harvest. The effect of a reduced harvest would be greater on that part set aside for sale than on the non-marketable products set aside for direct consumption. How different is this process under capitalism? Two major differences explain how and why rural producers under the latter can benefit from higher prices: the first is the existence of production reserves, which can be put to good use only with an increase in prices. Under sharecropping (and feudalism) the major resource of reserve labor supply, is an independent variable with respect to the movement of prices, as we have seen above. The second difference is the existence of a credit market, which makes the use of reserves possible.

"Under capitalism, an increase in prices leads to a decrease in the mean social productivity (launching of enterprises which would not have been profitable when prices were lower), and to reduction in the average real wages (though this would be compensated by reduction of unemployment). Under feudalism, high prices lead also to a decrease in productivity, but this is not compensated, which means that increasing prices lead to an actual reduction of the per capita national income."

Kula 1976: 55

However, all these differences emanate from what had been mentioned earlier as a major characteristic of pre-capitalist calculation; namely the primacy of physical criteria over monetary ones and the non-commodification of the factors of production, even when there is a heavy reliance on trade. In other words, a peasant takes into consideration his family’s absolute minimum needs first and foremost. He then has to set aside the necessary amount of seeds required for next season’s harvest, then a minimum of requirements that he has to fulfill through the market. In the Middle East, this usually involved sugar and tea, and a bare minimum of clothing. Therefore, the variable in the peasant calculation is the marketable share, although the share of subsistence product cannot be taken as an absolute constant.

Now we have noted that the variations in production volumes depend more on the harvest than on the market incentives, because a pre-capitalist estate has no idle capacity that the lord can bring into operation or suspend. This means that the fluctuations in the general level of prices are also determined by the harvest. Although physical quantities take primacy in a peasant’s calculation, there is a necessary minimum of monetary returns that the peasant must obtain in order to survive. But Kula departs from the assumption that the subsistence quantity is a constant, and the marketed quantity is the variable (Kula 1976: 82-88). This assumption leads to gap in his analysis, especially if we try to apply his conclusions to sharecropping systems. For on the one hand, he states that “fluctuations in the volume of production are
greater than those in prices. Therefore, if the overall size of the harvest is reduced, then the marginal value of a bushel of grain goes up, and therefore the sale of a smaller amount during a poor year is a greater sacrifice" (Ibid. p. 57).

But several pages later he empirically reaches a different conclusion when he admits that the fluctuations in total production in response to price fluctuation are much more limited than what one would expect. "It is nonetheless obvious that under normal conditions, i.e. in periods in which there are no serious monetary crises and no barriers to international exchange, the curve of the product of the harvest multiplied by the prices fluctuates on a much more limited scale than the two curves which determine it (Kula 1976: 102 italics added). This conclusion is very important because it shows that a sharp rise or drop in the amount of production will be offset by a correspondingly sharp decline or rise in prices, thus the curve of the amount of production multiplied by the price per unit, will show a more limited scale of fluctuation. I think that this gap can be remedied, if one proposes to use, not the quantity that a peasant markets in response to the market, but the proportion of his total product that is marketed, i.e., lower prices force him to market a higher proportion of his aggregate production on the expense of his consumption. In that case, we cannot take the subsistence quantity as a constant, as Kula assumed.

Accordingly, the formula should be reversed: the variable is not the marketable quantity, but beyond a certain minimum the subsistence quantity. The constant will then be the amount of money to be obtained. If we denote the marketable quantity by \((x)\) and the price per unit of that marketable product by \((p)\), then the peasant will try to obtain a minimum of \((px)\), i.e. a minimum monetary revenue in exchange for his marketed produce. Note that this does not exclude the possibility of big fluctuations in the marketed quantities, which is inversely proportional with the average price. But \(px\) must, in general, be above a certain minimum. The rest of the product will then be set aside for consumption (this is valid under ceteris paribus conditions, i.e. no changes in the rent to be paid) Therefore, Kula’s conclusion can be formulated as a linear equation: \(y = ax - b\), where: \(y\) is the marketed quantity, \(x\) is the aggregate product and \(b\) is the subsistence quantity.

What I am proposing here is to replace this equation with a linear programming equation, whereby the objective function to be maximized by the peasant is to obtain a minimum money earning, subject to a constraint, which is a minimum of \(b\). This conclusion would fit a sharecropping relation much better, where peasants rely on the market, especially when their agricultural products are destined for industrial production (notably cotton, and later sugar cane in Egypt). But we must stress in this respect that such calculations do not, in any way, alter the precapitalist nature of the productive process. For one thing, an attempt at getting minimum monetary revenue does not necessarily succeed. More often than not the opposite is true; that is the peasant will not be able to part with the necessary consumptive needs, which still make an absolute necessity, while in the meantime obtaining the required monetary minimum. Yet the importance of this second component is clear from the fact that virtually all Middle East peasants in the first half of the twentieth century ended up heavily indebted to landlords, village shopkeepers, and all kinds of usurers, which shows that the need to purchase necessities was far from a luxury. Another reason why we should not treat this reliance as a characteristic of capitalist production is that the peasants’ reaction to the market incentives were still "inverse," i.e. marketing less when prices go up, and vice versa. But perhaps the most important reason for not calling this agricultural system capitalist lies in the fact that the landlord himself rarely based his decisions on capitalist criteria, as we have noted
above. His investment decisions were conditioned by the fact that labor costs were almost constant, since labor could hardly be called a commodity. Hence he would only spend money for investment purposes if that would entail an immediate rise in his share of the product (installing water pumps), or in order to offset the adverse effects of the market. In other words, a landlord’s decision to invest runs directly opposite to that of a capitalist. He would invest to make up for the losses sustained by increasing overall production due to falling prices, and not because the market conditions are favorable.

1.4 Urban Capitalism?

Scholars who maintain the capitalist nature of the Middle East during at least the first half of the twentieth century turn a blind eye on the internal structure and working of agricultural systems: the key sectors that dictated and shaped the functioning of all other sectors in the economies of these countries. They prefer to take the relationship with the international trade web as an indicator of rising capitalism. This approach tends to distort our entire understanding of the century-long trajectories of these countries. A dependency/world system approach would make it impossible, for example, to understand the causes and nature of the nationalist revolutions/coups d’état that introduced radical changes in the social structures and functioning of Middle Eastern societies, as well as their consequences and impasses. Exceptionalism of the Middle East/third world, or the uniqueness of the European path, is the logical outcome of such arguments.

The fact that market relations cannot by themselves transform an economy or a social system into capitalism has well been established. The debate between Maurice Dobb, Paul Sweezy and many prominent historians on Europe’s transition to capitalism is too well known to be summarized here (Hilton 1976). Paul Sweezy, following Henri Pirenne, maintained that the demise of feudalism and the rise of capitalism in Europe were mainly the result of the rise of international trade. Most other historians however, advanced clear evidence to show the fallacy of such arguments. Neither trade, nor demographic pressures could or did effect such changes. Two decades after launching the pioneering debate, Robert Brenner advanced this argument further, by powerfully demonstrating how class structures and struggles in various European societies determined the ways foreign trade, demographic changes, or technological innovations impacted the paths of these societies. Foreign trade, demography, or innovations by themselves do not tell us anything on how a society would react to them; rather it is the specific social configuration that articulates these ‘exogenous’ factors and defines their potential for the given society (Brenner 1985 a & b).

The proponents of the ‘capitalist Middle East’ thesis, quite aware of its shortcomings, prefer to search elsewhere for capitalism. According to them, how else can we explain the existence of relatively large urban conglomerates in the region, the flourishing mercantile class, the turning of much landed wealth into commerce, real estate, and to a lesser extent to industry? How do we account for the presence of private industrialists since the last quarter of the nineteenth century? How do we explain the existence of political parties, parliaments, and a façade of a pluralistic cultural and political life in the major Middle Eastern cities before the revolutions of the 1950s?

If my above arguments regarding the specific changes that took place in agriculture since the mid-nineteenth century are valid, then we can proceed to explain
the structure of urban and provincial life in the Middle East accordingly. We have noted that agriculture was until the 1950s the major productive sector in the Middle East societies in terms of its contribution to wealth creation, employment and the linkages it created with other production, service and distribution sectors. Since the social conditions of agriculture were precapitalist, as I have shown above, it would only be logical to deduce that the urban structures that existed in this period were conditioned by a precapitalist environment. The tendency to identify urban life, especially manufacturing and mercantile activities with capitalism has led the vast majority of scholars, even those who recognized the precapitalist nature of agriculture, to invest so much effort in trying to explain a supposedly ‘exceptional’ paradox; namely the question of why these ‘capitalists’ that flourished in Middle Eastern major cities weren’t capable of carrying an all out modernization program in their countries. However, if we prove that these strata were not capitalist, and that this situation is not unique or a peculiar characteristic of the Middle East, then it would be easier to understand the subsequent developments in the region.

We cited earlier the work of Ali Barakat, who wrote an excellent empirical history of the development of the agrarian system in nineteenth century Egypt. Although his analysis shows quite clearly that the social relations dominating Egyptian agriculture were precapitalist, he nevertheless goes to enumerate what he considers the factors that transformed the Egyptian economy from feudalism to capitalism. These are nothing but the commercialization of agricultural production and Muhammad Ali’s plan to transform Egypt into a major cotton exporter. The farming of cotton began in 1821. Production reached 345,000 quintals by 1845. By 1865, cotton exports peaked 2 million quintals. This required improving the transportation system. In 1852, the first railroad was built to link Cairo and Alexandria. By 1880, Egypt had 1300 kilometers of railroads and 5200 kilometers of telegraph lines. The author proceeds to enumerate the “other factors”: the sanctioning of private property in land and the British abolition of forced labor for the government (which freed the labor force for the landlords) (Barakat 1977: 45, 52-3). My argument is that these developments are perfectly compatible with laying the conditions for a precapitalist class based system, whether feudal or sharecropping.

The agrarian policies of Muhammad Ali went hand in hand with the mercantilist policies adopted towards the urban sectors, which many historians tend to portray as capitalist. However, Muhammad Ali’s policies in Egypt, as well as Dawood Pasha’s policies in roughly the same period in Iraq, were strikingly similar to those that prevailed in Europe during the period of ‘enlightened absolutism’. These policies tied the nascent industries and crafts to the state and directed their products to the fulfillment of the needs of the army and the bureaucracy. In 1810, Muhammad Ali ordered all construction workers and masters, carpenters and stone workers to work only for the state projects and forbade any private construction or maintenance work. In 1821, he forbade individuals from weaving activity and the peasants from making weed beds (hisir). Then he forbade private sugar making, as well as many other private activities, preferring to create some giant Colbertian projects, while forcing the guilds to buy their required raw material from the state and selling their products to it (Abdul Malik 1980: 17).

These policies had far-reaching negative consequences, in addition to the drastic weakening of the artisans. For one thing, the monopoly system weakened the flourishing merchant class throughout the first half of the nineteenth century. On the eve of Napoleon’s campaign of Egypt in 1798, it was estimated that 157 thousand of Cairo’s population of around 300 thousand belonged to one guild or another (A. Amir
1993: 28-9). Yet after Muhammed Ali’s defeat by the Ottomans and the British, ‘Ali Mubarak mentioned that the number of artisans and members in guilds by the second half of the nineteenth century was only 63,487 out of the city’s total population of 375 thousand. These were organized in 198 guild. Craftsmen in Alexandria constituted one-fifth of its population (A. Barakat 1982: 46).

The grave effect of Muhammed Ali’s state monopoly policies became apparent when the British and the Ottomans forced him to shrink his army after 1849, thus causing manufacturing activities to collapse (A. Amir 1993: 39-42, 64-5). It should be stressed however, that the guilds were far from embryos for capitalism, as many authors assume. These guilds were just like their counterparts in preindustrial Europe, highly monopolistic and parasitic and constituted a basic component of the precapitalist formations. However Muhammed Ali’s policies were harmful because they deprived the local population from satisfying much of their needs locally. Hence, when the state monopoly was gradually eased after 1838, European products were the main beneficiary and not the local producers. The guilds themselves were rehabilitated, but at this point they represented a serious brake on any potential industrial development, because they had the right to decide who and how many could enter their fields of activity, as well as the prices of their products. This was only abolished in 1892, when it was almost too late to face the flood of foreign products that swept the Egyptian markets (A. Amir 1993: 204).

The 1892 development, which allowed craftsmen to establish their careers freely, should be seen as an important step in putting an end to precapitalist relations in the non-agricultural sectors of the Egyptian economy. But given the crucial role played by agriculture, the 1896 sublime order, which finally turned land into a commodity whose owner acquired the right not only to till and inherit, but also to put it for sale, was a much more important step that paved the road for the rise of capitalism in Egypt. This change prompted Asim al Disouki and Mohammed Dowidar to advance the most rigorous (but not necessarily convincing) argument to prove the capitalist nature of Egyptian agriculture since the beginning of the twentieth century.

Al Disouki asserts that landowners used the changes in the value of land to make profits, and that they exploited their lands by way of renting them, which according to him is a capitalist method par excellence (Al Disouki 1975: 141, 325-8). Dowidar, on the other hand uses Al Disouki’s arguments and adds to them the separation of producers from their means of production (Dowidar 1986b: 84-6). But can we deduce from this development that we are witnessing the emergence of a class of gentry, a la England? And if so, why couldn’t this class (and not the landowners as much of the writings expect) produce an agricultural revolution? One reason for that could be the extremely powerful bargaining power that the landowners had vis-a-vis the peasants. Several attempts to amend the rates of rent in favor of the latter failed because of the scarcity of fertile land and the concentration of vast areas in the hands of very few landowners (Dowidar 1986b: 147). But the most important reason, which al Disouki and Dowidar do not take into account is the fact that renting land only became a trend during WWII. Until 1939, only 1.73 percent of land was rented. The By 1949, the ratio jumped to 60.7 percent and within three years, i.e. the year of the

16 That more than half the city’s population was part of a guild should not look surprising given the fact that practicing practically any job –and not only manufacturing crafts- required joining such an organization. In his monumental work, the nineteenth-century historian Ali Mubarak mentions the guilds of coffee shops, house servants, and even prostitutes and thieves. Of the 157 thousand guild members on the eve of Napoleon’s campaign, there were 75 thousand children from both sexes (cited also in A. Amer 1993: 268-9).
1952 revolution 75 percent of land was rented (al Disouki: 1975: 161). That the trend towards renting land gathered momentum only in the 1940s can be accounted for by the fact that demand for cotton, the main agriculture product, depended heavily on western markets. WWII almost brought that demand to a standstill and its price was collapsing. In the meantime, landowners found more profitable opportunities by investing in urban activities: real estate and trade especially, because of the war shortages and the stationing of massive British troops in Egypt that added a lucrative purchasing power in search of locally provided goods and services.

Both authors make their arguments by way of negating the feudal nature of the Egyptian agriculture; i.e. by assuming that there cannot be any modes of production other than feudalism - and more precisely, the European variant of feudalism - or capitalism. Therefore once the non-existence of European-style feudalism is established (and that is easily done), both authors assume that they have furnished the proof for the dominance of capitalist structures. Yet if one takes into account the multitude of precapitalist and in the meantime non-feudal agricultural systems, then the dichotomy seems very scholastic. Feudalism was dead in much of western Europe by the fifteenth century. Yet capitalism was not to see the light until the late seventeenth century, and much later than that in the agricultural systems of many continental countries. The métayage system, which is similar to sharecropping lasted for relatively long times in France, and it accompanied the era of absolutism and state-led attempts at modernization.

Could the rich peasantry who rented parcels of the landlords estates have developed into a class of gentry in the course of time? It is very hard to provide a definitive answer because the land reforms that the 1952 revolution undertook changed the whole scene. However, we can tentatively suggest that the answer would be negative. For one thing, land was divided into small parcels and rented for periods ranging between one season (four months) and a maximum of three years in the case of cotton farmed large estates. These terms were hardly conducive for the tenants to work out methods for the long-term rise of agricultural productivity. Instead, they tended to over-exhaust the leased land and overexploit the semi-serf peasants in order to reap the highest possible returns, given the high rents imposed on them and the soaring prices of land due to speculation.

Another criterion that did not attract much of al Disouki's attention in discussing the nature of the prevalent system in Egyptian agriculture is perhaps the most important one; namely the modes of labor recruitment even after the landowners' shift towards leasing their lands. Despite the wide regional variations, permanent laborers continued to receive all or part of their revenues in kind (normally in cereals). A widespread method of payment represented in fact a return to a semi-feudal mode of labor exploitation. This method consisted of giving the workers a small plot in exchange for their yearly 'salary', on condition that the peasant would only plant subsistence crops in the 'personal' plot. Acquiring the small plot -less than one feddan in area- obliged the peasant to perform all the duties the yearlong. If he stopped work for any reason and for any length of time, the wage of a replacement worker was deducted from his share. Another method was to give the peasant a small plot for a rent that was a little bit lower than the market rate (one Egyptian pound per feddan). In exchange for that, his daily wage was calculated at a rate that was one

17 In the meantime, one should be very cautious in labeling such systems that prevailed between the disintegration of feudalism and the dominance of capitalism as 'transitional' to capitalism. Without presenting convincing evidence on the existence of necessary and causal relations between such systems and the rise of capitalism, such labeling would only be a form of retrospective teleology.
piaster less than the market rate. At the end of the year his annual wage was considered a payment for the outstanding rent (al Disouki 1975: 164-7). Clearly then, this is far from a capitalist mode of labor exploitation. And, as we will see later, it is the crisis of these agricultural systems all over the Mashreq that prompted the social upheavals, which eventually led to the revolutions of the 1950s. But let us try to see how these agricultural systems impacted the urban economic, social and political lives of these countries.

1.5 Landlords as Political Leaders:

The heavy dominance of big land ownership in the economic lives of the Mashreq countries and the absence of an independent source of income for the governments of these countries played an important role in shaping the relationship between state and society. With the exception of merchants, no other social grouping stood to challenge the power of the landowners in the Mashreq societies until around WWII. Peasants waged local revolts here and there, some of which were bloody but could never develop into countrywide rebellions, nor were they accompanied by widespread shows of solidarity from the urban workers. Strikes by the nascent working classes and professionals did occur, but their motives were different from those that sparked peasant rebellion and were too feeble to shake the political systems in place. The British granted Egypt and Iraq formal independence, but had their heavy presence (including military one) and influence felt on the royal courts of both countries Syria and Lebanon did not achieve their independence from the French mandate until 1946. Obviously, both colonial powers had no revolutionary plans towards their subjugate countries, but it would be erroneous to state that these powers ‘created’ the social classes which became their allies. As colonial powers interested in perpetuating their domination and exploitation, they departed from the status quo situations, and tended to support the more influential groups in society, as long as these groups could secure colonial interests while seeking their own interests. The British debates on whom to support in the newly occupied Iraq is very instructive in that they show the range of policy options they (or any other colonial power) had and the limits and motivations which constrained their actions.

Immediately after the outbreak of WWI, Arnold Wilson from the India Office and a future High Commissioner to Iraq, saw it “necessary to annex Mesopotamia to India as a colony of India and the Indians, such that the government of India administer it and gradually cultivate its vast plains, and settle the warrior Punjab races in it” (Nadhami 1984: 399). In a memorandum on the “Future of Mesopotamia” written on 22.4.1918, Sir Percy Cox, who became the British High Commissioner in Iraq, wrote that the social groups that they should encourage were the following: first, the Jewish community in Baghdad, second, the notables of Baghdad and Basra, and third the rich landowning element - Arabs and Jews - as well as the paramount Shaikhs of sedentary tribes” (Nadhami 1984: 275).

In 1931, Wilson reflected retrospectively on his policies that instigated the anti-British revolution of 1920: “Reviving the tribal system and the consolidation of the Shaikh’s authority” was “one of the major problems that confronted us, because it raised the problem of the future form of government in Iraq. Were we to pursue a bureaucratic form of administration... involving the direct control of a central government and the replacement of tribal confederations with smaller tribal or subtribal units as a prelude to introducing private property of land instead of communal ownership? Or was our objective the consolidation and maintenance of the
tribal chiefs’ authority within relevant guarantees to turn them into the official agents and representatives of government in their respective regions? *The latter policy was the one that was actually pursued*” (Wilson 1977 cited by Nadhmi 1984:277).

Why did this policy prevail? Perhaps the following memorandum regarding one of the most powerful landowners in pre-revolutionary Iraq sheds a good light on the way precapitalism articulated with colonial domination to produce the most ‘efficient’ use of resources from the administration’s point of view. Major Wilson, the political governor of the two districts of Kut and ‘Amara wrote in 1919 that the British must support the Emir of Rabi’a. “This is not only an economic measure, but also a more efficient one. ..One grand shaikh can build a road, but 20 small shaikhs cannot do that. Until we reach a stage that is much more advanced than the present one, it seems advisable to delay the inevitable dismantling of tribal ties” (Nadhmi 1984: 279).

With that the British threw their weight behind the shaikhs, who consolidated their power thanks to generous monthly payments by the occupation administration, but especially thanks to the promulgation of the Tribal Disputes Acts, drawn from the Indian Borders Act also known as Sandman’s Act. This act gave tribal shaikhs extensive authority over their kinsmen, and authorized the political governors full juridical powers to look into cases in which a tribe member forms a party (Nadhmì 1984: 280).

No wonder that the big landowning elements had such a decisive role in the political life of Iraq from the establishment of the modern state in 1920 until the overthrow of the monarchy in 1958. Of the twenty-three prime ministers that ruled during these thirty eight years, eight were landowners and seven had lands registered in their descendants’ names. In addition to those, one Prime Minister’s brother owned 28,623 donums, and another was related to a big landed family by marriage. It is worthwhile noting that the six other prime ministers who were not landowners, and not affiliated with landowning classes, only ruled for a total period of two years and seven months, and it is no less significant that four of these prime ministers assumed office during the last decade of the monarchy, when new social strata were emerging, as we will see.

Tables 10 and 11 tell basically the same story on Egypt. In all but two parliaments, big landowners formed more than 40 percent of the total deputies, while in the cabinets their representation was even more disproportionate. From 1914 until 1949, big landowners formed more than 50 percent in all governments except one. But a closer look shows a slow and unsteady trend of declining representation of landowners. Whereas they composed more than 80 percent in the early 1920s’ governments, and even 100 percent in one cabinet, their ratios declined in the last seven cabinets that ruled from 1949 to the outbreak of the revolution in 1952, reflecting the fast social mobility that the Mashreq underwent following WWII

Table 1.9

| Iraq Prime Ministers Affiliated with Landowning Interests |
| 1921-1958 |

18 Calculated from Batatu 1978: 180-4
### Size group (in donums) *

<table>
<thead>
<tr>
<th>Size group (in donums)</th>
<th>Total owners in Iraq</th>
<th>Prime Ministers or descendants</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000 &gt; 2000</td>
<td>1832</td>
<td>2</td>
</tr>
<tr>
<td>2000 &gt; 10,000</td>
<td>2128</td>
<td>9</td>
</tr>
<tr>
<td>10,000 &gt; 20,000</td>
<td>224</td>
<td>3</td>
</tr>
<tr>
<td>20,000 &gt; 50,000</td>
<td>95</td>
<td>1</td>
</tr>
<tr>
<td>50,000 &gt; 100,000</td>
<td>25</td>
<td>0</td>
</tr>
<tr>
<td>&lt; 100,000</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4312</strong></td>
<td><strong>15</strong></td>
</tr>
</tbody>
</table>

* One donum = 2,500 sq. meter = 0.618 acres

Source: compiled from two different tables in Batatu 1978: 54, 358-9.

### Table – 1.10 –

**Big Landowners in the Egyptian Parliament**

<table>
<thead>
<tr>
<th>Parliament</th>
<th>Total Deputies</th>
<th>Big Landowners</th>
<th>3/1 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1924 (1st)</td>
<td>214</td>
<td>93</td>
<td>43.5</td>
</tr>
<tr>
<td>1925 (2nd)</td>
<td>214</td>
<td>95</td>
<td>44.4</td>
</tr>
<tr>
<td>1926-28 (3rd)</td>
<td>214</td>
<td>105</td>
<td>49.1</td>
</tr>
<tr>
<td>1930 (4th)</td>
<td>235</td>
<td>108</td>
<td>46</td>
</tr>
<tr>
<td>1931-34 (5th)</td>
<td>150</td>
<td>58</td>
<td>38.7</td>
</tr>
<tr>
<td>1936-38 (6th)</td>
<td>232</td>
<td>112</td>
<td>48.3</td>
</tr>
<tr>
<td>1938-42 (7th)</td>
<td>264</td>
<td>142</td>
<td>53.8</td>
</tr>
<tr>
<td>1942-44 (8th)</td>
<td>264</td>
<td>140</td>
<td>53</td>
</tr>
<tr>
<td>1945-49 (9th)</td>
<td>285</td>
<td>123</td>
<td>43.2</td>
</tr>
<tr>
<td>1950-52 (10th)</td>
<td>317</td>
<td>119</td>
<td>37.5</td>
</tr>
</tbody>
</table>

Source: al Disouki 1975: 212

### Table – 1.11 –

**Big Landowners in the Egyptian Cabinets 1914-1952**

<table>
<thead>
<tr>
<th>Prime Minister</th>
<th>Duration</th>
<th>No. of Ministers</th>
<th>Big Landowners</th>
<th>4/3 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hussein Rushdie</td>
<td>4. 1914 - 12. 1914</td>
<td>8</td>
<td>6</td>
<td>75</td>
</tr>
<tr>
<td>Hussein Rushdie</td>
<td>12. 1914 - 10. 1917</td>
<td>7</td>
<td>6</td>
<td>85.7</td>
</tr>
<tr>
<td>Hussein Rushdie</td>
<td>10. 1917 - 4. 1919</td>
<td>7</td>
<td>6</td>
<td>85.7</td>
</tr>
<tr>
<td>Hussein Rushdie</td>
<td>4. 1919 - 1919</td>
<td>7</td>
<td>5</td>
<td>71.4</td>
</tr>
<tr>
<td>Muhammed Sa’id</td>
<td>5. 1919 - 11. 1919</td>
<td>7</td>
<td>7</td>
<td>100</td>
</tr>
<tr>
<td>Yossif Wahba</td>
<td>11. 1919 - 5. 1920</td>
<td>8</td>
<td>7</td>
<td>87.5</td>
</tr>
<tr>
<td>Muhammed Tawfiq Nasim</td>
<td>5. 1920 - 3. 1921</td>
<td>8</td>
<td>6</td>
<td>75</td>
</tr>
<tr>
<td>Adli Yakin</td>
<td>3. 1921 - 12. 1921</td>
<td>9</td>
<td>8</td>
<td>88.8</td>
</tr>
<tr>
<td>A. Khalil Tharwat</td>
<td>3. 1922 - 11. 1922</td>
<td>9</td>
<td>5</td>
<td>55.5</td>
</tr>
<tr>
<td>Muhammed Tawfiq Nasim</td>
<td>11. 1922 - 2. 1923</td>
<td>10</td>
<td>8</td>
<td>80</td>
</tr>
<tr>
<td>Yahia Ibrahim</td>
<td>3. 1923 - 1. 1924</td>
<td>11</td>
<td>7</td>
<td>63.6</td>
</tr>
<tr>
<td>Name</td>
<td>Period</td>
<td>Category</td>
<td>Percentage</td>
<td></td>
</tr>
<tr>
<td>-----------------------------</td>
<td>--------------------</td>
<td>----------</td>
<td>------------</td>
<td></td>
</tr>
<tr>
<td>Sa’ad Zaghloul</td>
<td>1.1924 – 11.1924</td>
<td>11</td>
<td>63.6</td>
<td></td>
</tr>
<tr>
<td>Ahmed Zayyour</td>
<td>11.1924 – 3.1925</td>
<td>12</td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>Ahmed Zayyour</td>
<td>3.1925 – 6.1926</td>
<td>10</td>
<td>80</td>
<td></td>
</tr>
<tr>
<td>Adli Yakin</td>
<td>6.1926 – 4.1927</td>
<td>9</td>
<td>77.7</td>
<td></td>
</tr>
<tr>
<td>A. Khalil Tharwat</td>
<td>4.1927 – 3.1928</td>
<td>10</td>
<td>70</td>
<td></td>
</tr>
<tr>
<td>Mustafa al Nahhas</td>
<td>3.1928 – 6.1928</td>
<td>10</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>Muhammed Mahmoud</td>
<td>6.1928 – 10.1929</td>
<td>9</td>
<td>66.6</td>
<td></td>
</tr>
<tr>
<td>Adli Yakin</td>
<td>10.1929 – 1.1930</td>
<td>10</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Mustafa al Nahhas</td>
<td>1.1930 – 6.1930</td>
<td>10</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>Ismail Sidqi</td>
<td>6.1930 – 1.1933</td>
<td>10</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>Ismail Sidqi</td>
<td>1.1933 – 9.1933</td>
<td>12</td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>A. Fattah Yahia</td>
<td>9.1933 – 11.1934</td>
<td>10</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Muhammed Tawfiq Nasim</td>
<td>11.1934 – 1.1936</td>
<td>9</td>
<td>44.4</td>
<td></td>
</tr>
<tr>
<td>Ali Mahir</td>
<td>1.1936 – 5.1936</td>
<td>9</td>
<td>22.2</td>
<td></td>
</tr>
<tr>
<td>Mustafa al Nahhas</td>
<td>5.1936 – 7.1937</td>
<td>11</td>
<td>54.5</td>
<td></td>
</tr>
<tr>
<td>Mustafa al Nahhas</td>
<td>8.1937 – 12.1937</td>
<td>12</td>
<td>66.6</td>
<td></td>
</tr>
<tr>
<td>Muhammed Mahmoud</td>
<td>4.1938 – 6.1938</td>
<td>13</td>
<td>61.5</td>
<td></td>
</tr>
<tr>
<td>Muhammed Mahmoud</td>
<td>6.1938 – 8.1939</td>
<td>12</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Ali Mahir</td>
<td>8.1939 – 6.1940</td>
<td>14</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Hasan Sabri</td>
<td>6.1940 – 11.1940</td>
<td>16</td>
<td>56.3</td>
<td></td>
</tr>
<tr>
<td>Hussein Sirri</td>
<td>11.1940 – 7.1941</td>
<td>15</td>
<td>53.3</td>
<td></td>
</tr>
<tr>
<td>Hussein Sirri</td>
<td>7.1941 – 2.1942</td>
<td>15</td>
<td>66.7</td>
<td></td>
</tr>
<tr>
<td>Mustafa al Nahhas</td>
<td>2.1942 – 5.1942</td>
<td>11</td>
<td>63.6</td>
<td></td>
</tr>
<tr>
<td>Mustaffa al Nahhas</td>
<td>5.1942 – 10.1944</td>
<td>14</td>
<td>64.3</td>
<td></td>
</tr>
<tr>
<td>Ahmed Mahir</td>
<td>10.1944 – 1.1945</td>
<td>13</td>
<td>53.8</td>
<td></td>
</tr>
<tr>
<td>Ahmed Mahir</td>
<td>1.1945 – 2.1945</td>
<td>15</td>
<td>53.3</td>
<td></td>
</tr>
<tr>
<td>Mahmoud Fahmi al Nigrashi</td>
<td>2.1945 – 2.1946</td>
<td>14</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Ismail Sidqi</td>
<td>2.1946 – 12.1946</td>
<td>12</td>
<td>33.3</td>
<td></td>
</tr>
<tr>
<td>Mahmoud Fahmi al Nigrashi</td>
<td>12.1946 – 12.1948</td>
<td>11</td>
<td>54.5</td>
<td></td>
</tr>
<tr>
<td>Ibrahim A. Hadi</td>
<td>12.1948 – 7.1949</td>
<td>16</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Hussein Sirri</td>
<td>7.1949 – 11.1949</td>
<td>19</td>
<td>68.4</td>
<td></td>
</tr>
<tr>
<td>Hussein Sirri</td>
<td>11.1949 – 1.1950</td>
<td>14</td>
<td>28.7</td>
<td></td>
</tr>
<tr>
<td>Mustafa al Nahhas</td>
<td>1.1950 – 1.1952</td>
<td>17</td>
<td>29.4</td>
<td></td>
</tr>
<tr>
<td>Ali Mahir</td>
<td>1.1952 – 3.1952</td>
<td>11</td>
<td>18.2</td>
<td></td>
</tr>
<tr>
<td>Hussein Sirri</td>
<td>2.7.1952 – 22.7.1952</td>
<td>14</td>
<td>28.7</td>
<td></td>
</tr>
<tr>
<td>Ahmed Najib al Hilali</td>
<td>22.7.1952 – 24.7.1952</td>
<td>15</td>
<td>40</td>
<td></td>
</tr>
</tbody>
</table>

Source: Al Disouki 1975: 217-8 (Percentages corrected)

The Syrian case may look different at first sight. But it seems that the author who compiled the data on Syrian parliaments followed a different classification, whereby civil servants are rigidly separated from private professions, hence the proportion of around 20 percent for those belonging to the first category in general.
However, we should keep in mind a few considerations in order to understand the “specificity” of the Syrian situation. First, the French traditions in general favored the incursion of public administration officials in political life, whether in parliaments or in cabinets (the IENA traditions). Second, if we add together landowners and tribal chiefs, this category will form by far the largest single group in the different Syrian parliaments whether before or after the country’s independence. Third, it is very doubtful that at least some highly placed public servants who were represented in the different parliaments did not acquire their positions because of belonging to the landowning classes in the first place, or conversely, did not use their public office to turn into landowners, which was the case in Egypt and Iraq. Hence, such well known figures as Presidents and Prime Ministers Shukri al Quwwatli, Sabri al ‘Asali, Khaled al Azm, and many others, could well be classified as public servants, while they belonged actually to the big merchant and landowning classes.

At first sight, the politics of the Mashreq countries looked like textbook cases of state-dominant class relationships, i.e. a state geared to serving the interests of the dominant class in society, which was that of big landowners. Yet this static picture does not encompass the whole reality. One major reason is that although we can talk of a class of big landowners or identify big tribal chiefs, each of these two categories did not always act in unison—just like any other class in society. Tribal solidarity was disintegrating in many parts of the Mashreq due to the rise of the new forms of agricultural exploitation. But the process of disintegration went unevenly and took various forms within each country and in between countries. By the mid-nineteenth century, tribes ceased to be functional units in much of Egypt.

Table – 1.12 -
Occupational Distribution of the Members
of the Syrian Parliaments 1919-1959*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Members</td>
<td>59</td>
<td>72</td>
<td>70</td>
<td>106</td>
<td>123</td>
<td>136</td>
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<td>Public Servants</td>
<td>8</td>
<td>15</td>
<td>16</td>
<td>23</td>
<td>15</td>
<td>21</td>
<td>24</td>
<td>25</td>
</tr>
<tr>
<td>Of whom: Officers</td>
<td>-</td>
<td>2</td>
<td>0</td>
<td>5</td>
<td>3</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>%</td>
<td>39</td>
<td>29</td>
<td>27</td>
<td>23</td>
<td>14</td>
<td>17</td>
<td>23</td>
<td>20</td>
</tr>
<tr>
<td>Private Professions</td>
<td>13</td>
<td>37</td>
<td>42</td>
<td>74</td>
<td>95</td>
<td>101</td>
<td>81</td>
<td>103</td>
</tr>
<tr>
<td>Of whom: Merchants &amp; Banke</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>5</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Bankers</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrialists</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Landowners</td>
<td>7</td>
<td>13</td>
<td>23</td>
<td>30</td>
<td>42</td>
<td>40</td>
<td>30</td>
<td>33</td>
</tr>
</tbody>
</table>
Notables &
Tribal Shaikhs
% Private Professions

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>6</th>
<th>7</th>
<th>19</th>
<th>18</th>
<th>20</th>
<th>15</th>
<th>21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>62</td>
<td>71</td>
<td>72</td>
<td>76</td>
<td>85</td>
<td>83</td>
<td>77</td>
<td>80</td>
</tr>
</tbody>
</table>

*Percentages are calculated for the total of known professions. The professions of a number ranging between 9 and 38 (in the first parliament) are unknown.


With the exception of recently sedentarized warrior/nomadic tribes who originally came from the Egyptian-Libyan desert, or from the Arabian Peninsula, the basic unit of the Egyptian countryside was the village, whose inhabitants did not necessarily have common blood ties. In Syria, Lebanon and Iraq, the process was more complicated. Broadly speaking, one can distinguish urban hinterlands, mountainous regions and orchards from the vast plains, which continued to depend on cereal production and were run by big landlords. “The gardeners of al-Ghutah, the ‘people of the tree’ in the Idlib region, the orchardists who live within or in the neighborhood of Hims, Hamah, and Aleppo, and the Alawí husbandmen of the Latakia coast and the Banyas plain are clanless peasants. In the villages of the Euphrates and its main tributaries... the tribal system is still alive” (Batatu 1999: 22).

A similar situation existed in Iraq where tribes completely disintegrated down to the individual tribesmen, or tribe only existed in name and affiliation but had no economic significance. This occurred in date orchards and gardens in and around Basra, Kerbala, Diyala, Baghdad, but also in cereal producing areas adjacent or annexed to these areas (Haider 1942: 622).

However, the disintegration of the big tribe should not be mechanically equated with the rise of the ‘modern’ category of the individual, as the case of Iraq plainly shows. The ‘settlement’ of claims on land in the 1920s Iraq, as well as in other countries of the region, was accompanied by gross injustices. Doreen Warriner described the way that the 1932 Land Settlement Law transferred land to landowners in Iraq as identical to the way that English landowners in the eighteenth and nineteenth centuries appropriated the traditionally public lands, which were previously in the hands of the peasants (Warriner 1948: 107). Yet, the injustice did not only fall on the peasants. For whereas the conditions for the rise of new modes of exploitation were ripe, assigning roles and determining who will belong to the new upper classes of big landowners was far from an automatic process. Tribes and tribal shaikhs that chose to stand against the British, or sided with the Ottomans during WWI were heavily punished, while those who took favorite positions were generously rewarded. Others, whose local power bases could not be ignored, were neutralized.

The struggle for land, especially in the densely populated and fertile south threatened the power base of many tribal shaikhs. A tribe without land, or ‘dira’, would degenerate into a ‘taifa’: a word, which could literally mean either a sect, or a floating group. And a shaikh who had no land to distribute to his kinsmen would eventually lose authority. In the ‘Imara region, for example, the Al Izairij, al Sudan and all Soua’id, once powerful clans, ended up as ‘ta’ifas’, who later migrated en masse to cities like Baghdad and Basra (all Jawahirí 1978: 107-11).

Writing in the early 1940s, Haider provided a very useful description of the transformative processes in agriculture. Tribal shaikhs were encouraged to use the government forces to affirm their full claims as landlords of the land of the tribes. Tribesmen as protectors of the social unit were therefore becoming redundant.
Shaikhs claimed payments of the mallakeyah (rent) and the miri (government taxes), whereas under the previous regime of coercion they only required insignificant payments (plus military service) which would cover the irregular payments of tribute to the central authority and maintain the mudhif (shaikh's guesthouse) and other duties of sheikhdom. They began to assert their right of eviction, whereas before they had been bound by respect of tribal custom with regard to lazma holdings and distribution of land (Haider 1942: 5533-7, 577-8).

The social consequences of these transformative processes were huge. Apart from the clanless peasants mentioned earlier, there were purely tribal areas where very strong bonds of tribal solidarity persisted. In other areas tribal solidarity was weakened: the tribe was broken into component sections down to the qit'a holder or sarkal (the smaller family). This kind of social organization was to be generally found in and around towns that had been controllable by state authority since at least the mid-nineteenth century (Ibid. 621-2). Although the authority of the paramount sheikh of a tribal confederation had weakened or ceased to exist, it gave place to the authority of the sub-tribal chiefs of which the confederation was composed.

The consolidation of the pre-capitalist forms of agriculture described above brought huge opportunities and wealth to the new class of landlords. Opening up the domestic and foreign markets enhanced these opportunities. But the crises of these systems were surfacing only a few decades after their rise. The major symptom of these crises was the mass influx of rural migrants to the major cities of the Mashreq countries; an influx which would play the most decisive role in effecting the drastic social changes of the past half a century. The consequences of this crisis for the relationship between cities and countryside and the rise of 'new' sources for surplus generation will be the subject of our next inquiry.
Chapter 2

Merchants, Landowners and
The Origins of Underdevelopment

2.1 Merchant Capital and Land Ownership:

In the late nineteenth century, Egypt undertook wide measures to reform its economic system such as liberalizing the real estate and land markets thus allowing the sale and purchase of land and removing restriction on practising craftsmanship, as was mentioned earlier. These measures were partially taken under the pressures of Egypt’s European debtors, following the forced abdication of Khedive Ismail from power in 1880 (Nubar Pasha 1983: 49ff.) Although the commodification of land and legalizing the partial mobility of the workforce could be seen as a step towards freeing the Egyptian economy from precapitalist constraints, the old patterns of investment persisted. Purchase of and speculation in lands continued to be a major field of ‘investment’ for landowners and even urban elites. The second favorite field of investment was commercial and banking activity (Al Disouki 1975: 77, 83, Dowidar 1986b: 95).

A very significant indicator of the nature of the system is that in 1907 the total capital of real estate and land mortgage companies constituted more than one half of all the capital invested in Egypt. By 1914, this had increased from 51.6 percent to almost three fifths (59.3 percent) (A. Barakat: 1977: 133). This should not seem surprising given the fact that until the end of Ismail’s reign, modern industry –which comprised some 40 factories, 22 of which were for the production of sugar- was still in the hands of the state. “Unfortunately for Egypt, however, the high costs associated with these plants... meant that they could only continue in existence on the basis of substantial subsidies. Once these were not forthcoming after Egypt’s bankruptcy, many state factories were forced to close down” (Owen 1993: 150).

Throughout the first decades of the century, calls for the establishment of new industries, new agricultural banks and the diversification of the economy were persistent in Egypt as well as in the rest of the Mashreq countries. Al Disouki lists a number of such projects that were supported or endorsed by landowners, members of the royal family, and many notables (Ibid: 85-9). We will see that the rise of ‘new industrialists’ later on in all of these countries was not a product of individual genius or patriotism, nor did it come in contradiction with the interests of the dominant big landowners.

The establishment of Bank Misr in 1920 is considered a turning point in the history of Egypt because for the first time landowners exerted such a concerted effort to invest their capital in non-agricultural fields and to compete with already existing foreign institutions. Bank Misr was not, however, the first attempt at private industrialization in Egypt. Many landowners had already done so before that. Bushra and Sinout Hanna and Muhammed al Shannawi were among those landowners who invested in cotton trade, flour mills, rice processing, carpentry and ironwork. In August 1919, the first Egyptian company for cotton exports was established with the majority of its EP 50,000 capital owned by two big landowners: Ahmed al Jammal and Amin Pasha Yahia (Al Disouki 1975: 89). However, the significance of Bank Misr’s contribution can be gauged from the fact that in the period 1922-1938, the

1 Misr is the Arabic word for Egypt.
industrial companies it established were responsible for 45 percent of the total increase in Egyptian industrial capital (Mabro and Radwan 1976:122).

Bank Misr saw the light twelve years after the establishment of al Ahli Bank by Abboud Pasha. But unlike the latter, which was mostly concerned with short-term commercial activities and loans, Bank Misr aimed at pooling investments to finance industrial concerns. Hence the popular and standard textbook stereotypes of al Ahli as an epitome of neo-colonialism and dependence, and that of Bank Misr as an epitome of independence and the industrial bourgeoisie.

Besides banking, real estate and insurance, Bank Misr’s investments were mostly geared towards activities related to the export, processing, and marketing of the products of Egyptian landowners—notably cotton. Despite investing in other fields, for example Studio Misr, which was a cornerstone in the flourishing of Egypt’s film industry, the major companies that increased their capital after establishment—an indicator of expanding business and profitability—were the ones which engaged in financing, transporting and processing cotton and textile production. Of all the companies established during the 1920s and the first half of the 1930s, only the bank and its companies that were engaged in harvest, marketing or manufacturing of cotton made profits. Until then, Misr Co. for Textile Spinning made the highest profits (Davis 1983:162).

The mere fact that landowners were not reluctant when it came to investing money in industry should tell against culturalist views regarding a region’s non-passage to capitalism because of the lack of entrepreneurship. The same applies to the ‘radical’ critique, which assumes the existence of qualitative differences between Middle East landowners-turned-capitalists (or ‘lumpen’/peripheral’ capitalists in general) on the one hand, and their counterparts in Europe on the other. The first are supposed to be parasitic and consumption-oriented, while the latter were productively-oriented. The fact that the first steps towards private indigenous industrialization were carried in fields that served landowning industries, and/or were aimed at producing low-added value products does not foredoom the attempt at building capitalism, as the dependency/world systems approach suggest. After all, England (and a century later the US) industrialized through such a path. Then why did Bank Misr eventually degenerate into a traditional ‘third world’ bank, opening its doors to foreign capital and conceding to specialize in commercial, non-industrial activity?

And hence too are the divergent fates of the founders of each bank. Whereas Abboud Pasha was brought to court and his property nationalized after the revolution of 1952, Tal‘at Harb, the founder of Bank Misr, has a statue looking over one of the most central squares in Cairo.

The notion that monoculture and specialization in the export of raw material and/or low-value added products is a cause of dependence/underdevelopment is shared by many authors from within and without the dependency/world system schools. However, the evidence does not support this claim even in the cases of late industrializers. The following table presents the case of Japan, which industrialized in the 1860s, and South Korea and Taiwan, whose industrialization spur began in the 1960s. Despite a century-long gap between the two cases, both began by exporting raw material, moved into low value-added manufactured exports, before reaching the phase of mature capitalism.

| Share of Raw Materials and Textiles in Asian Exports, Selected Years |
|---|---|---|
| Raw materials % of total exports | Textiles % of total exports | Textiles % of manufactured exports |
| **Japan** | | |
| 1874/83 | 82 | 4 | 25 |
| 1892/1901 | 54 | 23 | 52 |
| 1912/21 | 34 | 34 | 53 |
| 1930/39 | 20 | 35 | 44 |
| **South Korea** | | |
| 1954/56 | 94 | - | - |
| 1964/66 | 41 | 27 | 46 |
| 1971/73 | 16 | 39 | 46 |
| 1976/78 | 12 | 33 | 38 |
Table – 2.1 -
Bank Misr’s Companies 1920-1941

<table>
<thead>
<tr>
<th>Name</th>
<th>Year of establishment</th>
<th>Initial Capital £</th>
<th>% share of Bank Misr &amp; Cos. In its Capital</th>
<th>Capital in 1941 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Financial Cooperation Co.</td>
<td>1910</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Bank Misr</td>
<td>1920</td>
<td>80,000</td>
<td></td>
<td>1,000,000</td>
</tr>
<tr>
<td>3 Misr Press</td>
<td>1922</td>
<td>5,000</td>
<td>43.2</td>
<td>50,000</td>
</tr>
<tr>
<td>4 Misr Co. for Paper Industries</td>
<td>1923</td>
<td>30,000</td>
<td>50.7</td>
<td>250,000</td>
</tr>
<tr>
<td>5 Misr Co. for Cotton Spinning</td>
<td>1924</td>
<td>30,000</td>
<td>50.0</td>
<td>250,000</td>
</tr>
<tr>
<td>6 Misr Co. for Transport &amp; Sailing</td>
<td>1925</td>
<td>40,000</td>
<td>75</td>
<td>250,000</td>
</tr>
<tr>
<td>7 Studio Misr</td>
<td>1925</td>
<td>15,000</td>
<td>66.7</td>
<td>75,000</td>
</tr>
<tr>
<td>8 Misr Co. for Textiles and Spinning</td>
<td>1927</td>
<td>300,000</td>
<td>48.4</td>
<td>1,000,000</td>
</tr>
<tr>
<td>9 Misr Fisheries Co.</td>
<td>1927</td>
<td>20,000</td>
<td>54</td>
<td>75,000</td>
</tr>
<tr>
<td>10 Misr Co. for Silk Textiles</td>
<td>1927</td>
<td>10,000</td>
<td>65</td>
<td>75,000</td>
</tr>
<tr>
<td>11 Misr Linen Co.</td>
<td>1927</td>
<td>10,000</td>
<td>45</td>
<td>45,000</td>
</tr>
<tr>
<td>12 Bank Misr-Syria-Lebanon</td>
<td>1929</td>
<td>160,000</td>
<td>83</td>
<td>160,000</td>
</tr>
<tr>
<td>13 Misr Co. for Cotton Exports</td>
<td>1930</td>
<td>160,000</td>
<td>50</td>
<td>160,000</td>
</tr>
<tr>
<td>14 Misr Air Co.</td>
<td>1932</td>
<td>20,000</td>
<td>27</td>
<td>80,000</td>
</tr>
<tr>
<td>15 The Co. for Sale of Egyptian Manufactures</td>
<td>1932</td>
<td>5,000</td>
<td></td>
<td>80,000</td>
</tr>
<tr>
<td>16 Misr Insurance Co.</td>
<td>1934</td>
<td>200,000</td>
<td>49.8</td>
<td>200,000</td>
</tr>
<tr>
<td>17 Misr Sailing Co.</td>
<td>1934</td>
<td>200,000</td>
<td>78.3</td>
<td>200,000</td>
</tr>
<tr>
<td>18 Misr Co. for Skin Tanning and Industries</td>
<td>1934</td>
<td>5,000</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>19 Misr Tourism Co.</td>
<td>1934</td>
<td>7,000</td>
<td>44.3</td>
<td>7,000</td>
</tr>
<tr>
<td>20 Misr Co. for Fine Textile and Spinning</td>
<td>1937</td>
<td>250,000</td>
<td>71.8</td>
<td>500,000</td>
</tr>
<tr>
<td>21 Misr Co. for Cement Works</td>
<td>1938</td>
<td>6,000</td>
<td>29.3</td>
<td>6,000</td>
</tr>
<tr>
<td>22 Misr Co. for Bleaching</td>
<td>1938</td>
<td>250,000</td>
<td>20</td>
<td>400,000</td>
</tr>
<tr>
<td>23 Misr Co. for Mining and Stones</td>
<td>1938</td>
<td>40,000</td>
<td>76.5</td>
<td>40,000</td>
</tr>
<tr>
<td>24 Misr Co. for Oil Industries &amp; Trade</td>
<td>1938</td>
<td>30,000</td>
<td>82</td>
<td>30,000</td>
</tr>
</tbody>
</table>

Taiwan
<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1954/56</td>
<td>90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1964/66</td>
<td>55</td>
<td>14</td>
<td>32</td>
</tr>
<tr>
<td>1971/73</td>
<td>18</td>
<td>30</td>
<td>36</td>
</tr>
<tr>
<td>1976/78</td>
<td>14</td>
<td>25</td>
<td>29</td>
</tr>
</tbody>
</table>

- Dashes indicate that no data are available
Source: Schwartz 1994: 105
A more accurate assessment of the relationship between raw/low value-added exports and capitalist development is that continuing reliance on the former over the long run is an indicator (and not a cause) of the non-ability to launch a successful industrialization process.
One reason could be the always-cited role of the colonial state in depressing the role of industrial capital. However, upon investigating the available evidence, Davis’ conclusions support the opposite thesis. According to him, one of the reasons for the rapid growth of Bank Misr was the support given to it by the Egyptian government, which provided it with the necessary liquidity to forward as loans to small industries, agricultural cooperatives and to buy cotton and store it (Davis 1983: 153).

Analyzing the available data reveals some interesting evidence on the investment climate in Egypt between the two world wars. The period 1920-1939 witnessed the establishment of 250 new joint-stock companies with a total capital of 16.2 million Egyptian pounds, that is an average of 65000 pounds per company—which indicates a tendency towards the establishment of relatively small companies. In this process the role of Bank Misr and its companies was fairly limited, while the lion’s share in establishing new companies went to foreign banks and to the rival al Ahli Bank. Throughout the nineteen years in the table, only once—in 1927—was Bank Misr’s share in newly established joint-stock companies higher than all others. In that year the Bank established four new companies, notably the highly profitable textile and spinning company. In 1935 its share was higher than al Ahli’s. But in all the other years, its contribution was inferior. In total, Bank Misr’s share was only around 8 percent of the total capital of newly established companies. And if the 442,000 pounds, which non-Bank Misr companies contributed to the formation of new companies is deducted, then the Bank’s share will dwindle to a tiny 5 percent, while al Ahli’s share was 32 percent—almost one third—and that of foreign banks exceeded half the total capital—51 percent.

What we are witnessing here is a classical case of a precapitalist system in crisis characterized by declining or stagnant productivity and labor exodus, and the rise of merchant capital to a role of prominence. This rise, it must be stressed, had nothing to do with the predominance of capitalism as a mode of production, nor was it related in any sequential or causal relation to either the crisis of the agricultural system, or to a possible passage to capitalism as a dominant mode of production. Hence it would be incorrect to call such a system ‘transitional’. For in order that capital becomes the dominant and determinant relationship in a society, merchant capital itself must be subjugated to industrial capital, a condition that was non-existent in the Mashreq for reasons that will be discussed in later chapters.

Table – 2.2 -
Egypt: New Joint-Stock Companies
1920-1939 (1000 EP)

<table>
<thead>
<tr>
<th>Year</th>
<th>No of Companies</th>
<th>Total Capital</th>
<th>Banks' Shares</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Al Ahli Bank</td>
<td>Foreign banks</td>
</tr>
<tr>
<td>1920</td>
<td>19</td>
<td>1,125.6</td>
<td>172</td>
<td>909.4</td>
</tr>
<tr>
<td>1921</td>
<td>7</td>
<td>190</td>
<td>57</td>
<td>133</td>
</tr>
<tr>
<td>1922</td>
<td>8</td>
<td>1,172</td>
<td>125</td>
<td>1,047</td>
</tr>
<tr>
<td>1923</td>
<td>12</td>
<td>961.3</td>
<td>90</td>
<td>841.3</td>
</tr>
<tr>
<td>1924</td>
<td>9</td>
<td>1,121</td>
<td>1,045</td>
<td>46</td>
</tr>
<tr>
<td>1925</td>
<td>10</td>
<td>330</td>
<td>20</td>
<td>255</td>
</tr>
<tr>
<td>1926</td>
<td>17</td>
<td>341.7</td>
<td>172.5</td>
<td>169.4</td>
</tr>
<tr>
<td>1927</td>
<td>11</td>
<td>714</td>
<td>242</td>
<td>129</td>
</tr>
<tr>
<td>1928</td>
<td>12</td>
<td>1,126.5</td>
<td>953</td>
<td>143.5</td>
</tr>
<tr>
<td>1929</td>
<td>13</td>
<td>1,730.5</td>
<td>220</td>
<td>1,510.5</td>
</tr>
<tr>
<td>1930</td>
<td>11</td>
<td>628</td>
<td>50</td>
<td>578</td>
</tr>
<tr>
<td>1931</td>
<td>9</td>
<td>1,476.4</td>
<td>-</td>
<td>176.4</td>
</tr>
<tr>
<td>1932</td>
<td>9</td>
<td>323.1</td>
<td>100</td>
<td>216.4</td>
</tr>
<tr>
<td>1933</td>
<td>6</td>
<td>324</td>
<td>280</td>
<td>35</td>
</tr>
<tr>
<td>1934</td>
<td>17</td>
<td>1,284</td>
<td>620</td>
<td>349</td>
</tr>
<tr>
<td>1935</td>
<td>15</td>
<td>496</td>
<td>56</td>
<td>321.6</td>
</tr>
<tr>
<td>1936</td>
<td>11</td>
<td>501</td>
<td>204</td>
<td>297</td>
</tr>
<tr>
<td>1937</td>
<td>18</td>
<td>644</td>
<td>193</td>
<td>401</td>
</tr>
<tr>
<td>1938</td>
<td>28</td>
<td>1,236.3</td>
<td>379</td>
<td>512</td>
</tr>
<tr>
<td>1939</td>
<td>8</td>
<td>505</td>
<td>-</td>
<td>505</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>1,6230.4</td>
<td>5229</td>
<td>8270</td>
</tr>
</tbody>
</table>

*Bank of Agricultural Credit.
**Of the 1,316 thousand EP, which comprised Bank Misr's contribution, only 442 thousand were contributed by companies that did not belong to the bank.

Source: Davis (1983: 175).

Between the disintegration of feudalism in the thirteenth-fourteenth century Europe and the rise of capitalism in the late seventeenth century, merchant capital prevailed with similar patterns of investment and disposal of the economic surplus. In fact, even the social origins and patterns of alliance that the European dominant classes formed during that period looked strikingly similar to those of the prevailing strata in the Middle East until the 1950s revolutions, as the following passage on the English merchant bourgeoisie clearly shows:

"The disintegration of the feudal mode of production had already reached an advanced stage before the capitalist mode of production developed, and... this disintegration did not proceed in any close association with the growth of the new mode of production within the womb of the old... A merchant bourgeoisie had grown to wealth and to influence. Having won a measure of privilege, it stood in a position of a co-partner rather than antagonist to the nobility, and in Tudor times partly merged with it. Its appearance exercised little direct effect upon the mode of production, and its profits were derived from taking
advantage of price differences in space and time, due to the prevailing 
immobility of producers and their meagre resources- price differences which it 
sought to maintain and even widen by its privileges of monopoly."

Dobb 1963: 20

Like several other big capitalists of the 1920s and 1930s in Egypt, the founder 
of Bank Misr, as well as his rival Abboud Pasha, descended from a lower middle class 
family. However, the nature of the socio-economic system does not hinge upon 
individuals, but rather on how those individuals who rise to prominence are 
corporated into a ruling elite. In other words, it is the dominant set of social 
relations that determines whether rising to prominence implies being a landowner, a 
big merchant, a banker, or an industrialist. In the case of Egypt and the Arab Mashreq 
land ownership was the major source of wealth. Later on, land ownership would 
amalgamate with merchant and banking capital. Bank Misr epitomized this 
amalgamation because its support came mainly from the big landowning class. Out of 
the 125 original shareholders in the bank, 92 percent of the total capital came from big 
landowners, and all of its eight founders were big landowners (Davis 1983: 131).

Syria's development pattern conveys basically the same story. One decade 
after gaining its independence from France, Syria continued to depend on agriculture 
as its main productive sector, which contributed a share ranging between 40.6 percent 
and 43.6 percent of its gross domestic product during the years 1953 and 1957¹ (SCB: 
1963: 12-13). Out of a total workforce of 1.68 million in 1957, 1.27 million worked in 
agriculture, 273 thousand in trade and transport, 30 thousand in crafts and only 70,000 
in modern manufacturing industry (Al Siba'i 1967: 403). The slow pace of 
industrialization can be seen from the fact that almost two decades earlier, 
manufacturing already employed 33 thousand. Investments in industry throughout the 
period 1943-1956 totaled 177 million Syrian pounds². Most of the post-independence 
industrial investment did not diverge from the traditional pattern of going to 
teachanical products and textile, spinning and dyeing industries, in addition to 
building material (Al Siba'i 1967: 404-5). A 1954 survey of Syrian industry showed 
that textile, cotton spinning, tricot, and socks industry employed more than 24,000 
workers and had a total capital of more than 65 million Syrian pounds. Sugar, 
canning, vegetable oil and food processing employed 7400 workers and had a total 
capital of 43.5 million pounds.

Was there a distinguishable class of industrialists?

Relying on scattered data, I compiled a list of fifty families who were among 
the most prominent industrialists in Syria until the 1950s. These were by no means the 
richest or most influential Syrian families of the time. They were the ones for whom I 
could collect sufficient evidence of relatively heavy involvement in manufacturing 
industries. Given the fact that landowning and trade were the most lucrative fields of 
activity, the list comprises only people who invested part of their profits/rents from 
land and mercantile activity in manufacturing. That is why the names of such 
influential and wealthy landed and mercantile families as al 'Abid, Ibish, al 'Azim, 
Shamdin, Burazi, Kanj, Kailani, al Quwwatl and many others do not appear here. 
Moreover, the evidence on the involvement of the families in the list in big land 
ownership is not complete (see note on sources below the table). However, it is fairly 
accurate as far as involvement in industry is concerned.

¹ Except in 1955, which was a year of bad harvest and the share of agriculture dropped to 33.1%.

² In 1945, the Syrian Pound was equal to 54 old French Francs, or 0.54 New Francs.
Of the fifty families listed in table 2.3, the activities of eighteen are not specified. The only data that we could collect as evidence of their involvement in manufacturing is that their members sat in multiple boards of directors of such companies. We know that one of these families was involved in land ownership. Many wealthy Syrian families had (and still have) their activities based outside Damascus, especially Aleppo. Their names would probably appear in their respective cities’ chambers of commerce and industry. Of the thirty-two other families on whom some information could be collected, the pattern is very similar to that of Egypt, Lebanon, and Iraq. Seventeen families belonged to big landowners.

Table – 2.3 -
Syrian Families Who Were Heavily Involved
in Industrial Activities
(Circa 1950)

<table>
<thead>
<tr>
<th>Family</th>
<th>Board membership</th>
<th>Positions in Damascus Chamber of Commerce</th>
<th>Big Land Ownership</th>
<th>Type of Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Al Ayesh</td>
<td>5</td>
<td>---</td>
<td>XX</td>
<td>Sugar and agro-industries (Hims), sugar refining (Damascus), oil refining &amp; trade, export-import.</td>
</tr>
<tr>
<td>Budair</td>
<td>6</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ghandour</td>
<td>6</td>
<td>---</td>
<td>X</td>
<td>Cofounder of al Khumasiyya Co.</td>
</tr>
<tr>
<td>Qutub</td>
<td>6</td>
<td>---</td>
<td>X</td>
<td>Cloth production and trade (Aleppo)</td>
</tr>
<tr>
<td>Sayem al Dahr</td>
<td>6</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>'Abachi</td>
<td>6</td>
<td>---</td>
<td>XX</td>
<td>Sugar and agro-industries (Hims), dyeing ind., export-import, building &amp; construction.</td>
</tr>
<tr>
<td>Maliki</td>
<td>6</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mi'mari</td>
<td>6</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baladi</td>
<td>7</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Al Hakim</td>
<td>7</td>
<td>1942-1946</td>
<td></td>
<td>Canning &amp; agro-industry, cement and textile &amp; spinning (Aleppo), refrigeration ind., large real estates, member of parliament.</td>
</tr>
<tr>
<td>Fattal</td>
<td>7</td>
<td>1935-1937, 1942-1946</td>
<td></td>
<td>Main agents of European companies, real estate (Syria &amp; Lebanon)</td>
</tr>
<tr>
<td>Hnaidi</td>
<td>8</td>
<td>---</td>
<td>XXX</td>
<td>United Banks Co., cement and building material ind.,</td>
</tr>
<tr>
<td>Sharbaji</td>
<td>8</td>
<td>1942-1946</td>
<td>XXX</td>
<td>Cigarette paper ind. (Aleppo), textile &amp; socks</td>
</tr>
<tr>
<td>Name</td>
<td>Age</td>
<td>Years</td>
<td>Industry</td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
<td>-----</td>
<td>----------------</td>
<td>--------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Hamami</td>
<td>9</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Qumbaz</td>
<td>9</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salim</td>
<td>9</td>
<td>1948-1958</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sammadi</td>
<td>9</td>
<td>1948-1958</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lahham</td>
<td>10</td>
<td>---</td>
<td>Bank of the Arab World, sugar and agro-industries (Hims), glass &amp; porcelain ind., sugar refining (Damascus), cigar ind., carpet ind., export-import, dyeing ind.</td>
<td></td>
</tr>
<tr>
<td>Kittana</td>
<td>10</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Haikal</td>
<td>10</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sukkar</td>
<td>10</td>
<td>---</td>
<td>XX Commercial Bank, breweries, sugar ind., textile and spinning ind., cotton and vegetable oil ind., wood prod., cosmetics ind., cast iron prod., trade.</td>
<td></td>
</tr>
<tr>
<td>Himsi</td>
<td>10</td>
<td>---</td>
<td>Bank Syria-Lebanon, cement ind., agents of European companies, textile and spinning ind., Bank Albert Himsi, transport &amp; tourism, electric appliances (Aleppo), board member of Cement Co. (Aleppo), vice chairman of Aleppo Electricity Co.</td>
<td></td>
</tr>
<tr>
<td>Boubas</td>
<td>10</td>
<td>1962-1970</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Halbawi</td>
<td>10</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Khudhair</td>
<td>10</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>'Atif &amp; Nadir Atasi</td>
<td>10</td>
<td>---</td>
<td>XXX Sugar and agro-industries (Hims), cement and building material ind. (Hims), sugar refining (Damascus), cosmetic ind., Arab Bank, electricity production (Hims &amp; Hamah)</td>
<td></td>
</tr>
<tr>
<td>Disouki</td>
<td>11</td>
<td>---</td>
<td>Cofounder of al Khumassiyaa Co.</td>
<td></td>
</tr>
<tr>
<td>Tabba’ (Damascus)</td>
<td>12</td>
<td>1947-1951 1959-1970</td>
<td>Trade in cereals and money-lenders, cloth trade, underwear factories, warehouses in Saudi Arabia</td>
<td></td>
</tr>
<tr>
<td>Al Za’im</td>
<td>13</td>
<td>---</td>
<td>XX Sugar and agro-industries (Hims), cement and building material ind (Aleppo), sugar refinery (Damascus), Dyeing ind., refrigerating appliances, export-import, cotton spinning &amp; export, textile and spinning (Hims), oil refining</td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>Age</td>
<td>Years</td>
<td>Position and Trade</td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>-----</td>
<td>-----------</td>
<td>-----------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Jabara</td>
<td>14</td>
<td>1942-1946</td>
<td>X Import of cloth, cofounder of al Khumasiyya, real estate</td>
<td></td>
</tr>
<tr>
<td>Al Rabbat</td>
<td>14</td>
<td>1935-1941</td>
<td>X Sugar refining, cotton and vegetable oil ind., petro trade, wood ind., nylon threads ind., cement and building blocks ind. (Damascus, Hamah, Latakia)</td>
<td></td>
</tr>
<tr>
<td>Habbal</td>
<td>16</td>
<td>1955-1961</td>
<td>X Founder of the Arab World Bank, United Banks Co., fodder prod., vegetable oil &amp; soap ind., shirts prod., construction, real estate, importer of engineering products, petrol distribution, minister</td>
<td></td>
</tr>
<tr>
<td>Qabbani</td>
<td>16</td>
<td>1955-1961</td>
<td>X Export-import, agro-industries, founder of Cairo Bank, trade in agricultural machines, cotton spinning &amp; trade (Aleppo-Damascus)</td>
<td></td>
</tr>
<tr>
<td>Shami</td>
<td>17</td>
<td>1955-1961</td>
<td>X Sugar ind. (Hims), glass &amp; porcelain ind., textile &amp; spinning (Damascus), export-import, biggest iron importers, canning ind., warehouses in Beirut, real estate, minister of economics &amp; members of parliament</td>
<td></td>
</tr>
<tr>
<td>Maidani</td>
<td>21</td>
<td>1924-1946</td>
<td>X A cofounder of al Khumasiyya Co., Cairo Bank, wool ind., cement ind., vegetable oil &amp; soap ind., cast iron ind., touristic resorts, bottled water, real estate</td>
<td></td>
</tr>
<tr>
<td>Dibis</td>
<td>22</td>
<td>1922-1956</td>
<td>X Largest warehouse in Damascus bazaar, tricot and rubber ind., Damascus chamber of industry, refrigeration ind., construction, canning, real estate</td>
<td></td>
</tr>
<tr>
<td>Baqi</td>
<td>24</td>
<td>1924-1946</td>
<td>X United Banks Co., cement ind. (Aleppo), electricity co</td>
<td></td>
</tr>
<tr>
<td>Sahnawi</td>
<td>29</td>
<td>1922-1956</td>
<td>X Asphalt ind. (Latakia), Bank of the Arab World, textile and spinning ind. (Hims)</td>
<td></td>
</tr>
</tbody>
</table>

* Al Kumasiyya Co. was founded in 1942 by five partners. It established the first and largest factory in Syria for the production of low-cost cotton cloth, which was one of the most successful projects in Syrian industry.
Note on the table: Column 1 lists the names of families: fathers, sons, brothers and sisters and direct cousins. Column 2 records the number of boards of industrial concerns members of the family were sitting in during the 1950s. Figures between parenthesis are estimates made by the author. Column 3 is the period a member of the family has been on the board of Damascus Chamber of Commerce between 1922 until 1970, an indicator of belonging to the upper echelon of merchants. Column 4 is an attempt at estimating the relative position of the family in land ownership, relying on incomplete surveys on the sequestered land during the land reform acts. They are incomplete because the author was only able to have access to lists of sequestered land in Aleppo, Damascus, and fragments regarding other regions. Big landlordism prevailed in Hamah and al Jazeera regions, whose surveys I could not see. An X denotes that the sequestered land was less than five villages, XX: between 5 and eight villages, while XXX denotes more than eight villages.

Sources: Forty-five names were mainly drawn from Al-Siba'i (1975: 225-244). These were supplemented by other names and details from the memoirs of al Shallah (1992: 30-93) and to a lesser extent P. Khoury (1983: chapters 1 & 2) and Breitani and David (1984: 1-74). Board membership in the Chamber of Commerce from the book published by the Damascus Chamber of Commerce in its 150th anniversary (Chamber 1990: 24-40). Activities are from al Siba'i and al Shallah. Data on the sequestered villages is from an 8-volume work that was commissioned by the ‘official’ General Union of Syrian Peasants and written by several authorities on the “History of the Peasant Movement in Syria”. The work went to press, but was banned from circulation. I am indebted to one of the main authors, Dr. Abdalla Hanna for allowing me to make use of the rich material contained in it.

Describing the rise of the notable families in late nineteenth century Damascus, Phillip Khoury lists names like al Haffar, al Jallad, Sukkar, al Hakim, al Tabba’, and al Nouri as families that tended to work in commerce and money-lending and were heavily involved in the cereal and/or sheep trade between Damascus and the peasants and bedouins of Hawran. Since the 1870s, when textile industry witnessed some revival, some of these families went into financing these crafts too. Of these families, Khoury singles out only al Tabba’ and al Nouri as not owning considerable land (Khoury 1983: 78-80). The Syrian industrialists of the first half of the twentieth century were landowners/merchants for whom industry was only a secondary field of activity. In fact, of the thirty-three families on whom we have some information, no less than twenty-three were among the major importers and/or wholesale traders of Damascus. The Khumasiyya Co., which in 1942 founded the first and largest cotton-cloth factory, could be seen as Syria’s equivalent of the type of industries that was founded by Bank Misr in Egypt. And here again, the three most prominent among its five founders- al Khaja, Diab and al Rabbat- were among the most successful merchants and real estate speculators in Damascus. Yet, one major difference remains between the Syrian and Lebanese notables -whether landowners or not- on the one hand, and their Egyptian and Iraqi counterparts on the other. This difference lies in the much more pronounced urban background of the first. Landowners of tribal and rural origin continued to be amongst the richest in al Jazeera and Hawran regions of Syria for example, but their integration into the Syrian elite in general was weak. In fact, the non-integration of a Syrian hegemonic class of notables is even pronounced in the almost two totally separate realms of activity of Damascus on the one hand and Aleppo on the other, a phenomenon that left its imprints on Syrian politics, culture
and economy until the 1960s. Thus we find urban families who owed their rise to positions occupied in the Ottoman bureaucracy or religious institutions and turned later into landowners/merchants in the meantime.

The involvement of upper class Lebanese in industry, and therefore investigating the nature of their activities, does not seem necessary in this context. Being the mercantile-banking center for the region from its independence in 1946 until the outbreak of the civil war in 1975, Lebanon pursued an open-door policy that left its manufacturing in a very retarded situation. Suffice it to recall that even in the 1960s, there existed no industrial concern employing more than one hundred person in Lebanon, while those employing 50-99 were less than one hundred and fifty enterprises (1964 government survey, cited in K. Hamdan 1996: 11).

Hanna Batatu’s monumental work on Iraq provides a wealth of material for an analysis of the social backgrounds of the country’s industrialists prior to the revolution of 1958. Of the seven families who owned more than 100,000 donums of land or more, we find only one whose main occupation was trade and whose background was urban. All the six others were tribal shaikhs. A wider list including the last seven enumerates 49 families (or individuals) that owned 30,000 donums of land or more. Here we have eleven individuals or families whose main occupation was trade (Batatu 1978: 48, 58-63). Who among those went into industry? It is noteworthy that only eight of those are listed as having invested part of their wealth in some manufacturing, one of them belonged to the 100,000 donums plus category. And not surprisingly, all of these eight were from the merchant stratum of big landowners. A comparison between the above-mentioned lists with another one prepared by the same authority on “Iraqi Capitalists Worth a million or More Dinars in 1958” reveals interesting facts (Ibid. 276-282). Those ‘capitalists’ are twenty-three in number. Besides the eight merchant-big landowners mentioned above, the main field of activity of ten of the remaining fifteen was unequivocally commerce- mainly grain exporters and/or agents of big western companies and major importers. Three others were moneylenders and changers, real estate speculators and contractors. As for the two others, Batatu doesn’t specify whether their main activities were industry or other fields. But another source (Hassan 1965: 146) notes that the most prominent among these—Fattah Pasha family—was a major grain and wool exporter, construction contractor, and a major shareholder in the Commercial Bank, though it would be difficult to ascertain which was the main activity of the family. The other was a real estate owner and a weaving and textile industrialist in the meantime.

Reading the lists differently, we can see that among the twenty-three ‘one-million plus worth capitalists’, nine were not involved in industry at all. The fourteen others had various interests in the cement industry, vegetable and cottonseed oil production, tobacco industry, asbestos production, textile and weaving, flour mills, bakeries, date industries, breweries, leather making and brick factories.

To conclude: Much has been written on the parasitic, non-productive and dependent nature of Middle East capitalism. Yet the thesis that we want to present here, is that there was simply no capitalism, although there were capitalist individuals who fitted perfectly well within the interstices of the pre-capitalist society. This statement may look at first contradictory: capitalists having an interest in the persistence of precapitalism. But the contradiction can be solved if we have a deeper look at the history of capitalism itself to realize that this system was anything but the product of the will, determination, or entrepreneurial skill of particular individuals.
2.2 Landowners, Merchants and Capitalism:

Very few scholars would dispute the empirical facts provided above, yet many would dispute their meaning and significance. The overwhelming tendency has been to show how capitalism was rising "under the impact" of western influence. Depending on the author's perspective this 'rise under the impact of the west' may be seen as a rise despite/ or in challenge to the dominant western powers that tended to hinder this development, or in accordance with the logic or the will of these powers who found their natural allies in the newly emerging 'comprador' strata. But whatever the normative view is, there is a quasi-total agreement on the interpretation that it is capitalism that was on the rise, and that it was the (positive or negative) impact of insertion into the world capitalist system that brought it into the light.

What I have tried to demonstrate however is a totally different case, namely that no formation develops in vacuum, and therefore it would be pointless to dwell on whether the main influence on its further development was external or internal. Rather the question is how and why does a given social formation internalize and articulate external influences in ways that could retard or accelerate its developmental potential. Manchester responded to 'external' effects emanating from Liverpool or London, as much as the Ottomans and Japanese responded to virtually the same nineteenth-century dictates and influences by the British (Hershlag 1975: 42-55). Large regions of Eastern and southern European faced the same dictates (Halperin 1997: 119-22). The radically divergent outcomes to these responses are plain evidence that the internal structures of each targeted region, and therefore the power relations between that region and the nineteenth century superpowers mattered much. Moreover, countries that were never colonized, and were hardly influenced by the world capitalist expansion of the nineteenth century ended up more retarded than others who had been brutally exploited by colonial powers. Mongolia, Ethiopia and Afghanistan are cases in point. Thus while one can justifiably blame imperialist expansion for the plunder of the 'third world', this by itself cannot be taken as an explanation of underdevelopment, nor of development. The search for both should therefore be sought in the other variable in the imperialist relationship, i.e. the social structures of the societies that were incorporated in the world capitalist relations.

The second half of nineteenth century witnessed the rise of imperialism and its aggressive policies not only towards regions where states had not been consolidated yet, as in Africa, but in Eurasia too. Having secured a dominant world position following the French defeat and the 1815 settlements, the British forced the Japanese, the Persians, and the Ottomans to adopt open door policies. The various treaties with the Ottomans and Persians, like Turkoma-Shai treaty of 1828, the Paris Treaty of 1856, and the Berlin Treaty of 1878, extended concessions given to the British and European powers. It is remarkable that all of these states (in addition to the Russian empire) responded to the perceived threat in almost identical ways, mainly by attempting to reform the land system and modernize the armed forces. The Russian Tsar abolished serfdom in the 1860s, the Ottomans and Persians sanctioned private property in land, and the Japanese Meiji revolution of 1868 introduced sweeping land reforms. The outcomes of these attempts to reform have been starkly different.

To give credit to the reform attempts to the farsightedness of this or that leader is to sidestep reality. For virtually all those rulers knew that their powers were on the verge of collapse if they did not reform. Sultan Selim III of the Ottomans was one of the first rulers to recognize the French state after the 1789 revolution. His fate was sealed when he tried to secularize the state. An alliance between the grand 'ulama and
the Janissaries deposed him (Hershlag 1975:39). Sultan Mahmoud II carried wide ranging reforms very similar to the ones conducted by his Egyptian wali Muhammad Ali, but they ended up with abject failure. Hershlag notes that concessions were not only imposed on non-Europeans. The British made frequent use of this policy in Europe too. But the weakness of the Ottomans is what made this policy an accelerator for decay.

International changes have certainly had crucial effects on the Middle East, just like any other part in the world. The changes affected the more powerful players whom we tend to assume as initiators of change, as well as the regions that we traditionally tend to view as merely passive recipients/victims of these changes. The point, however, is how did the Middle East formations respond to these changes? And, why did response take these particular forms?

The above analysis shows that developments from the late nineteenth century were far from laying the grounds for capitalism. They were in fact very similar to the processes which Western and Central Europe witnessed in the sixteenth and seventeenth centuries: the coexistence of precapitalist agricultural systems with rising merchant capital that did not exclude the possibility of the creation of some industries either directly by the absolutist-mercantilist state, or by state-sponsored merchants or landowners. Despite the appearances of ‘modernization’ in both the European and Middle Eastern contexts of the rise of mercantilism, these developments on their own could become a hindrance to the further industrialization and rise of capitalism. True, absolutist states enforced the politico-economic framework under which a nascent industrial capitalism could thrive, namely the national home market. The dominant factions under absolutism, however, was the long-distance trade merchants in both regions. And it was only through the subsequent struggles and eventual defeat of these factions that capitalism could take hold in some parts of Europe. Hence, only on a teleological basis one can assume that the rise of long-distance trade and the development of merchant capital in Europe were related to the subsequent rise of capitalism and the industrial revolution. Yet, a closer scrutiny would show that this was absolutely not the case. Capitalism was the direct antithesis of the dominance of merchant capital and its development hinged on the ability to subdue and subjugate the latter, which put a powerful brake on its development. Marx’s powerful analysis made the point quite succinctly:

“Merchant capital is the historical form of capital long before capital has subjected production to its control... Capital developed on the basis of a mode of production independent and outside it, (and) the independent development of merchant capital stands therefore in inverse ratio to the general development of society.”

(Marx, Capital vol. III: 384)

The external relationship between merchant capital and the mode of production in its early stages arises when merchants begin to control craftsmen without in the meantime interfering in the methods of work. Even at a later stage when merchant capital began to fasten up the mode of production, this could lead to the rise of a ‘mode of transition’, according to Marx. In Capital, he very clearly distinguished two ways by which capitalism dominates production. The first, which he called “the really revolutionary way” occurred when section of the producers themselves accumulated capital and took to trade, then began to organize production

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On the other hand, the Italian city-states and the Flanders, which had a lead among European trade centers, were in the meantime among the weakest industrializers. a further evidence on the contradictory relationship between mercantile prosperity and industrialization.
on a capitalist basis free from the handicraft restrictions of the guilds. By contrast, the second way occurred when a section of the existing merchant class began to “take possession directly of production”, thereby “serving historically as a mode of transition” but becoming eventually “an obstacle to a real capitalist mode of production and declining with the development of the latter” (Capital, vol. III: 388-96).

These are not merely incisive theoretical remark. Subsequent empirical studies have shown the working of merchant capital as it dominates a certain social formation. Explaining why eighteenth century Florence, where up to one quarter of the population worked in workshops, could not become a basis for fully-fledged capitalist society, Maurice Dobb notes:

“But in general for those who had both capital and a privileged position in the major gilds investment in the export trade to the Levant or across the Alps into France and the Rhineland, or farming the Papal revenues and granting mortgage loans on the estates of princes was more lucrative than the exploitation of dependent craftsmen and the development of industry.”

Dobb 1963: 157

Florence, as is well known, was not the only region in Europe, which puzzled those historians who believed in the existence of a necessary and positive relationship between flourishing trade and the development of capitalism. Other prosperous Italian cities and the Dutch cities are cases in point. Although the latter did not have a big landed aristocracy, the dominance of a merchant class on the social formation made it virtually unprofitable to invest in industry on a large scale and therefore hindered the process of separating producers from their means of production- a crucial prerequisite for the domination of capitalist social relations. What in economic textbooks is described as the ‘Dutch syndrome’- the failure of industrialization because of open door trade policies- is well captured in the following passage:

“In the case of Italy, Germany and the Netherlands (and to a smaller extent in France) what is remarkable is less the early date compared with England, at which capitalist production made its appearance, than the failure of the new system to grow much beyond its promising and precocious adolescence. It would seem as though the very success and maturity of merchant and money-lending capital in these rich continental centres of entrepôt trade, instead of aiding, retarded the progress of investment in production; so that compared with the glories of spoiling the Levant or the Indies or lending to princes, industrial capital was doomed to occupy the place of a dowerless and unlovely young sister. At any rate, it is clear that a mature development of merchant and financial capital is not of itself a guarantee that capitalist production will develop under its wing and that even when certain sections of merchant capital have turned towards industry and have begun both to subordinate and to change the mode of production, this does not necessarily result in any thorough transformation.”

Dobb 1963: 160-161

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1 Dobb comments that “The progressive role of the merchant-manufacturer was here limited to extending handicraft production and breaking down the limits imposed by the traditional urban monopoly” (Dobb: 1963: 130). We will come back to this point in the section on the so-called primitive accumulation of capital.
The last quote is particularly instructive because it clearly demonstrates that neither a flourishing trade, nor the abundance of monetary wealth are sufficient conditions for the rise of industrial capitalism. The historical evidence, in fact, suggests that these perhaps act as a hindrance to the development of capitalist relations in the absence of a favorable class structure. Indeed, one might wonder why would the opulent Italian city-states and their magnates be interested in abandoning their non-hegemonic condition/position to become unifiers of a whole social formation, given the opportunities available to each city-state to subjugate its own hinterland, thus securing the necessary conditions for survival, and given the opportunities that long-distance trade provided for the Venetian or Genoese merchants? City-states whose elites' interests were geared to long-distance trade differed essentially from those formations whose leading classes depended on exploiting their domestic markets because the latter had a stake in intensifying and extending their grip on the widest possible sections of the peasantry in order to exchange their products with imported goods. This wasn't the case in formations relying mainly on long-distance trade because the agriculture was needed on in so much as to satisfy the needs of the city-state. The fortunes of the formation depended on its role as a middleman between producers and consumers in faraway centers. Moreover, as mercantile city-states laid close to each other, for example Venice, Genoa, Trieste, Ragusa and Dubrovnik, their relations were fraught with conflicts and competition that often pitted them in wars against each other, thus inhibiting the creation of a national space (Tilly 1990: 142-6). This class structure accounts for the absence of an agricultural revolution that would pave the way for an industrial one, and consequently for the firm establishment of capitalism.

Yet many writers who invoke the term 'class structure' as a basis for their analysis of the Mashreq societies have turned the conceptual apparatus of historical materialism into a subjective analysis that eschews rigorous historical examination of the empirical evidence. Rather than looking at class structures as long-term phenomena produced by struggles and balances within given ecological contexts and established over relatively long periods of times, these writers treat the term as a rational/irrational choice dictated by psychology, traditions, opportunities and/or political commitment.

In the following pages, I will discuss two variants of these explanations that do not necessarily contradict each other, but differ in their points of emphasis. The first variant declares its rejection of the world systems approach to understanding the absence of an industrial/agricultural revolution in the Mashreq and favors studying class structures, yet it unwittingly ends up by endorsing the basic hypothesis of that approach. The second variant emphasizes what it considers a radical difference between the European and the Mashreq bourgeoisie, but is based on what I will call a doubly mistaken reading of history.

### 2.3 Interpreting the Industrial Revolution:

Haim Gerber, whom we cited at length earlier, attempted to provide an answer to that age-old question regarding the origins of underdevelopment in the Middle East and his analysis is conducted via what he calls an argument 'predicated on

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1. It was not unfamiliar to have a leading city subjugating the rest of the country to its domination and thus creating a national space by force. However, in the case of city-states relying on long-distance trade, each one of these normally served, and was therefore allied with, a strong regional power which protected it prevented its fall to the rival regional power (Ibid.).
geographical, ecological, and institutional factors rather than cultural ones” (Gerber 1987: 119). The author, we should remember, is trying to apply Barrington Moore’s conceptual apparatus in explaining the rise or absence of industrial revolution/capitalism in various agricultural societies. His main variables are therefore the structure of land tenure and class struggle between peasants and landlords. And the time span over which he is applying his analysis runs over more than four centuries from circa 1500 to the 1960s.

However, Gerber’s explanation poses two major problems. The first one, which we mentioned earlier in passing, is that the author treats the rise of capitalism and the perpetual rise in productivity—the essence of an agricultural and industrial revolutions—as two separate categories, because we have seen that he described Egypt’s and Syria’s agricultural systems as capitalist. But the second and most serious flaw in Gerber’s account is that despite his rejection of the world systems approach and his recurrent insistence on the primacy of class struggles in defining the rise and demise of social relations of production, his analysis eventually ends up by adopting an approach that is more in line with the dependency/world systems framework that assigns paramount importance to the effects of trade on the establishment of capitalism, as I will show below.

Gerber begins by a critique of the applicability of the world system’s approach to the Middle East:

“Wallerstein’s theory in its particulars seems only marginally applicable to the Ottoman scene. Attempts so far to apply it to this part of the world have unfortunately been largely unconvincing because they have disregarded relevant empirical facts.”

Gerber 1987: 45

Applying Wallerstein’s paradigms, according to Gerber, we should expect a peripheral Middle East since at least the sixteenth century, because:

“No area in the Middle East was more accessible to foreign trade than was Egypt. For the peripheralization theory to be valid, it must be proven in the Egyptian context, specifically in relation to Egypt’s foreign trade structure. Whereas some scholars might claim that physical inaccessibility inhibited connections between provinces of the empire and the world capitalist market, this argument does not apply to Egypt, which because of the Nile, was most suited to international trade. If there were an area where Wallerstein’s theory should be applicable, it would be Egypt. Unfortunately, however, it does not.”

Ibid. 46

Gerber invokes some well-known facts to the effect that Middle East crafts only began to decline in the late nineteenth century. “Wallerstein’s findings for the sixteenth and seventeenth centuries may hold for the period of the industrial revolution and possibly not for the first years of that epoch. Dominique Chevallier demonstrated clearly that the real inundation of the Middle East by industrial revolution products started only in the 1820s when the steamship was introduced into regular service...But even in the context of the nineteenth century Wallerstein’s theory must be substantially modified. Considerable empirical data showed that local indigenous handicrafts did not disappear quickly, even after the inundation of Middle Eastern markets by cheap European textiles.

Reports throughout the nineteenth century reiterated the persistence of the traditional textile crafts” (Ibid. 48-9). He quotes a 1911 consular report on the rising standard of living in Syria, and a British report on the conditions of weavers in eastern Anatolia, which are “far superior to that of English weavers”, and concludes that “On
balance, therefore, one cannot postulate the total disappearance of craft industries in nineteenth-century Syria and Palestine. Studies concerning Anatolia confirmed this general finding. Thus, there is no factual basis for the assumption...that there was a catastrophic decline in craft and commerce in Anatolia and the Fertile Crescent in the nineteenth century” (Ibid. 50).

But why should these facts undermine the world systems narrative on the underdeveloping processes of the Middle East? A proponent of that approach can point to the importance Wallerstein lays on the strong state, and he can therefore proceed to show that since the Ottomans were strong until the nineteenth century, there is no reason why the Middle East should be peripheralized, since the relatively strong state shielded its regions from the negative effects of being drawn into an unequal exchange Gerber contends that “in accepting Wallerstein’s explanatory paradigm we are misled when we try to unravel the social and political developments of the modern Middle East. Were Wallerstein right, we should have expected the predominance of large landlordism in the Middle East in the seventeenth and eighteenth centuries, with far-reaching repercussions on the political regime in the twentieth. The fact that this predominance started only in the latter half of the nineteenth century was vitally important” (Ibid. 50). Yet, if we accept the erroneous argument that patterns of trade are responsible for the rise of new class structures, and therefore ownership systems, then one can easily show that neither Egypt, nor the other parts of the Middle East were heavily involved in the international web of trade until the nineteenth century, and hence the urge for the rise of new patterns of ownership/labor recruitment was simply not there. The world system approach would further try to validate its argument by showing how the weakened Ottoman Empire has led the Middle East to open up to international trade, introduce new forms of labor recruitment-landlordism— and thus become peripheralized.

What is then Gerber’s alternative explanation? The author’s analysis is based on a comparison between the Ottoman empire and England, the locus classicus of comparative history. What were the main reasons that produced the agricultural revolution in the latter and hampered it in the former? His answer is “(1) the control wielded by England of vast foreign markets, due to the special quality of English wool, (2) the capitalistic approach to economic factors particular to the English aristocracy since its handling of the “wool revolution” of the late Middle Ages, and (3) the special institutional class structure that emerged in England in the wake of the late medieval depression. All three factors were equally essential for the revolution to take place” (Gerber 1987: 125).

Gerber’s argument can be summarized as follows: English wool was a unique natural resource that formed the true basis of the premodern economy. The desperate economic straits of the English kings in the late medieval ages turned wool into a major source of taxation, because taxing wool was easier than taxing landowners. Then the kings imposed a strict ban on the export of raw wool in order to promote the more rewarding textile industry. As textile industry progressed, more surplus was available and more people could afford to live in the cities and engage in industrial pursuits. The rise of rural protoindustries was also made possible due to the worldwide demand. Agriculture was forced to make do with less workers and this may be the key factor in the agricultural revolution (Ibid.: 125-127). The author then goes to compare his neat narrative on England’s unique situation with the unfortunate destiny of Egypt. He refutes the orientalist notions on the stagnant ‘east’ and provides evidence that “Egypt’s agriculture was far from backward, land productivity ranked very high when compared with other countries in the world. Egypt’s malaise was not
low productivity per unit of land or the Middle Eastern "mentality". For nineteenth-century Egypt experienced an agricultural revolution in many respects quite comparable to that experienced by seventeenth-century England" (Ibid. 127).

Moreover, "cotton grown in Egypt possessed unusual qualities, almost unrivaled...by any other country in the world". So where did Egypt go astray?

Rather than presenting an explanation, which was the objective of Gerber's argument, the author confronts the reader with a statement that begs the question. "Instead of opening new investment channels, the increase in real income of the peasant of Ottoman Egypt in the nineteenth century was counterbalanced by an increase in population. There was no incentive to change traditional methods". The reader is left to his bewilderment because a few lines later there is a fairly detailed description of the revolutionary change in agricultural and irrigation methods including the introduction of scientific crop rotation. A second reason given in passing is the difference between cotton, which was an extremely labor-intensive crop and the labor-saving wool. "The growth of cotton meant keeping the majority of the Egyptian population on the land, thereby inhibiting the rise of modern industry" (Ibid. 128). Thus the non-rise of capitalism under Mohammed Ali (who, according to the author is judged too harshly) is relegated to a secondary importance, until we reach 1838 when a free-trade agreement between the Ottoman empire and England doomed any further possibilities for industrialization "Were it not for the 1838 free-trade agreement, Egypt could have succeeded, at least partially, in its industrialization" (Ibid. 128).

A discussion of Gerber's "wool thesis" would necessarily entail repeating some of the familiar arguments raised against the dependency/world systems dogmas. because his account of England's passage to capitalism eventually rests on the trade opportunities that were open to her despite his contention of applying Barrington Moore's conceptual apparatus. Let us accept the contention that English wool was 'unique', indispensable and irreplaceable. Let us even go further and pretend that demand for English wool was totally inelastic. What effects would that have for Britain's economy and social structure? Logically, one would expect the same effects that numerous countries in the late medieval era have witnessed due to the high demand on their products, namely a trade surplus and a flow of bullion and precious metal into their coffers. But why would that give a push to capitalism in a given country? Under precapitalist conditions, a constantly rising demand on products from a given country would normally have adverse effects: rising prices, and intensification of coercion by the dominant classes. The reasons for this are quite obvious. We have shown above that the way a precapitalist economy's responds to the market incentives is almost diametrically opposed to a capitalist response.

Therefore to assume that the English response to an increased demand on wool had been the mobilization of 'idle productive capacity' and a mass movement from agriculture to industry means that Gerber is assuming the existence of capitalism in advance with all its characteristics: perfect mobility of the workforce, a flexible productive system that can switch from less profitable to more profitable activities, and the ability of agriculture to respond to rising demand by revolutionizing itself! Here is where Gerber falls into the same trap of Wallersteinian tautology: explaining the rise of capitalism by assuming the existence of a capitalist 'spirit'; i.e. that economic agents calculate in a capitalist way even before the rise of capitalism, or by a vulgar functionalist explanation where agriculture had to face the shortage of labor and therefore that the agricultural revolution was already in the air. Yet, demand for Chinese silk, Indian tea, Polish, Ukrainian and Baltic wheat, and Egyptian cotton led
to the revival or the establishment of precapitalist structures that were to have stifling effects on further expansion in production and export. As we all know, specialization in raw material production is now the favorite explanation for the persistence of underdevelopment and dependency. And wool production -irrespective of its quality- could have been an excellent 'explanation' for the underdevelopment of England were it to fall within that category of countries. The following lengthy quotation from Robert Brenner shows the effects of increasing international demand on particular products in Europe in the absence of capitalist structures:

“English industrial growth, predominantly in cloth, was in the first instance based on exports, spurred by overseas demand. Yet such export-based spurts were common in Europe throughout the middle ages and the early modern period; but previously none had been able to sustain itself. The inelasticity of agricultural output ... had always set strict limits on the development of industrial production. Rising food prices, if not total failure of food supply, resulting from declining agricultural productivity might directly stifle industry by limiting the proportion of the population which could devote itself to non-agricultural pursuits. Otherwise, they would undermine the markets for industrial goods either by forcing up wages ... and thus industrial prices or by cutting into the proportion of the population's income which was available for non-food purchases ... This has been shown most clearly for seventeenth-century France by Goubert, who directly links the long-term decline of the extensive textile industry of Beauvais in this period to underlying problems in the production of food. But a similar case seemingly could be made for the decline of Italian industry in the early seventeenth century. ... Finally, although the Dutch industry appears to have escaped the seventeenth-century crisis with relatively minor damage, its failure to sustain continued development through the eighteenth century appears to have been bound up to an important extent with an overwhelming dependence on overseas grain imports, which rose precipitately in price after 1750.”

Brenner 1985a: 52-3

Therefore it is not enough to pay lip service to the 'capitalistic approach' or to the special 'institutional class structure' that saw the light there, because taking these factors seriously into account would turn Gerber’s narratives upside down. Surprisingly, the sources that Gerber quotes eclectically put the wool factor in its proper context, yet he does not seem to have drawn the relevant conclusions. For example, he cites Christopher Hill who wrote about the spectacular rise in income from sheep farming between 1530 and 1640. The biggest profits were made, according to Hill, by capitalist farmers, men who leased land in order to produce for the market (Ibid. 126). But what does this and other quotes imply? That before England could make use of its wool (or any other) advantage, it had already

Moreover, if we accept the argument that commercializing agriculture and monoculture are the roots of dependence and underdevelopment, then it was Muhammad Ali and not the western powers that imposed that fate on the Egyptian and Syrian economies of the nineteenth century, as the following quote shows:

“The Egyptian authorities encouraged agriculture [in Grand Syria]. Yet they encouraged commercialized products, like olive, cotton and silk, and they imposed a monopoly on trade in these products to support the Egyptian economy... The peasants were forced to change what they had been accustomed to do before the Egyptian occupation, by switching from subsistence agriculture to monoculture. This led them, as it led the Egyptian peasants, to depend on western products for their needs” (Na’isa 1986: 278-9).
undergone an agricultural revolution, and that capitalist farmers and capitalist agriculture had already been there. And hence the fallacy of the wool thesis and its implications for an account of the absence of a comparable revolution in the Middle East (or elsewhere). In sum, were it not that capitalism had already been established in England and capitalist organization began encroaching upon the various sectors of the economy, wool would have had no revolutionizing effect on the economy or society.

If the above argument is valid, then we can proceed to show the fallacy of extending the argument to nineteenth century Egypt. Gerber is perfectly correct in signaling the adverse effects of imposing free trade on Egypt and the Ottoman empire by the British in 1838. But we have to look at how the prevailing conditions in the region made the adverse outcome possible. Undoubtedly imperialist Britain had a stake in hampering the industrialization of any other country in order to keep its hegemony. But imperialism is not a subject with a will. It is a set of power relations that are defined by the balance between two or more actors. The same treaties were imposed in around the same time on a host of countries and regions including in Europe, but the outcome varied wildly. The Japanese reaction was certainly the most spectacular, though not the only one. Gerber himself notes that before the British gained this decisive influence, Egypt had made gains from cotton production, but this was swallowed by an increasing population. The question is why would the Egyptian peasant use his added income in order to breed more children and not to invest in industry or in improved agriculture? If one is to reject the 'orientalist mentality' thesis, as Gerber rightly does, then the answer lies exactly in the structure and logic of precapitalist agriculture: an additional son or daughter is an additional means of production for the parents, and therefore a potentially added income in an atmosphere that does not allow for investment in machinery, and where the market has not developed yet to allow for mobility from agriculture to industry.

This, more than the thesis on cotton farming being, unlike wool, labor-intensive, is what explains the non-existence of an industrial revolution in Egypt and elsewhere in the Mashreq. The thesis that cotton is labor intensive implies that labor was not available for non-agricultural activities and that industry could not arise because of that shortage. Yet at no point in the modern history of Egypt were there labor shortages. The figures that we cited above and those on the growth of the urban population and the unemployed provide ample evidence on this point. The land system that began with Muhammad Ali, his absolutist policies that suffocated the artisans and craftsmen, as well as depleting Egypt’s resources in military campaigns that extended from Syria and Palestine to the Arabian Peninsula were all responsible for the collapse of what was left of Egypt’s potential for industrialization after the imposition of the free trade treaty.

Almost a century after the treaty, we have noted how Bank Misr was launched as an attempt to industrialize in the same way that Gerber imagined was the vehicle for English industrialization; namely manufacturing cotton rather than exporting it raw. This time free trade was not an obstacle to capital accumulation — if capitalism was on the rise naturally. The government intervened in an intensive way to protect its local industry from foreign competition. A series of protective tariffs were introduced

10 Or even to the contemporary period, for perhaps no other raw material is as unique in its inelasticity and irreplaceability as oil, and yet no industrial or agricultural revolution followed from the tremendous gains that flowed to the Middle East since the 1970s. The consequences, as will be shown in chapter 10, were more similar to the ones that Spain experienced due to the flow of Latin American precious metal to it in the sixteenth century.

11 See chapter 6 below on the roots of revolutions.
in the years 1930, 1934 and 1938 when the last of the preferential treaties with foreign countries was abolished (Davis 1983: 142). However, neither Bank Misr, nor Egypt’s industrialization made any significant progress, as we have noted earlier. The reasons are not hard to discern if one accepts the explanation presented above that some manufacturing can occur under precapitalism, but that this will inevitably be blocked due to the non-expanding market and the domination of interests that have no incentive in pushing industrialization further.12

Just like preindustrial Europe, the Mashreq landed and merchant aristocracy did divert some of their resources to industrial activity, but they could not do so on a wide scale without committing suicide as social classes, i.e. without fatefuly jeopardizing the conditions of their survival. High interest rates, associated with hoarding and favorable land prices and transactions are the sine qua non for the domination of the latter, while exactly the opposite conditions are the necessary preconditions for industrialization. The absence of capital markets under precapitalism reduces the role of money to a store of value rather than a medium of exchange. As factors of production are not easily interchangeable, fortunes are mainly hoarded in the form of currency (preferably strong currencies, such as the sterling pound until the 1950s), gold, non-depreciable commodities (precious carpets and metals)

Under these conditions, land prices are not determined by the free play of market forces. The fact that there are not sufficient outlets for investment makes land (and export-import) highly susceptible to speculative purchase. Hence any widespread tendency towards industrial investment would have depreciated land prices and lowered interest rates. And it is precisely here where theoreticians who tend to link merchant capital to the rise of capitalism commit a grave error. This linkage has a long history among Marxists who assume that an “original” accumulation of capital is all that is needed for the capitalist system to take firm roots in a given formation.

What the dependency/world system theories and Gerber’s analysis (as well as the second variant, which we will discuss below) have in common is a notion that the availability of money is the essential prerequisite for the rise of capitalism.13 Although Gerber qualifies his analysis by reference to class structures, he nevertheless considers that flows of income from abroad as the primary impetus that should give rise to a cycle of innovations and modernization. Only if such effects do not occur, an explanation for the “unnatural” persistence of underdevelopment is sought. That is what one infers from Gerber’s attempt to explain the absence of an industrial revolution despite the raw cotton-export boom, from Batatu’s bewilderment at the reinforcement of semi-feudal coercion following the commercialization of Iraq’s agriculture, and the incessant references to the “parasitic” nature of the Mashreq’s bourgeoisie, which does not invest in industry despite its abundant resources.

This widely held view is the logical descendant from another popular conception that associates the rise of capitalism in the west with a ‘primitive’ or

12 In the meantime, export outlets could not compensate for the rigidity of the domestic market, because these industrialization attempts in the Mashreq (as well as in Latin America) took place during the highly-protectionist pre-WWII era. But even under more liberal trade regimes textile production could not compete with the British industry whether in the home market or abroad.

13 It should be mentioned that this conception is also shared by the early modernization theories of economic development, whose main diagnosis of underdevelopment was the lack of capital in ‘backward countries’ and the need to raise sufficient investments in order to break the ‘viscous cycle of poverty’, as Ragnar Nurksie described it in the early 1950s. For a comprehensive reader of classical theories, see Meier 1975.
'original' accumulation of capital, which is mistakenly attributed to Marx. Bergier, for example, emphatically asserts:

"A great deal of ink has flowed on the question of capital for industry. Marx believed that the start of the process of industrialisation depended on the prior accumulation of capital, an idea to which most Marxist historians and economist have, of course, remained faithful."

Bergier 1980: 412

In Herman Schwartz' view:

"Marxist historiography has repeatedly argued, first, that imperial depredations provided the capital for the investment that underlay the industrial revolution, and second, that imperial markets were places to dump exports... Liberal historians have repeatedly denied this contention, maintaining that colonial revenues at best constituted a very small part of capital investment and that domestic markets were more important. The truth seems to lie somewhere in the middle."

Schwartz 1994: 85

The truth, however, is that Marx used the term "primitive accumulation" in a somewhat satirical way and a careful reading shows that he never subscribed to the notion as is assumed by many. In Capital (vol. I, part VII), the title is quite revealing: "The So-Called Secret of Primitive Accumulation". The reference is obviously to Adam Smith's notion that "The accumulation of stock must, in the nature of things, be previous to the division of labour" (Smith 1776: 260).

For Marx, "the origins of capitalism are to be found in the transformation of relations of production on the land" and not in the flow of capital in a monetary form. Whereas "many of his contemporaries saw capital as the result of abstinence, as an original source for accumulation...Marx's point of view is that primitive accumulation is not an accumulation in this sense at all. Abstinence can only lead to accumulation of capital if capitalist relations of production are already in existence" (Fine 1983: 393. See also: Thomson 1990: 313). In Marx' words:

"The so-called primitive accumulation, therefore, is nothing else than the historical process of divorcing the producer from the means of production...The expropriation of the agricultural producer, of the peasant, from the soil is the basis of the whole process."

Marx 1867: 737 - 739

In volume II of Capital, Marx goes even further to assert his point categorically. He referred to "the increased supply of precious metals since the sixteenth century" as "an essential factor in the history of the development of capitalism". But he was here referring to the need for "a quantity of money sufficient for the circulation and the corresponding formation of a hoard". Marx concluded that "this must not be interpreted in the sense that a sufficient hoard must first be formed before capitalist production can begin. It rather develops simultaneously" (Capital II: 396, italics added. See also Dobb 1963: 182n.). This should look quite logical if one keeps in mind that capital is a relationship, a class relationship and not a monetary stock owned by any given social group. However, we will see now how the second variant of explaining the non-rise of capitalism in the Mashreq replicates that same error.

2.4 A Doubly-Mistaken Reading of History:
The second variant of explanations of the Mashreq's underdevelopment puts its emphasis on the 'nature' of its capitalism. The customary formula that has been used time and again by writers in this vein lies in contrasting the Mashreq's 'old bourgeoisie', i.e. the merchant class that dominated the pre-revolutionary formations of the region, with an imagined European bourgeoisie that, for one reason or another, made its way successfully where all others failed. I will try to show that a mystified reading of the process of the rise of capitalism in Europe has produced a huge theoretical edifice claiming that colonial and imperialist strategies have 'diverted the history of the third world' and by implication the Middle East- from otherwise 'normally evolving' societies.

By 'normally evolving societies', the reader is led to believe that there are two radically different logics/mechanisms: one following the internal needs of a given society, the other responding to foreign/external needs. According to this erroneous reading, Europe's history was a product of the internal needs of its societies, and has thus unfolded in the flourishing of capitalism. Left to their own 'internal' logic, all third world societies would have reached that happy end one time or another. But Europe's capitalism forbade most other societies from evolving 'normally' and hence we have to look into contrasts, rather than similarities between Europe and the rest of the world.

By way of this mistaken contrast between the Mashrek bourgeoisie and its European counterpart, many authors try to explain the failures of Arab societies to rid themselves of their underdeveloped conditions. A typical example for such theorization is Mahmoud 'Abdul Fadhil's:

'Most capitalist strata [in the Arab world] originated from within the class of big landowners, a fact that caused them to prefer forms of real estate and speculative investment rather than investing in physical assets. These origins (in Iraq, Egypt, Jordan and Sudan) have also made these strata interested in preserving "feudal colored" social relations and values in contrast to their counterpart, the European capitalist strata, which were born through an acute struggle with the feudal system, and thus had an intrinsic interest in fighting and liquidating those relations, values and institutions of feudal nature [which existed] in the economy and society at large.'

'Abdul Fadhil 1988: 158 (italics added)

Beinin and Lockman's work on the Egyptian working class reaches the same conclusions:

"The industrialists did not comprise an independent and self-confident class prepared to challenge the hegemony of the agrarian bourgeoisie. Egyptian industry did not, and still has not, transcended the limitations created by its original formation under the domination of European capital. In order to survive, Egyptian industrialists had to concede and ally with both the large landowners and the West to obtain capital and political support."

Beinin and Lockman 1987: 396

A few paragraphs before that, the two authors write:

"[B]ecause the industrialists were closely linked to large landowning interests by family and social ties and derived much of their capital from agrarian interests, they shared the same social conservatism."

Similarly, the Syrian 'bourgeoisie' is described as follows:

"The Syrian bourgeoisie that developed under colonial domination...remained intermingled with the feudal class. Some large landowners, possessors of the principle means of production, managed to save some capital which they then
invested in commerce and industry. Thus they practiced two kinds of exploitation: feudal and capitalist. Western capitalism developed at the expense of feudalism. The rising bourgeoisie of the West replaced feudal lords in positions of economic power. But under foreign domination, in countries such as Syria, the development of capitalism went hand in hand with the strengthening of feudal relations in the countryside. In this way a semi-bourgeois, semi-feudal class was formed.”

Zakarya 1977: 252-3

The methodological flaws of such analyses originate from an essentialist and a reifying conception of classes and social structures. The essentialist conception consists of deducing/assigning a set of constant, unchanging and inherent characteristics for each social group irrespective of its place in a certain societal context, and the dominant social relations of production within the society under investigation, while the reifying conception consists of treating a class, or a social actor as a block, a unified and homogenous collectivity with some natural inclination, behavior and/or attitude that determines its position in society in advance. A deviation from that “standard” set of behavioral characteristics would then be judged as an anomaly that needs to be explained in terms of some peculiar origin or history.

One can cite almost identical statements describing the Lebanese, Iraqi and Iranian bourgeoisie, as well as naturally many other “third world capitalist classes”, following the well-known label of “lumpen bourgeoisie” used by Andre Gunder Frank in 1969. In this way, what began as an attempt at explaining the mechanisms of world capitalism ended up in a Weberian glorification of a unique path traversed by the European bourgeoisie and that one alone. The study of third world formations is expected henceforth to refrain from any attempt at comparison. The only permissible thing is to begin by a statement of contrast like the ones cited above, and then to proceed to a description of how that ‘peripheral’ bourgeoisie is perpetuating underdevelopment in collaboration with the ‘center’.

Whether the author departs from the premise that the local socio-economic system in a particular country was indeed capitalist, or that the capitalist class practiced its activities under non-capitalist conditions, the conclusions are practically the same: that there is a radical difference between this bourgeoisie and the European one, which is assumed to have entered into deep contradictions with the feudal system, eventually revolting against it and bringing the society into being. Even in recent studies on the Middle East aimed at critiquing the ‘colonial bourgeoisie’ thesis, negating the ‘exceptionalism’ of the Middle East passes through the altar of asserting the exceptionalism of some other area: England, Europe or the West in General. In his work on Abboud Pasha and the Egyptian capitalism prior to the 1952 revolution, Robert Vitalis decided not to deal with the cleavages between landowners, bankers, and mercantile and industrial bourgeoisie because observable evidence did not support it:

“Whatever the conceptual value of maintaining the distinction between landowners and bourgeoisie, particularly industrial bourgeoisie, the distinction is not easily made at the sociological level, where, if anything, we run the risk of underestimating the degree of indivisibility between landowning and capitalist families.”

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14 Robert Springborg quotes many other such statements from Franz Fanon to Samir Amin and Raymond Hinnebusch, and concludes that “Marxist and dependency writings on the Third World have echoed American development theory’s contempt for non-European bourgeoisie.” (Springborg 1993: 14-15).
What I have tried to show on the other hand, is that what Vitalis rightly observes is only meaningful if we put the “narrative of development of capitalism in Egypt” and elsewhere within a universal historical approach to the dynamics of the rise of capitalism in general. Here, one can understand what would otherwise look as a puzzle or yet another exceptionalism: divisions based on other criteria, as he rightly states without attempting to explain:

“Ignoring, as I do in this book, conflict between capital/landlords and peasant/workers as a constitutive part of the narrative of the development of capitalism in Egypt, there were “divisions and conflicts” between regions, between large and small firms, across industries or sectors.”

Ibid. 225-6

Although Vitalis’ work tries to present a self-styled “revisionist view of Egyptian investors” and an “alternative narrative about the trajectory for the early decades of capitalist development”, it nevertheless urges the reader not to compare Egypt with the United States, Great Britain, Japan or France, but with “a more plausible range of cases, such as Turkey, Syria, East and West Africa, Korea or the Philippines” (Vitalis 1994: 221-2). And although the author qualifies the nature of comparisons made with the development trajectories of Britain and France with such terms as “highly stylized accounts of putative development trajectories” (Ibid. 218), the fact is that his revisionism does not even attempt at challenging the stylized account itself.

Yet the point is not what capitalist country to choose in order to make a valid comparison. Nor is it a matter of how “fair” one should be when choosing, say England and not the Philippines as a yardstick. Under the penalty of repetitiveness, let us restate the fact that autonomous and sustained structural change and economic development have only been associated (at least until now) with the rise of mature capitalist relations of social reproduction. A theory or a model of capitalist dynamics and development, which is by definition an abstraction, but a valid abstraction of the necessary and recurrent components of course, cannot be based on cases that are not proven yet to be fully-fledged capitalist. Hence essential elements in the making of German, French, Swedish or British capitalism are not meant to idealize or glorify the former. Dissociating these elements from their circumstantial context is a way of generalization that tends to isolate what is German, French, Swedish or British from what is general in a trajectory of capitalist formation, i.e. a way to develop a theory on the rise of capitalism in general.

But heaping praise on the ‘old’ bourgeoisie as some revisionists do by showing the ‘rationality’ of the former’s choices, or using ‘parasitic’ and ‘lumpen’ labels to characterize them is not to explain their position in a historic context, nor of the limits and conditions under which they functioned. And it is here that we have to make recourse to comparing their position in a historic context. For capitalist strata have obviously existed in Europe long before they came to dominate the European social formations. Their birth was marked by the needs of the feudal society upon which they thrived. Therefore the first question to be asked is why should they be preoccupied with the urge to industrialize in the first place? And why should they enter into conflict with the landowning classes in any pre-capitalist formation? Putting the question differently: how could these strata develop a different, indeed a radically different, sense of behavior and calculation of their interests while still functioning within, and thriving upon, a pre-capitalist set of relations of social reproduction? Though ironical, the question could simply and bluntly be: did the ‘old’ and
established European bourgeoisie really fight for a bourgeois transformation of society?

The question is pertinent, I think, because in the face of all the empirical evidence to the contrary, many Marxist writers still assume that the landed or mercantile strata in pre-modern Europe had a stake in confronting and changing the ancien régime. Evidently this is the unfortunate conclusion that follows from adhering to a mechanistic conception of the rise of capitalism whereby an “original accumulation” must have transformed social relations. Kees van der Pijl, for example, goes at length to show the “effects of original accumulation on the formation of classes” and concludes that:

“On the side of capital, it may be a land-owning class adopting a commercial perspective as in England or, elsewhere, merchant capital, which is the paramount social force in this context. On a global level, it is this, antidiluvian form of capital which ‘contribute[s] to organizing economic space and exchange in a way that permit[s] the eventual emergence of a fully developed capitalist system.”

Van der Pijl 1998: 38

Yet, neither in the ‘classical’ cases of France and Britain, nor in the ‘exceptional’ ones of latecomers the ‘old’ bourgeoisie was engaged in revolutionizing production or in revolutionizing and transforming society. Unless one holds to an essentialist conception of the capitalists, this should not look surprising or paradoxical. For the big merchants were inextricably linked to the pre-bourgeois landed interests, while the very few “large” industrialists had a strong stake in keeping monopoly restrictions that impeded others from entering into their domain and competing with them. In sixteenth-seventeenth century England, the heartland of the industrial revolution, a new stratum of merchant bourgeoisie was on the rise. This stratum originated from no other source but the well-to-do craftsmen. The significance of this event should be evident for our point- rather than merchants turning into material production, the opposite held (and still holds) when trade is more lucrative, and when merchants occupy a higher status in the social ladder. And this is precisely what distinguishes a precapitalist formation.

"One feature of this new merchant bourgeoisie that is at first as surprising as it is universal, is the readiness with which this class compromised with feudal society once its privileges had been won. The compromise was partly economic- it purchased land, entered into business partnerships with the aristocracy; and welcomed local gentry and their sons to membership of its leading gilds... The needs that merchants and usurers served were largely those of lords and princes and kings... To acquire political privilege was their first ambition, their second that as few as possible should enjoy it. Since they were essentially parasites on the old economic order, while they may bleed and weaken it, their fortune was in the last analysis associated with that of their host."

Dobb, 1963: 120 - 121 (italics added)

Note that the above should be seen as quite logical. Given that the dominant relations of social reproduction were still non-capitalist, then the natural outlet for

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11 Van der Pijl’s liberal use of the concept ‘original accumulation’ complicates things more as he seems to apply it to any massive investment of capital aimed at restructuring capitalism itself. Hence, the “introduction of Taylorism and Fordism in Europe under the Marshall Plan”, which obviously took place some three centuries after the rise of capitalism in Europe, is subsumed under the notion of original accumulation (Ibid. 39).
reinvestment and the natural means to acquiring power would be through the mechanisms of a disintegrating feudal society. In the meantime, one should bear in mind that there is nothing in such fields of activity that would necessitate an antagonism with the dominant order.

We should stress here the fact that industry is not a totally negligible sector in a precapitalist formation. This statement is as true in historical cases preceding the industrial revolution (Colbertian strategies in France and Mohammed Ali's state industries in Egypt of the first half of the nineteenth century for example) as in contemporary precapitalist formations naturally. The difference between capitalism and precapitalism does not lie in the presence or absence of industry, but rather in the relationship between industrial capital, financial capital and merchant capital.

Whereas it is merchant capital that determines the general rate of profit under precapitalism, the case is exactly the opposite in a capitalist formation. And this tremendous change is not effected historically by the industrialists themselves, but by the changing social structure of which industrialists as well as merchants are only the products. Hence the absurdity of ascribing certain positive or negative labels on certain bourgeoisies. For we cannot assume industrial capital to be the agent of change at all times. Only when societal transformation, occurring through conflicts, makes investment in manufacturing more profitable in general and therefore creates the condition for industrialization within a particular society does a stratum of new industrializers become an agent of change.

One main conclusion that we can draw from the particular position of manufacturing in a precapitalist economy is that a rise in the absolute contribution or the relative share of manufacturing sector for whatever reason may occur at certain junctures, but this cannot unleash a process of continual and perpetual rise. Such a rise is doomed to come to a halt in the short-run because of the particular structure of such a system, which is characterized by monopoly, spatial fragmentation of markets (localism), fragmentation of factor markets (immobility of labor and/or capital, non-commodification of land), stagnating productivity (which does not preclude occasional but not consistent spurs in yield per unit), and depressed and non-expanding internal markets.

In the light of the above, we can see that a movement in the opposite direction did occur in pre-industrial Europe, i.e. a movement whereby landowners or merchants invested in industry. But this did not (and could not) introduce any radical change in the functioning of societies as a whole, because the ultimate goal of the rich who wanted to join the upper classes was to gain access to the real sources of wealth and prestige: trade, especially foreign trade, and land.

"In England the owners of smaller estates, who were most susceptible to the urban influence, increasingly adopted the habit of borrowing from merchants. ...Often they would apprentice sons to an urban craft or even marry a son to a merchant's daughter. ...[W]hen times were favourable and they accumulated a surplus, they would sometimes purchase membership of an urban gild and engage in trade."

Dobb 1963: 70

Perhaps the trend of the 'old' bourgeoisie to merge with landowners was a peculiarity of the English social setting? A lengthy quotation from J.F. Bergier, who distinguishes four broad groups of European bourgeoisie before the revolutions, is very pertinent here:

"The first comprises the rentiers, comparatively few in numbers (in France, around ten per cent of the total 'bourgeois' effective) and generally not very
powerful within the bourgeoisie. Their role in the rise of industry was minor ... and for a long while remained distrustful of industrial investment, preferring the proven profits of ground rent, commercial income, or government loans. The second group comprises the members of the learned professions, the magistracy, or the administration”, which the author asserts was not much interested in industry. The third group comprised “the bourgeoisie d'affaires, the men who held all the reins at the close of the ancien regime. Their incomes were often higher than those of the nobility. ... This group produced the best State officials. ... These bourgeois were big merchants or bankers... The family connections of the Protestant bankers of Geneva, Paris or Amsterdam, the shipowners of Marseilles, Bordeaux or Nantes, and so on were as wide as their business connections, and the solidarity that they created was astonishingly efficient. This tiny minority then, held a large majority of the financial power and the actual wealth of the European nations and their colonies. ... The fourth and last group within the bourgeoisie, by far the most numerous, was that of the artisans and shopkeepers, the innumerable minor trades that were practised more or less independently.

These differences within the bourgeoisie, though obvious, are essential. For they ruled out all coherence between the groups, all sense of speaking the same social language, in other words, the bourgeoisie had not yet become a class.”

Bergier 1980: 401 - 403 (italics and bold added)

Many conclusions can be drawn from the above text:

1. Where capitalism, as a set of relations of social reproduction, has not dominated yet we cannot speak of a class of bourgeoisie. Although the existence of a bourgeois class is not contingent upon a shared consciousness as I will argue later, the divergent - even contradictory - interests and practices of these strata hindered the formation or consolidation of a basis for common ground among them.

2. Within the wide spectrum comprising that bourgeoisie, the most affluent and influential group/s were those performing the functions needed by pre-capitalist dominant strata: money lending or trade and were therefore closely associated with, and allied to the ancien regime.

3. The instinctive inclination to identify the bourgeoisie with the industrialists is a product of the late nineteenth century social thinking. But this needs not be the case when describing/analyzing early capitalism (or ultra mature one for that matter). In fact, the above text tells us that ‘industrialists’ were no more than humble artisans and shopkeepers who were living on the margins of the established bourgeois strata and they had hardly anything in common with them. The fact that merchants/bankers distrusted industrial investment before the dominance of capitalism is therefore not a peculiarity of the third world / Middle East.

4. Class solidarity, though based on common actual material interests, is not a conscious choice or strategy adopted by members of the various groups. Religion, family connections, ethnic and/or common regional backgrounds, which under a precapitalist structure function as determinants of the social relations of production and define one’s position in the social hierarchy, forcefully cement social cohesion. In the case of the bourgeoisie d'affaires, Protestantism and family relations cemented a sense of commonness among members of a social group. It seems that only after the expansion of a social group and the incorporation of individuals
from outside the original group that consciousness tends to take an explicitly interest-oriented sense of belonging. If this hypothesis is correct, then it should look plain that this condition of incorporation is only possibly after the ‘take-off’ of the capitalist dynamics and its concomitant mobility and abolition of the monopolistic structures.

5. A second conclusion follows and it directly bears on our analysis of the Middle East formations. If we accept the idea that the region has not undergone a capitalist transformation yet, then the whole edifice on its “exceptionality” on the grounds that ‘non-class’ factors mold solidarities there should be thoroughly reexamined and rejected. For this form of assigning class positions and functions is the universal precapitalist form and is not the product of any particular culture.

6. A final conclusion pertains to the topic that we will discuss in a later chapter, namely the relationship between the state and the economically dominant strata. As we have seen in Bergier’s detailed analysis, the bourgeoisie d’affaires “produced the best state officials”. This should look logical given that a pre-modern society is characterized by the non-separation of the political and civil (including the economic) sphere. Therefore the question of “who gives rise to the other”: politics or economics is only meaningful under capitalism (and even here the question should be qualified, as I will try to show). This is also of utmost importance since one of the major arguments regarding the ‘exceptional’ Middle East is directly related to the relationship between “its” politics and economics.

Thus, neither in Europe, nor in the Middle East was the old bourgeoisie interested in revolutionizing production and introducing new forms of social organization based on extracting surplus value, and more specifically based on extracting relative surplus value as a main source of its revenues. Therefore, we should proceed now to address the question raised above of who (if any) among these heterogeneous factions of the bourgeoisie was the major beneficiary of the political change that took place? The significance of this question for our subject needs hardly to be exaggerated, for it is through addressing this problem, i.e. through rigorously defining what constitutes a bourgeois transformation, that we can go beyond the arbitrary polemics on the class nature of the modern changes in the Middle East.

Historical research over the past half of a century has shown that despite the widespread use of the term ‘bourgeois’ (= city dwellers) in almost an identical sense to the rising capitalists, it would be preposterous to view the rise to modernity in terms of a city/countryside dichotomy, whereby urban interests raise the banner of change against a reactionary rural mass. For one thing, urban interests under precapitalism are no less diverse and contradictory than the cleavages between towns and countryside in general. We have seen above that merchant, industrial and usurer capitalists in the cities were closely associated with and allied to landowning interests, hence the apparent paradox that we will note during the bourgeois revolutions; namely bourgeois interests fighting the bourgeois revolutions. But more important is the fact that towns themselves are not similar in structures, functions and therefore in their ‘bourgeois’ inclinations. Actually such abstract terms as ‘town’ and ‘urban’ tend to obliterate the fact that initially the towns themselves were subjects and servants of the feudal system and that there was nothing that pointed out to their subsequent antagonism with precapitalist interests, for they themselves were of precapitalist nature:
"But while these urban communities ... were in a sense alien bodies whose growth aided in the disintegration of the feudal order, it would be wrong to regard these as being, at this stage, microcosms of capitalism. Nor can one regard their existence as necessarily in all circumstances a solvent of feudal relations. ...In their early stage, many, if not most, towns were themselves subordinated to feudal authority; in this respect only differing in degree from free tenants of a manor, who while spared the onerous services of a villein, still owed certain obligations to a lord. At least in their early stage these communities were half servants of, and half parasites upon the body of feudal economy."

Dobb, 1963: 70 - 71

Bergier remarks that this was indeed not a specific English condition. The following quote suggests that it was a characteristic feature in much of continental Europe:

"On the eve of the Revolution, the French bourgeoisie, which was certainly not the wealthiest, held more than thirty per cent of the cultivated land. In Switzerland or certain regions of Western Germany, almost all of the land was in bourgeois hands. By contrast, in those countries where great domains were formed at a very early date and the towns hold on the country was correspondingly weaker (northern Germany, central and eastern Europe, the Iberian Peninsula), the vast majority of land was held by the nobility or the church. England ... stood halfway ... But there too the acquisition of land was a constant aim of the early industrial bourgeoisie, whose members remained extremely attached to their largely rural origins."

Bergier 1973: 400-401

Thus the bourgeoisie that flourished within a pre-capitalist setting was not only counterrevolutionary, but also found common interests with the dominant classes in society. Moreover, it was but natural that its behavior and calculations were conditioned by, and compatible with the existing conditions. Its eagerness to buy land and real estate was neither the product of some "peculiar" origins, as the authors on third world bourgeoisie assert, nor was it due to the insertion of their "peripheral" country in a world capitalist system, as the dependency/world system theorists imply.

If we reject the mechanistic notion of an "original accumulation", in the sense of an initial sum of money required by the early industrial bourgeoisie in order to impose its domination on the process of production, then it will not look surprising to see that the 'revolutionary' trend came from people of humble origins. In fact, it was these early industrialists, who at the time of the revolutions were barely qualified to

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16 Paul Baran's pioneering analysis of underdevelopment, which alongside the writings of Raul Prebisch laid the foundations for the dependency approach, stressed the importance of 'original accumulation' for the process of overcoming underdevelopment. This was in tune with the 1950s' general perception of underdevelopment as almost synonymous with the 'lack of capital formation'. John Taylor criticized Baran's conception in the following passage:

"Baran lays great stress on the process of primitive accumulation of capital in non-capitalist modes: he argues that this enabled a transition to capitalism to occur prior to capitalist penetration. But why should this be necessarily the case? Vast accumulations of wealth occurred, for instance, in a number of South East Asian economies in the seventeenth and eighteenth centuries. These were also accompanied by the development of a merchant class, an increase in commodity circulation, export and the extension of the social division of labour. However ... the mode of production existing in these societies blocked the development of capitalism, because no mechanism existed for the separation of direct producers from their means of production - the basic requirement for the reproduction of capitalist production" (Taylor 1978: 79).
be called capitalists, that championed the cause of change in the face of old established industrialists, merchants and landed aristocracy.

“Almost all the entrepreneurs started out with a small plant that they built themselves or bought, and with a correspondingly small labour force. They set themselves up on funds of their own or money loaned to them by a small circle of relatives, friends or connections. They could not have done otherwise, moreover, since the large amounts of capital held by the bankers, merchants or big landowners were only very rarely available to them.” Bergier 1980: 413

Most authorities on early modern Europe have asserted two facts about those strata that came to dominate the politico-economic and cultural scene following the bourgeois transformation of their societies. The first is their humble descent and the second is their predominantly provincial origins, thus they composed a totally distinct group from the pre-revolutionary bourgeoisie, which we described above. For several generations there was virtually no collusion or association between merchants and bankers on the one hand and industrialists, who were not represented in political bodies and were kept on the margins of the ‘respectable society’, on the other. In almost every case in England, the biographies of these early industrialists show them to have started from modest circumstances: shopkeepers, rural artisans, innkeepers, farmer, hatters, smiths, schoolmasters, shoemakers, weavers, etc. Things were much the same in France: many of the spinning and weaving dynasties began as humble artisans, and fewer came from farmers’ backgrounds. In Switzerland, the first spinning mills were also opened by well-to-do farmers or artisans (they were usually both at once) (Soboul 1985d: 165, Bergier 1980: 409-11, Dobb 1963: 161, 277-79).

Traders who were excluded from export activities, the most lucrative sphere, and had to confine their activities to a still narrow domestic market had much to resent and revolt for, while export merchants, who in addition to their comfortable position, had their interests geared mostly to satisfying the luxury demand of a precapitalist upper classes had sided with the monarchies (Dobb: 1963: 117). But then, this was not only a division within various grades of one and the same social class. Certain cities like London, Liverpool, Paris, Lyon and Geneva were the centers of export, while it was the provincial towns, as well as new migrants from these towns that envied the mercantile centers and their affluent classes. The merchant manufacturers were not only people of a lesser social standing and wealth, but were also the non-Londoners, non-Parisians, etc. whom the export merchants of the trading cities despised. And since we are still describing a formation that was characterized by the lack of social and spatial mobility, it was almost ineluctable that class loyalties would take the form of local loyalties even if we tend to subsume traders into one category today: For “the mediaeval towns of one and the same country regarded each other from a mercantilist point of view with much more jealousy and hostility than different states now do” (Dobb 1963: 95).

We have noted that the restrictions of the feudal town were the main reason for the rise of many new rural industries, which were established by artisans that found refuge in areas outside the restrictions of the guild system (Reynolds 1983: 955). The phenomenon of provincial, ‘extra-guild’ industry was by no means a specific trait of England’s industrialization. Goubert described a similar case in Paris, where some craft members could practice their profession with relative freedom in the faubourgs, that is the suburbs lying outside the city walls (Goubert 1969: 170). Cairo and Damascus had their ‘faubourgs’ too, as we will see in the next chapter.
The outcome of this cleavage in Europe was the rise of new industrial centers with the rise of a qualitatively new activity, industrial activity:

"The industrial towns that resulted- Manchester, Birmingham, Lille, Saint-Etienne, Zurich, Turin, the Ruhr cities, and so forth... [were] the rallying points of the industrial bourgeoisie. This development had a share in setting the industrial bourgeoisie apart from the other groups of bourgeoise, who generally stayed on in the towns where they conducted their affairs, notably in the capitals of trade and traditional industry: London, Paris, Lyons, Milan, Berlin, etc."

Bergier 1980: 414-5

Not only were these new towns that would eventually rival the established trading centers, but the men of industry were new and had no connection with the "old" bourgeoise. Many of them came from the countryside, especially in England whose Yeomanry played a more active role in effecting the bourgeois change than the rest of continental Europe.

The bourgeois transformation consisted of several crucial processes and elements that did not follow a linear evolutionary trajectory, as the “original accumulation” thesis implies when it accords to the established strata in the ancien regimes the role of transforming these regimes. First, an impressive rise in agricultural productivity, which allowed for the expansion of the internal market, liberated more and more labor power from agricultural activities and allowed for their employment elsewhere, thus doubly cheapening labor power, first by lowering the costs of obtaining their food, and second by increasing labor supply. Perry Anderson cites several examples from sixteenth century France and north-eastern Italian cities, where the shortages in agriculture and the rising prices of the food basket sealed the fate of nascent industries (Anderson 1974a). One feature that distinguished France from England was that investment in agriculture was virtually absent until the revolution. This did not only restrict the liberation of labor force from that sector, but also put severe limits on inter-local trade in agricultural products (Croot and Parker 1985: 85-6).

But most important in this process is that in order to materialize, this increasing agricultural productivity entails a qualitative change in the structure of agricultural relations and not merely the introduction of machines. Second, this means that another process has already taken place, namely a radical shift in the rates of profitability from trade to productive sectors on the one hand, and the almost perfect mobility of the ‘factors of production’ among sectors and in space, in order to allow for the smooth reorientation of investment from trade, real estate and speculation into productive sectors, or in a few words a process of general commodification. We will note later that this process has almost always required political measures aimed at protecting the nascent industries from foreign competition, the breakdown of urban localism and the undermining of monopolies.

The march to modernity is naturally more than a series of economic processes. The economic processes of the bourgeois transformation are first and foremost social processes that have an important economic aspect. And the first character that one can immediately grasp is that the movement to abolish the ancien regimes was in essence and motivation a democratization process waged by all those who had been negatively affected by the monopolistic positions of certain classes within society, and no less important the monopolistic position of trading cities within the system. This entailed a division across classes, when taking positions for, or against revolutions. For as noted above, the struggle for modernity cannot be subsumed into a simple urban/rural cleavage.
Bourgeois revolutions were not processes whereby a capitalist class develops under the aegis of a feudal system, then decides to overthrow the regime under which it prospered. In fact modern revolutions have targeted the nobility as much as the urban traders and capitalists who thrived with it. The new class of capitalists that rises with the new regimes is made of as many nouveaux-riches as their counterparts in the third world. Given this and the fact that most of the early industrialist entrepreneurs never got beyond rudimentary schooling (Bergier 1980: 416) and had rarely developed a sense of common interests among them, the question that should arise here is: how did they stand en masse in support of the political revolutions against the ancien regimes?

The answer lies first in the fact that common targets have not only bound these rising industrialists together, but have made apprentices, craftsmen, sans culottes, tenants and cottagers, wage-workers and unemployed join hands in various periods and various times to fight monopolists and aristocrats, barons and pashas, bishops, parasitic elements and opulent strata. Revolutionary leaders and activists have almost always envisaged different outcomes for their revolutions than what reality ultimately dictated. Nevertheless, in the face of seas of atomized individuals whose class positions had been thrown askew over decades of crises of the ancien regimes, the embryonic industrialists stood in relative cohesion in the English and French revolutions.

Part of the reason for this lies in their common provincial origins. But another, perhaps more important explanation lies in the tendency of these entrepreneurs to religious dissent: many entrepreneurs in England were adherents of nonconformist sects, in the US many were puritans, and a number of French entrepreneurs were Protestants. From this religious or social dissent they derived vigor and, ultimately, cohesion. But whatever their religious background was, the class struggle within the bourgeoisie, or more properly between the old and new ones, was fought over proposed legislation, economic doctrines (with the industrialists successfully disseminating the principle of laissez-faire) and social status (Dobb 1963: 170-2).

2.5 Conclusion:

In this chapter I have tried to show how a doubly mistaken reading could be misleading in understanding the meaning - and thereby the prospects - of the rise of capitalism. The first mistaken reading lies in assuming that European merchants, financiers, and urbans at large had an inherent stake in fighting the precapitalist order, thus reducing precapitalism to agriculture and urban activities to capitalism. Clearly the evidence does not support this oversimplified - but widespread - notion. Whatever their origins were, established capitalists were part and parcel of the precapitalist order. They had a stake in preserving and perpetuating it. And when social revolutions broke out (in England and France notably) they stood almost always with the counterrevolutionary camp. The fact that these revolutions were paving the road to the dominance of capitalism, and that these strata were labeled 'capitalist' did not imply their siding with the revolutions at all. Moreover, the peasant/provincial town element in the rise and predominance of capitalism has been widely acknowledged by most authorities. The fact that the early embryos of capitalistically organized crafts budded in rural areas is evidence that medieval towns did not correspond to their classical portrayal as havens of bourgeois rebellion and liberty. Also the overwhelmingly peasant composition of Cromwell's 'model army' should warrant against simple dichotomies whereby urbans are identified with modernity, while
rurals are identified with feudalism. Robert Brenner has made the strong argument that:

"[T]he essence of the urban economy, based on luxury production for a limited market, was economic restriction-in particular, control of the labour market.

...it is in fact a historical commonplace that the strength of the guilds was a significant factor in forcing potential industrial capital into the countryside to find free labour.

...It is far from obvious that the medieval towns housed the natural allies of the unfree peasantry. For many reasons, the urban patriciate would tend to align themselves with the nobility against the peasantry. Both of these classes had a common interest in maintaining social order and the defence of property. ...Moreover, the urban patricians were often themselves landowners and, as such, opponents of the peasants ...It is true that, in contrast, the urban artisans tended to be anti-aristocratic. But this would not necessarily lead them to support the struggles of the peasants, for, again, freeing the peasantry posed a threat to urban controls over the labour market and invited increased competition

"In truth... the historical record of urban support for the aspirations to freedom of the medieval European peasantry is not impressive.”

Brenner 1985a: 39-40

The second mistake underlying the conclusion that the Mashreq’s old bourgeoisie was a non-industrializing class lies in its ‘psychological’ understanding of the rise of capitalism, if one may say. Rather than looking at the prevailing social relations in a given society as conditioning individuals activities, ‘Abdul Fadhil -and many other authors- maintain that it is the landed origins of Middle East capitalists that made them ‘prefer’ preserving ‘feudal-colored’ relations. We have seen, however, how the major attempt at industrialization in pre-WWII Egypt came from the Bank Misr group, which was exclusively formed from Egyptian big landowners. By contrast, European capitalist were keen on owning landed property before the dominance of capitalism, because it was more ‘prestigious and profitable’, as was noted above.

Thus neither insertion in the capitalist world market alone, nor an imagined difference between European and non-European investment behavior can satisfactorily account for the non-rise of capitalism in the Middle East. Major developments in the Middle East since the mid-nineteenth century – mainly improvements in communication and control technologies, major improvements in the state’s ability to extend security, and the rise of trade opportunities- provided powerful tools and incentives to the establishment of private property in land. Given that the bulk of the Middle East population was still attached collectively to land, the rise of capitalist forms of property and exploitation were virtually unthinkable. Most peasants were organized either on tribal or village lines. It took almost a century before the precapitalist (mainly sharecropping) agricultural systems could establish themselves, develop, flourish and finally enter into their fatal crisis on the eve of WWII.

The main symptoms for the crisis were the disintegration of the communal ties within the peasantry, and between peasantry and their traditional chiefs-turned-big landowners, the mass emigration from countryside to the cities, the formation of a big mass of landless peasants, and the rising tensions and conflicts between those peasants who stayed on the land and their landlords.

Compared with pre-revolutionary Russia and China, the Middle East did not witness peasant revolutions on a wide and violent scale. Gerber, draws on Barrington
Moore’s conclusion that the rise of communism in both these countries is largely accounted for by their agrarian histories. He notes that revolts were increasing in frequency and intensity on the eve of the nationalist revolutions of the Middle East, but did not reach the level of national revolutions (Gerber 1987: 142). The reason for the difference in the cases of the Middle East lies not in the ‘milder’ degrees of exploitation of the latter’s agrarian systems, as he suggests. Vivid accounts show the brutality of Middle East landowning systems and their reduction of peasants into semi-serfs. Nor does the difference lie in the “viability and power” of “the political and social framework of the tribe”, which led to a “clear break between class structure and ideological perceptions of the society” (Ibid. 141)\textsuperscript{17}.

Given the fact that the de facto and de jure establishment of the sharecropping agrarian structures based on big landed property only took its final shape in the late nineteenth century (and in Iraq much of it was only finalized in the 1920s and 1930s), one should be amazed not by the passiveness, but by the early maturation and assertiveness of the Middle East peasants. Systems of social domination take centuries to mature and develop their inherent contradictions. Widespread rebellion takes place when the subjected communities target not a ‘deviant’ individual proprietor, but when in the course of numerous protests and minor revolts, the whole system is seen as corrupt—not by an elite, but by the majority of ordinary subjects.

With the exception of backward looking revolts (such as the early workers’ protests against capitalism), such widespread revolts take place centuries after a social system lays its firm grip on a society or community. Therefore, while it is correct to say that the Middle East was not quite ripe for an imminent widespread social revolution, the legitimacy of the existing regimes was seriously shaken, and social protests were commonplace in the countryside, but mostly in towns and big cities, to which we shall turn now.

\textsuperscript{17} Gerber draws this mistaken conclusion by relying on an (excellent) anthropological study conducted by Elizabeth and Robert Fernea among the Shabban tribe in the Mid-Euphrates region in Iraq immediately before the outbreak of the July 1958 revolution. The pattern of land ownership in this region however, was far from representative of the predominant one in Iraq (or most of the Middle East) until the 1950s. Large estates did not form there and repression was much less than the one experienced almost everywhere else, except around big towns. Hence, Fernea’s conclusions about tribal solidarity in this region, while very correct, were certainly not applicable to most other parts.
Chapter 3

The Changing Boundaries of Urban Landscapes

Estimates of the nineteenth-early twentieth century population of the various Middle East societies, let alone those concerning urban population, vary wildly from one source to another. Until the late nineteenth century general censuses were not carried, and even when they were, people's deep mistrust of their authorities made them think that censuses were aimed at drafting the male to forced military conscription, or were a prelude to imposing taxes-both being legitimate reasons to hide facts from the data collectors.

However, one long-term trend since the second half of the nineteenth century Mashreq seems beyond doubt, namely that a moderate growth in the total population of the region was followed by faster rates in the first half of the twentieth century. If the ability to feed increasing numbers -even without a rise in the per capita level of wealth- can be called growth, then that period was the beginning of a long-term expansion in the economies of this region, undoubtedly related in one way or another to the rise of new modes of land exploitation, and the expansion of trade and markets.

An early estimate of Egypt's population during the Napoleonic campaign (1798) put the number at around 2.5 millions (Hamdan 1996: 487). More reliable figures are only available since the 1880s. If these are comparable to the early estimate of 1798, then Egypt witnessed a more than threefold increase in its population when the figure came close to eight millions in 1882 (Owen 1993: 217). But the fast growth was to occur in the following periods. When WWI was coming to a close, Egypt's population had increased by another five millions in thirty-five years and came close to thirteen millions.

Estimating Iraq's population seems more problematic. The various population estimates produced by the Ottoman census of 1881-1893, Consular reports and those by M.S. Hassan have been criticized by more recent studies as being "impossibly low" for the period up to WWI (Issawi 1988: 17 fn.). An annual rate of population growth of 1.3 percent is taken as more acceptable for the period 1867-1913. As for Syria, Lebanon and Palestine the estimated population grew from two and half millions in 1878 to four and a half in 1913/1914.

Table 3.1 -
Estimates of the Population of the Mashreq
1878-1917

<table>
<thead>
<tr>
<th>Province</th>
<th>1878</th>
<th>1895/6</th>
<th>1913/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grand Syria</td>
<td>2520</td>
<td>3190</td>
<td>4540</td>
</tr>
<tr>
<td>Iraq*</td>
<td>NA</td>
<td>NA</td>
<td>3450</td>
</tr>
<tr>
<td>Year</td>
<td>1882</td>
<td>1897</td>
<td>1917</td>
</tr>
<tr>
<td>Egypt</td>
<td>7930</td>
<td>9734</td>
<td>12751</td>
</tr>
<tr>
<td>Year</td>
<td>1867</td>
<td>1890</td>
<td>1919</td>
</tr>
<tr>
<td>Iraq **</td>
<td>1280</td>
<td>1726</td>
<td>2848</td>
</tr>
</tbody>
</table>

* Justin McCarthy's estimates.
** M.S. Hassan's estimates.
NA = Not Available
Thus if one can consider the above figures reliable, then the whole region witnessed pretty constant and comparable rates of growth. Egypt’s population grew at a rate of 1.45 percent from the late eighteenth century until 1882, and 1.4 and 1.5 percent respectively until 1917, the figures for Grand Syria being 1.4 and 1.2 for the periods 1878-1895/6 and 1895/6-1913/4, while Iraq’s rate of growth stood at 1.3 percent.

Whatever the deficiencies of the population estimates are, one thing is beyond doubt: that the growth of urban population never went hand in hand with that of the total population. Until the second half of the nineteenth century, cities were the scenes of civil wars, earthquakes, epidemics and plagues, and innumerable sieges by bedouin raiders. This, in addition to the familiar problem of statistical deficiencies explains the erratic swings in the estimates of the populations of the major cities of the Mashreq. Yet here too, it seems that Egypt led the way for what will become within half a century a trend in the Asian part of the Arab world: the spectacular (or cancerous) rise in the urban population in the whole region. What accounts for this phenomenon?

Historically, Asia and the Middle East sustained a higher absolute level of urbanization than Europe. The reasons for this seem to lie in the lack of peasant’s security and the existence of centralized state apparatuses that entailed the existence of administrative and military posts in scattered towns over the territories of the state. Rozman made a comparison between the development of urban population and centers between 1500 and 1900 in Japan and China on the one hand and Europe on the other. His conclusion was that it would not be unreasonable to assert that the number of cities with 10,000 or more inhabitants in China and Japan was roughly the same as the number in Europe during the entire period 1500 - 1800. However:

“With a similar number of big cities, East Asia sustained much larger urban populations. Europe’s 12.2 million inhabitants in cities over 10,000 in 1800 were surpassed by East Asia’s 19.2 million a few decades later. At no point between 1500 - 1800, and perhaps at no point after the fall of the Roman Empire, did Europe approach East Asia’s urban population totals.”

Rozman 1990a: 71

As for the Middle East, it seems that urbanization was not only higher than in Europe in absolute terms, but in relative ones too. Issawi observes that “at the beginning of the 19th century the Fertile Crescent- and more particularly Syria- was one of the most urbanized parts of the world” (Issawi 1988: 27). He estimates that in 1800 Egyptian towns with more than 10 thousand inhabitants each comprised 10 percent of the total population (Issawi 1969: 103). Other estimates made by Baer show that towns with more than 20 thousand comprised 8.6 percent of the population in the 1820’s (Baer 1968: 168). Issawi’s estimates for Iraq’s urban population in 1800 are 15 percent, Iran almost 15 percent, Turkey around 10 percent, and Syria around 20 percent. Smilianiskaya made yet other estimates by defining a locality of more than 5,000 residents as a town. Thus the total number of urban population at the end of the eighteenth century was 20 percent, those living in towns of more than 10 thousand inhabitants made 13.5 percent of the total population, and towns with more than 20 thousand hosted around 11.4 percent (Smilianiskaya 1989: 135-8).

Whichever estimates one decides to rely upon, it is plain that the Middle East surpassed Europe’s rates of urbanization despite the huge gap in the levels of

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1 See page 127 and chapter 6 below, especially table 6.1.
industrial development. Smilianiskaya provides the following comparison regarding town dwellers in Europe at the end of the eighteenth century: Britain and the Netherlands 7 percent in towns with more than 10 thousand, France 2.7 percent, Russia 1.6 percent, Germany 1 percent, the USA (in localities of more than 8 thousand) 3.3 percent (Ibid. 138). Charles Tilly asserts that:

"[T]he proportion [of Europe's population] living in cities did not rise dramatically until the nineteenth century. According to the best available estimates, the share in places of 10,000 people or more ran at around 5 percent in 990, 6 percent in 1490, 10 percent in 1790, and 30 percent in 1890, as compared with nearly 60 percent today."

Tilly 1990: 50

The limits on urban expansion in Europe have been thoroughly discussed by several authorities (Bairoch 1988, Schwartz 1994, Tilly 1990). These were limits imposed by the agricultural productivity on the one hand, and the non-development of land transport upon which much of the continent relied on the other. Yet even in pre-industrial Europe the phenomenon of cities owing their sheer size to being administrative/military seats of states was not unknown. The size of Berlin at the end of the reign of Fredric II (1786) when the Prussian State took its definitive shape is testimony to this. Berlin had a population of 142,000, 33,000 of whom belonged to the garrison (the military and their families), 13,000 comprised the bureaucratic apparatus, while 22,000 were in the service of the Royal Court, or attached to it. The same holds for Vienna, the capital of the Austro-Hungarian Empire whose population reached 277,000 by the death of Joseph II (Balazs and Niederhauser 1985: 64). But in general, the trend towards the rise in urbanization in today's capitalist countries went hand in hand with the pace of industrialization and the creation of modern structures that could absorb the rise in the urban population on the one hand, and further induce a rise in agricultural productivity on the other. The case in the Middle East (and the third world) was radically different, as we shall see below.

In the Middle East -especially the Nile valley, Iraq and upper Syria- much of the transport was conducted via rivers as well as the sea (notably the trade between Egypt and Syria and long-distance trade between Basra, the Persian Gulf and India). Yet as we have noted earlier, until the mid-eighteenth century in the Asian part of the Middle East, and around half a century before that in Egypt, growth of the urban population seems to have been very erratic. A century-long growth could be wiped out by a plague. Only following the introduction of new sanitary rules and institutions and the extension of effective rule by the state on further away regions could the expansion in urban growth become irreversible. Between 1800 and 1860, Istanbul and Teheran made very modest gains in population numbers, which grew from 400,000 and 50,000 to 500,000 and 70,000 respectively. Yet in the following half-century, both cities grew at much faster rates. On the eve of WWI, Teheran’s population quadrupled to 280,000 and Istanbul’s more than doubled to 1.1 millions (Issawi 1969:

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2As for earlier periods "It was rare for a town to exceed 20000 inhabitants, and in the fourteenth century cities as large as 40-50000 inhabitants were only found in Italy and Flanders. York 11000. Bristol 9500. Fifteenth century Hamburg 22000, Nurnberg 20- 25000. Ulm 20000" (Sombart. Der Moderne Kapitalismus, I: 215-216, cited by Debb 1963: 71 - 72 fn.).
Beirut rose from 10,000 in 1840 to 80,000 in 1880 (Fawaz: 1983: 182). After a significant decline between 1820 and 1860, the population of Damascus regained its gradual increase. In 1885 the population of Damascus was estimated at 150,000 (P. Khoury 1984: 56). Baghdad’s population drastically shrunk after the epidemic of 1830-1831. Nawwar estimates that the population dropped from 150,000 to 50,000. Batatu estimates the drop from 80,000 to 27,000 (Nawwar 1968: 32, Batatu 1978: 15). A subsequent rise in its population is beyond doubt, yet the figures relating to the period up to WWI are highly contradictory.

Between 1846 and 1891 Cairo’s population grew from 256,697 to 353,188. Alexandria, a small semi-deserted town of 15,000 in 1800 witnessed the most spectacular growth thanks to digging the al Mahmoudiya Canal, which provided it with drinking water from the Nile, and later the opening of the first railroad in Egypt that linked it with Cairo in 1854. In 1846, Alexandria became the home 164,359 inhabitants, 180,000 in 1865, 230,000 in 1880, and 570,000 in 1925. According to Baer, the greatest increase in Egypt’s urban population during the nineteenth century occurred between 1882—the year of the British occupation— and 1897. In this period total population increased by 23 percent, while that of urbans increased by 68 percent (Baer 1968: 155, Ilbert 1990:6). However, it is the twentieth-century developments that we are concerned with. And we can easily see that the steady urbanization of the Middle East throughout the twentieth century has dwarfed all previous developments.

According to a 1947 population census, 36.6 percent of Cairo’s population in that year (765,000 of a population of 2.1 million) was not born in it; the respective proportion for Alexandria was 30.6 percent or 281,000 out of a population of 919,0004 (el-Saaty1980: 149). These high figures should not be surprising given that these two cities comprised some 20 percent of Egypt’s population in the mid-century, with a per capita income that was much higher than the rest of the country (el Gretty 1947:473). In fact, by 1960 both cities hosted almost 60 percent of all the factories employing ten or more individuals in Egypt with a percentage of more than 49 percent of all those employed in such establishments (el Saaty 1980:88-90). The flux of migrants to Alexandria seems to have intensified during the 1940s and 1950s. Between the censuses of 1937, 1947, and 1960 the city increased in population from 685 thousand to 919 thousand and then to 1.5 million, that is at annual growth rates of 3 percent and 5.2 percent respectively. The respective rates of population growth were 3.4 percent and 4.6 percent. The 1947-1960 rate is especially indicative, because it surpassed the general rate of population increase by 0.6 percent (el Saaty 1980:149). Whereas the population of both Cairo and Alexandria comprised around one fifth of Egypt’s population in the mid-century, the population of Cairo alone jumped in 1966 to comprise 16.5 percent (and 18.5 percent in 1976) (Mirqis 1988:20).

By the end of the nineteenth century the population of the city of Beirut was estimated at 120,000. Yet in three decades, this figure rose to 205,541 (Kawtharani 1984: 44). As for Syrian cities, Damascus almost doubled its population in seventy years from 112,500 in 1842 to 242,000 in 1876 and 222,604 in 1911/12 (Ghazzal 1993: 38, 43). For Aleppo, we have a more recent figure from the year 1922, which is 156,749 (Kawtharani 1984: 52-3). By 1960 these figures rose to 530,000 and 425,000 respectively (Zakariyya 1990: 178). In 1960 Damascus comprised 31.5 percent of the

1 However, in the fragmented Persia, only the capital city, which was Tabriz, made earlier big gains in population, from 40,000 in 1800 to 150,000 in 1860 (Ibid.).

2 This includes a community of non-Egyptian residents of some 63,500, around 7 percent of the total population.
total urban population of Syria, while Aleppo made 25.2 percent. As a percentage of the total population of Syria, the cities of Damascus and Aleppo comprised 20.9 percent.

Table - 3.2 -
Growth of Urban Population in Egypt
1907 - 1984

<table>
<thead>
<tr>
<th>Year</th>
<th>Total* (millions)</th>
<th>% Urban</th>
<th>Grand Cairo**/Total Population %</th>
<th>Grand Cairo/ Total Urban %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1907</td>
<td>11.2</td>
<td>17.2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1947</td>
<td>19</td>
<td>33.5</td>
<td>12.4</td>
<td>38.1</td>
</tr>
<tr>
<td>1960</td>
<td>26</td>
<td>38</td>
<td>14.5</td>
<td>40.1</td>
</tr>
<tr>
<td>1966</td>
<td>29.7</td>
<td>40.5</td>
<td>16.5</td>
<td>41.2</td>
</tr>
<tr>
<td>1976</td>
<td>36.6</td>
<td>43.8</td>
<td>18.5</td>
<td>42.2</td>
</tr>
<tr>
<td>1984</td>
<td>48.2</td>
<td>43.9</td>
<td>18.2</td>
<td>41.4</td>
</tr>
</tbody>
</table>

* Does not include those residing outside Egypt
** Cairo + Giza + Shubra al Khaima

Source: Mirqis 1988: 18-21

Despite the absence of reliable time series on the population of different cities in Iraq, the trend towards massive urbanization is easily recognizable from various indicators. Baghdad, whose population shrank to between 50,000 and 27,000 in the 1830s as we noted above, had a population of 248,350 a century later, according to a government census in 1929. In 1936, it was estimated that Baghdad had a population of 350,000, Mosul 100,000, and Basra 60,000 (Daleel 1936: 97, 865). Yet the huge flux was to come in the decade preceding the 1958 revolution. Although the following table shows the population of whole governorates (cities and their hinterlands), the influx of immigrants to the cities is clearly shown in the high rates of increase of the traditionally receiving governorates.

As can be seen from table 3.3, those governorates whose population growth over two decades ranged from 6.6 percent to 15.4 percent were net expellers of the workforce as the growth rates of their population ranged between 20 percent and one third of the rate of growth of the entire country. By contrast, Baghdad’s rate of growth was almost double the rate of growth of the total population. It grew to 1.3 million in 1957 and 2.2 million a decade later and was thus a net importer of immigrants, as well as Basra (1957-1967) and Kirkuk (1947-1957), the latter being the center of the oil industry.

Between 1919 and 1968 Iraq’s population increased threefold, while Baghdad governorate experienced an eight-fold increase, Kirkuk fivefold, Basra 4.5 times, Kerbala and Diyala fourfold, while ‘Imara had an increase over the same period of only 20 percent, Diwaniyya just doubled. ‘Imara, Nasiriyya and Diwaniyya were the most repelling governorates, Baghdad, Kirkuk and Basra being the most centrifugal governorates.
Table - 3.3 -
Iraq: Population Growth Per Governorate
1947-1967

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mosul</td>
<td>595</td>
<td>26.9</td>
<td>756</td>
<td>31.3</td>
</tr>
<tr>
<td>Sulaimaniyya</td>
<td>226</td>
<td>34.7</td>
<td>305</td>
<td>23.6</td>
</tr>
<tr>
<td>Arbil</td>
<td>240</td>
<td>14.0</td>
<td>273</td>
<td>33.6</td>
</tr>
<tr>
<td>Kirkuk</td>
<td>286</td>
<td>36.0</td>
<td>389</td>
<td>22.8</td>
</tr>
<tr>
<td>Baghdad</td>
<td>817</td>
<td>60.7</td>
<td>1,313</td>
<td>72.8</td>
</tr>
<tr>
<td>Kut</td>
<td>235</td>
<td>26.0</td>
<td>296</td>
<td>15.4</td>
</tr>
<tr>
<td>Diwaniyya</td>
<td>387</td>
<td>37.7</td>
<td>521</td>
<td>7.0</td>
</tr>
<tr>
<td>'Imara</td>
<td>307</td>
<td>7.4</td>
<td>330</td>
<td>6.6</td>
</tr>
<tr>
<td>Nasirriyya</td>
<td>372</td>
<td>23.4</td>
<td>459</td>
<td>9.7</td>
</tr>
<tr>
<td>Basra</td>
<td>369</td>
<td>26.5</td>
<td>503</td>
<td>40.5</td>
</tr>
<tr>
<td><strong>Iraq Total</strong></td>
<td><strong>4,826</strong></td>
<td><strong>35.5</strong></td>
<td><strong>6,340</strong></td>
<td><strong>34.8</strong></td>
</tr>
</tbody>
</table>

Source: Najmil Deen 1970: 107

The Central Bureau of Statistics estimated the number of immigrants to Baghdad, especially the city itself to be 159,000 between 1947 and 1957 and 236,309 between 1957 and 1966, mostly coming from 'Imara Basra received in the two respective periods 43,000 and 32,000 immigrants, while Kirkuk received 39,000 and 25,000 immigrants (Najmil Deen 1970: 114). 

From an average 8-10 percent of the total population in the late nineteenth century, Middle East cities increased their share to more than 30 percent in the 1950s. But this high rate of urbanization was not an extension of the historical trend of relatively high proportion of city dwellers in this part of the world. For this time a novel trend was at play; namely that the growth in urban population was mainly confined to two or three cities in each country, and later mainly to the capital city. This explains how two major cities in each Mashreq country came to host 20 percent or more of the total population. In other words, the irony of modern urbanization in the Middle East lies in that the many towns that previously served as regional markets, centers for crafts demanded by peasants or other towns, seats for Ottoman walls, or centers for garrisons, were now eclipsed by the rise of a central city dominating most political and economic activities within the country.

This process cannot be dissociated from the creation of the modern national spaces in the Mashreq countries. The latter process in its turn was strongly related with the rise of new powerful pressures and trends that shaped the Mashreq’s trajectories. Thus two major developments have intertwined to produce the twentieth-century patterns of urban inflation in the Mashreq: one is the rise of the modern state, and the other is the radical changes in transportation and trade patterns with the west.

How did the Middle East towns cope with this flood of immigrants? Did they face a “beggars’ plague” like the one that Paris- and other European cities- witnessed long before they embarked on industrialization? Or, was there a capitalist dynamic

Furthermore, the above author suggests that the number of immigrants may have been higher than that, because the estimates of migration relied on figures furnished by the Directorate of Civil Affairs. Thus only those who moved their civil register with them were taken into account.
that could make use of this ‘reserve army of labor’, to quote the famous phrase of Marx?

The level of urbanization in the late 1940s was roughly equivalent to that of Europe in the 1890s as was noted above. But whereas Europe reached that level when industry made 20 - 25 percent of its GDP and urban activities in general produced the bulk of its wealth, the Middle East was far from achieving anything comparable. The rise of modern economic activities in the Middle East, as well as the majority of third world countries, did not gather momentum until the end of WWII. The share of manufacturing in Turkey’s GNP rose only from 12 percent in 1923 to 13 percent in 1946 (Owen and Pamuk 1999: 244); the share of manufacturing and petroleum in Egypt’s GNP accounted for 7.75 percent in 1950 (Central Bank 1963: 464), manufacturing accounted for 9.3 percent in Iran’s GDP in 1959 (Bharier 1971: 60), 7.1 percent of Iraq’s national income in 1953, 11.8 percent of Syria’s net domestic product in 1956 (including extraction and electricity) and 13.5 percent in Lebanon in 1950 (Owen and Pamuk 1999: 257-9) Thus a period of more than a century of contacts and insertion in the world capitalist market did not only lead to very disappointing rates of growth of the “modern sectors” in the economies of the region, but also to more modest contributions of the “modern” social groupings in the economic and social life of these countries, given that much of the industrial growth of these countries was actually state led (especially in Turkey and Iran) and that most of these industries were mainly in the fields of food processing and textile, clothing and other low value added branches.

By contrast to the virtual absence of a differentiated and sophisticated class of industrialists, affluent urban classes of merchants, bankers and urbanized landowners were to be seen almost everywhere in the major cities of all the countries of the Middle East. This, as we have seen, gave rise to the various interpretations on the “peculiarity” of the region’s capitalism.

A culturalist point of view tended to emphasize the role that Islam gave to trade and merchants. Then in a later stage came the various anti-imperialist theories which linked the absence of industrialization to the role of imperialism and concluded therefore that a process of capitalist “take-off” in this region (or in the entire third world for that matter) was impossible. What I have tried to show in the preceding chapters is that there is nothing peculiar about this “peculiarity” once we admit that the dominant social formations of the region were precapitalist, despite all the “modern” edifices that existed here and there in the region, and once we go beyond the mistaken textbook schemas on capitalist development in Europe itself. But this only solves half of the problem: i.e. analyzing the dominant structures on the eve of transition to modernity. A no less formidable problem is still unsolved: where then did the urge for the radical social changes of the 1950s come from? And what was the social content of these changes? The story of the waves of migrations to the major cities and how the migrants articulated with the urban structures can provide us with the answers to these questions.

The above figures plainly reveal the nature of what we normally call “underdevelopment”, namely that it is the social configuration of a precapitalist formation whose passage to capitalism is blocked by its internal social, or class

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As elsewhere in this work, developments in Palestine/Israel will not be discussed because of the complicated nature of the problem, which led to the displacement of the Palestinian People and the creation of the state of Israel. It is the view of this author that the rise and development of Israeli society is identical to the cases of European colonization emigration to many parts of the world in the seventeenth-nineteenth centuries, and should be studied as such.
structure. The colonial powers and later the advanced capitalist centers played a very important role in discouraging processes of industrialization via their insistence on liberalizing the domestic markets and thereby putting the nascent industries under the mercy of fierce competition from better-quality and cheaper goods. But the determinant factors in this blockage were the precapitalist structures that could not mobilize sufficient forces to withstand the western pressures, and the dominance of economically liberal precapitalist interest on the social formations of the Mashreq. Only when the functioning of these structures entered into its final crisis could antagonistic forces impose a radically different program. Put differently, we can say that the crises of the previous formations engendered numerous victims that exerted powerful pressures to overthrow the ancien regimes.

The mass exodus of rural peasants was a clear indicator of the crisis of the agrarian systems that were in place until the land reforms were passed in the 1950s. As agriculture was increasingly commercialized, the landlord’s pressure to squeeze as much surplus as possible from his peasants led to the disintegration of communal and/or kinship ties between the two parties. It is noteworthy that in all the Middle East, those areas where no small peasantry was allowed to survive were the ones that witnessed the highest rates of land desertion and immigration to towns. Where super-large estates were the norm, the landless peasants - in Egypt and Iraq especially, but also in the south of Lebanon and the eastern parts of Syria - were left with nothing to live on except the search for seasonal or occasional work. But even where peasants were allotted a parcel to till for the landlords, the heavy debts and repression led many to flee the land - in many cases illegally - because they were bound by that eternal debt to the landlord, village usurer, and/or shopkeeper. But how did the city, which the immigrant sought as a refuge and a haven, look like?

3.1 The Segregated City:

Until the waves of internal migration gathered momentum in the 1930s and 1940s - in Egypt it began earlier - the composition, activities and division of labor within major cities in the Middle East were very similar to those of preindustrial Europe. Under the Ottomans:

"[The population] was composed of a large number of groups, local, tribal, linguistic and religious. On the whole, these groups formed closed communities. Each was a ‘world’, sufficient to its members and exacting their ultimate loyalty. The worlds touched but did not mingle with each other, each looked at the rest with suspicion and even hatred. Almost all were stagnant, unchanging and limited; but the Sunni world, although torn by every sort of internal dissension, had something universal, a self-confidence and sense of responsibility which the others lacked. They were all marginal, shut out from power and historic decisions."

Hourani 1947: 22

The individual did not really exist as such. Communities clustered in their suburbs, specialized in particular jobs, created their own ‘vertical’ loyalties and developed their relations with others accordingly. In Egypt at the beginning of the twentieth century:

"[S]hoes manufacturing and repair were almost entirely in the hands of Greeks, Armenians and Maltese; trade in wool and cloth in the hands of Jews, Syrians and Europeans, while sewing industry was monopolized by Jews, welding in the hands of the Maltese, and photography in the hands of Armenians."
For most of the recent history, this formula provided an excellent modus operandi for the functioning of all communities in a peaceful way. Perceptions of injustice or inequality certainly existed, but these could be harnessed in ordinary times since the ideological legitimization for the functioning of communities rested upon some ‘natural’ traits that endowed descendents from a certain region, tribe, confession, ethnicity, or sect with the performance of their particular jobs. Yet, this did not apply to sudden changes that drastically shifted the balance to the interest of one community on the expense of others. These changes that took place since the mid-nineteenth century, and which the communities themselves had no hand in producing, could and did disrupt the delicate equilibrium upon which the system rested and spark bloody conflicts like the ones that Damascus and Mount Lebanon witnessed in the 1850s and 1860s.

Bloody conflicts between regions, villages and tribes were recurrent in the rural areas naturally, despite the fact that rural areas were generally more homogenous ethnically and religiously, or more accurately: despite the fact that each community lived in a separate territory in general. In 1925 Edmond Rabbat, an ardent advocate of Syria’s unity, wrote a pamphlet with a telling title: “Les Etats-Uni e de Syrie”. The obstacles to the formation of this “united states”, according to the author, was the diversity of religious affiliations of the population, which bred economic isolation and collective specialization by the different confessions. He went on to emphasize that competition among members of the various confessions or on the level of the country was nonexistent “Thus agriculture belongs to the Muslims, and commerce is to large extent in the hands of Christians. Sometimes, and according to the region, a certain profession is totally in the hands of Muslims or Christians or Jews.”

Another obstacle, according to Rabbat, was the wide regional disparity. And the example he cited was Aleppo, whose wealthy demand that their city be independent of Damascus. “They raise the slogan ‘Aleppo’s wealth for its people’ as if Damascus and the rest of Syria is an alien country, and their homeland is exclusively Aleppo, and their national goals are the pavement of Aleppo’s streets and cleaning its suburbs from dust.” (Cited in Kawtharani 1984:242).

Various factors intertwined to make Middle Eastern cities much more heterogeneous and much less representative of the whole population than the countryside. The main factor is that urban occupations were practically the only available means for living for the non-dominant sects/ethnicities.

Until 1856, when the Ottomans adopted a policy of equality of all subjects irrespective of their confession, non-Muslims, and probably non-Sunni Muslims, had little access to the main source of wealth production: land ownership. Before that Christians and Jews were treated as second class subjects and were deprived of many rights, according to Nadhmi, who expressed his doubts that the 1856 reform decrees could have really led to equality, since the Ottoman administration was extremely inefficient during this period (Nadhmi 1984: 36). Copts in Upper Egypt, Assyrian/Chaldean Christian communities in Northern Iraq, and Christian communities around Homs and in al Jazeera regions in Syria did constitute relatively numerous and compact groups that had been in their land since time immemorial and

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7 This statement should be qualified regarding Syria and Lebanon especially. The civil war of 1860 in Mount Lebanon was sparked by the exploitation of the Muslim-Druze feudal lords of the Maronite-Catholic peasants. Syria’s coastal territories were tilled by extremely destitute Alawite peasants for the benefit of Sunni, Christian and a few Alawite landlords.
did have their lands even before the Ottoman decrees of 1856, but they preserved a communal mode of tilling and exploiting land – generally under the supervision of a Patriarch – until the formation and development of the sharecropping systems in the Mashreq. And when new developments occurred, the rule was that urban merchants and bureaucrats -Moslem or Christian- laid their hands on their lands and not the local Christian notables.

A second factor that may explain the non-representative character of the Mashreq cities is that several generations of Turkish and Mamluk bureaucrats and military personnel lived and thrived in the cities to which they had been assigned. Even when they were no longer in their posts, many of these joined the local notables and became part of the city’s social fabric. Then there are the persecuted minorities who fled from Turkey and Russia (Armenians, Circassians, Assyrians, etc.) and found no other shelter but the cities. A fourth factor, which was of particular importance in the case of Egypt, is the European migrations that followed the opening of the Suez Canal in 1869, Egypt’s bankruptcy in 1879 and the British occupation of 1882.

From 3000 in 1836, the number of foreigners in Egypt rose to more than 68,000 in 1878. In 1891, their numbers rose to 91,000, of whom around 8,200 lived in the Canal cities, around 22,000 in Cairo and 47,000 in Alexandria (A. Barakat 1977: 191-2). These numbers continued to rise dramatically reaching more than a quarter of a million in 1917. At their peak, they represented almost one-quarter of Alexandria’s population and 10 percent of Cairo’s population.

These numbers, however, are highly exaggerated, because many Christian Syrians, Arab citizens of French colonies (Algerians and Moroccans), as well as Jews benefited from the preferential treatment for Europeans to register as ones. The above source concludes that the actual number of westerners in 1947 was 142800 and not 184400. The number of French citizens, which was 17800, was made up of 9600 ‘real’ French subjects and 3,200 from the Grand Maghreb. And out of the 31500 registered British in 1947, only 13300 were authentic British, while 7800 were Maltese, and around 1000 were Indians (Hamdan 1996: 342, 352, 354).

Yet the non-representative composition of Mashreq cities was mainly linked to the heavy presence of those sections of the indigenous populations that were, for ethnic and confessional reasons, not part of the socially, politically and economically dominant strata during the Ottoman era. Having no or little access to land ownership or the bureaucracy, they tended to cluster in separate suburbs in the towns and work in jobs that members of the predominant confessions/ethnicities (even when they themselves were among the poor) considered inferior, unworthy, or simply did not know about. The non-dominant ethnicities/confessions were not necessarily minorities in their own respective countries.

Table – 3.4 -
Foreigners in Egypt
1907-1976
**Year** | **No of foreigners** | **Alexandria** | **Cairo***
---|---|---|---
| | No. | % of total foreigners in Egypt | % of city’s population | No. | % of total foreigners in Egypt | % of city’s population |
| 1907 | 216000 | 86400 | 39.9 | 24.4 | 53000 | 24.5 | 8.1 |
| 1917 | 260300 | 84700 | 32.5 | 19.0 | 67000 | 25.6 | 9.0 |
| 1947 | 145900 | 63500 | 43.5 | 7.0 | 56100 | 38.0 | 2.5 |
| 1976 | 95300 | 14200 | 14.9 | 0.6 | 50900 | 53.4 | 1.0 |

* Cairo figures do not include el Giza (which is actually part of Cairo). In 1976 the number of foreigners in Giza was 20,000.

Source: Hamdan 1996: 330

A wave of peaceful conversion of Iraqi tribes to Shi’ism from the eighteenth to the early twentieth centuries turned Shi’is into the majority of the population, so that by the early twentieth century they formed around 56 percent of the population (Nakash 1994: 13). Yet the Sunni confession of the Ottoman state prevented those Shi’is from occupying high posts in the bureaucracy, military or judiciary. The Ottoman empire, just like Europe’s medieval monarchies, derived its legitimacy from upholding and defending religion, and an “authentic” version of that religion to be exact. That is why it was less tolerant of non-Sunni Muslims than of non-Muslims in general:

“Islamic intolerance was generally directed against the Shi’is and other heterodox Muslims … rather than against Christians and Jews. Both the latter enjoyed a form of protection of minorities…which has enabled them to maintain their respective identities until the present time, although at the cost of accepting second - class citizenship for their members.

The status of *Ahl al-Kitab* allowed Christians and Jews to retain their religious organisation, their personal status, places of worship and religious trusts. This protected status was further institutionalised under the Ottoman Empire when their communities were officially recognised as *Millets*, or (religious) ‘nations’.”

Van Dam 1981:17

Whereas *Ahl al-Kitab* were allowed to practice their activities and some of their members could rise to prominent positions, ‘heterodox’ Muslims were generally persecuted with degrees of severity that varied according to the gap that separated their beliefs from Sunni Islam on the one hand, and the power relations between the state and each of the heterodox communities on the other. Thus the more numerous Shi’is were able to gradually make their presence in Baghdad and to a lesser extent Beirut, while very few, if any, Alawis, Druzes, or Yazidis had this privilege until the beginning of the twentieth century. By contrast, Christians and Jews, whose existence in the Mashreq predates that of many Muslims had a heavy presence in cities for the same reasons mentioned above.

According to an 1892 report, Baghdad’s population was 194,941. The number of Muslims was 124,459, Jews 12,182, Armenians 408, Catholics 922, Protestants 25,

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*Ahl al-Kitab* (holders of the book) is a term used by Moslem theologians to describe those who belong to other religions whom Islam recognizes their prophets as truly sent by god. These are Christianity and Judaism.
followers of the Latin Church 458 and 277 Europeans (Darwish 1892: 421-4). A more reliable estimate pertains to the year 1917. According to it, out of a total population of 210,200,310 there were 50,000 Jews, 12,000 Christians, 8,000 Kurds and 800 Persians (Ghamma 1997: 210, Nadhmi 1984: 301 fn.9).

According to estimates made by the British political governor of Mosul, Arabs represented no more than one third of the Wilaya’s population during WWI, as can be seen from the following table.

<table>
<thead>
<tr>
<th>Ethnic and Confessional Composition of Mosul during WWI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arabs</td>
</tr>
<tr>
<td>Kurds</td>
</tr>
<tr>
<td>Muslims</td>
</tr>
<tr>
<td>Non-Arab Races</td>
</tr>
<tr>
<td>Non-Kurdish Races</td>
</tr>
<tr>
<td>Non-Muslims</td>
</tr>
</tbody>
</table>

Source: Nadhmi 1984: 95

The 1850s Moslem-Christian conflicts, which erupted in Damascus and Mount Lebanon (in each case for entirely different reasons), led to an improvement of the economic standing of non-Moslems:

“[L]ocal Christian and Jewish merchants gained positions on the expense of Europeans. In 1855, the French Consul wrote that ‘because of the loosening of pressures on them [Christians and Jews], they were able to forge direct contacts with Europe’. European agencies were forced to move to the internal localities like Urfa, Diyar Bakir, Mosul and Baghdad.”

Van Dam 1981: 222

In Lebanon Christians began to dominate Beirut numerically. Before 1860, Beirut was a predominantly Sunni city (Ruppert 1999: 37). By the end of the nineteenth century, only one third of Beirut’s 120,000 population were Muslims, while two thirds were Christian - mostly Catholics - whose numbers were around 40,000. (Kawtharani 1984: 44, citing Cuinet 1896: 53)

This numerical predominance coincided with an economic one, when Christian - especially Orthodox and Catholic - families dominated foreign trade with Europe.

The Egyptian occupation of Syria in 1831 was the first shock to the religious establishment in Damascus. Fulfilling his father’s (Muhammad Ali) will, Ibrahim Pasha initiated a series of reforms, which led to putting Greater Syria under the administrative rule of Damascus. Ibrahim tried to reorganize the Syrian economy such that it would supply the rising industries of the Egyptian government with raw material. This was carried by imposing state monopoly on silk, cotton and soap production.

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9 Nadhmi puts the number of Jews mistakenly as 80,000. Ghanima’s book -originally published in 1924- gives the details of a census that was carried by the British occupation administration of Iraq for the number of Jews. According to it, there were 87.5 thousand Jews all over Iraq, 50,000 of whom lived in Baghdad. In an appendix to the last cited source written by Mir Basri, the head of the Jewish community in Iraq until the 1970s, the author confirms this figure and adds that in the 1947 population census Jews comprised 2.3 percent of Iraq’s population (118 thousand out of 4.5 million), but they comprised 25 percent of Baghdad’s population (Ghanima: 1997: 261-2).
Table 3.6-
Sectarian Distribution of Beirut’s Population
In the 1930s

<table>
<thead>
<tr>
<th>Sect/Religion</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunni Muslims</td>
<td>57849</td>
</tr>
<tr>
<td>Shi’i Muslims</td>
<td>10399</td>
</tr>
<tr>
<td>Druze</td>
<td>1883</td>
</tr>
<tr>
<td><strong>Total Muslims</strong></td>
<td><strong>70131</strong></td>
</tr>
<tr>
<td>Orthodox Armenians</td>
<td>35658</td>
</tr>
<tr>
<td>Roman Orthodox</td>
<td>19792</td>
</tr>
<tr>
<td>Maronites</td>
<td>15216</td>
</tr>
<tr>
<td>Roman Catholics</td>
<td>5767</td>
</tr>
<tr>
<td>Armenian Catholics</td>
<td>5258</td>
</tr>
<tr>
<td>Syrian Catholics</td>
<td>40003</td>
</tr>
<tr>
<td>Protestants</td>
<td>3676</td>
</tr>
<tr>
<td>Latin</td>
<td>2136</td>
</tr>
<tr>
<td>Jacobites</td>
<td>2916</td>
</tr>
<tr>
<td>Chaldean Catholics</td>
<td>955</td>
</tr>
<tr>
<td><strong>Total Christians</strong></td>
<td><strong>130477</strong></td>
</tr>
<tr>
<td>Jews</td>
<td>4933</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>205541</strong></td>
</tr>
</tbody>
</table>

Source: Kawtharani 1984: 44.

The development that was met with the greatest opposition from the religious establishment and the Muslim upper classes in Damascus (and other towns) was related to the equality accredited to religious minorities and opening up the holy and socially conservative Damascus to the direct European influence. Now it was possible for Christians to enter the Shoura (Advisory) Council and to trade in cattle and grain, which had been hitherto to them a monopoly for Muslims (P. Khoury 1983: 35-6). By the 1860s, Jews and Christians constituted a little bit less than 20 percent of Damascus’ population.

Table 3.7-
The Confessional Composition of Damascus’ Population
1842 – 1911/12

<table>
<thead>
<tr>
<th>Sect/Religion</th>
<th>1842</th>
<th>1911/12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td>Sunnis</td>
<td>90500</td>
<td></td>
</tr>
<tr>
<td>Shi’is</td>
<td>4000</td>
<td></td>
</tr>
<tr>
<td>Alawis</td>
<td>150</td>
<td></td>
</tr>
<tr>
<td>Druzes</td>
<td>500</td>
<td></td>
</tr>
</tbody>
</table>

10 Hence, most Muslim notables who could not mobilize popular resistance to Ibrahim Pasha were happy when the Europeans forced him to withdraw from Syria.
The Christians of Damascus clustered mainly in the east and southeast suburbs of the old city in the Bab Touna (Thomas Gate) quarter whose boundaries lay within the walls. This part of the city was the home of non-Sunni Muslims in general: Jews, Christians, and Shi’ites (Na’isa 1986: 81). Christians controlled almost the entire building crafts: masons, brick laying, marble cutters, etc., as well as being predominant in such jobs as translators, drapers, tailors, goldsmiths, needle makers and brick makers (Ghazal 1993: 132-3). To these professions, an 1879 Syrian author asserted that “the most important branches of textile production are in the hands of the Christian nation” (Qasatli 1879: 122). But even within each confession there was a division according to ethnicity (Armenians specializing in photography, for example) or to sect: Orthodox practicing different jobs from Catholics. Accordingly, suburbs were also divided along sub-sectarian lines.

The Jews, who were even less numerous than the Christians, lived in Harat al Yahood (the Jewish Quarter) in the southeast of the walled city facing the Christian quarter. Here too, the quarter was subdivided to suburbs for members of each sect (Na’isa 1986: 81). With the exception of the moneychangers, the poorer sections of the Jews practiced rudimentary jobs: wall plasterers, shoe polishers, makers of cloth bags, and sewage cleaners (Ghazal 1993: 134).

Batatu cites a British Consular report written in 1910 on the Jews of Baghdad. According to it, wealthy merchants and moneychangers formed no more than 5 percent, petty traders, retail dealers, and employees of middling income 30 percent, poor people 60 percent, and professional beggars 5 percent (Batatu 1978: 257).

Living in separate quarters of cities was not only the case of Jews and Christians in Damascus. Abu Saifayn and al Tawrat (Torah) in Baghdad, and Wadi

<table>
<thead>
<tr>
<th>Sects</th>
<th>1911 Census</th>
<th>Poverty Level</th>
<th>Wealth Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Muslims</td>
<td>12500</td>
<td>11.11</td>
<td>14968</td>
</tr>
<tr>
<td>Greek Catholics</td>
<td>58150</td>
<td>84.58</td>
<td>197507</td>
</tr>
<tr>
<td>Armenian Catholics</td>
<td>5805</td>
<td></td>
<td>6282</td>
</tr>
<tr>
<td>Armenian Apostolic</td>
<td>270</td>
<td></td>
<td>237</td>
</tr>
<tr>
<td>Protestants</td>
<td>413</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Syriac Catholics</td>
<td>585</td>
<td></td>
<td>739</td>
</tr>
<tr>
<td>Roman Catholics</td>
<td>122</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chaldeans</td>
<td>63</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jacobites</td>
<td>112</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maronites</td>
<td>300</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latins</td>
<td>70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greek Orthodox</td>
<td>5290</td>
<td>11.11</td>
<td>6569</td>
</tr>
<tr>
<td>Armenian Orthodox</td>
<td>190</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Christians</td>
<td>4850</td>
<td>4.31</td>
<td>10129</td>
</tr>
<tr>
<td>Jews</td>
<td>101</td>
<td>101</td>
<td>101</td>
</tr>
</tbody>
</table>

* The 1911/12 census did not specify the sects of Damascus’ Muslims. The terms Greek, Roman, Syriac and Latins refer to the Churches to which Christians belonged and not to ethnicity.

Source: compiled from Ghazal 1993: 38,43

11 The same author specifies one page later that silk weaving is performed to the degree of perfection “although no improvement has been made to its tools because it is in the hands of the Christian nation that has no fortune [to allow its members to invest]. Rather they make their everyday living out of its products thanks to the cheapness of silk and people’s total dependence on them.”
Abu Jameel in Beirut were the Jewish quarters in those cities. In Aleppo, Bahsita was the Jewish quarter, Aziziya the Christian quarter, while Armenian Christians lived in Sulaymaniyya. In the meantime, not only non-Muslims, of course, lived in separate suburbs. Kurds and other non-Arab ethnic groups had their own quarters. But the larger a community was, the more likely it was that the sub-divisions of these quarters would be organized on class lines. Thus Tabbat al Kurd and Hay al Akrad, in Baghdad and Damascus respectively were virtual mini-towns further subdivided according to the occupation and income level of their inhabitants. The poorest Kurds in Aleppo lived in Shiaikh Maqsoud suburb, while the better off inhabited al Ashrafiyya, the 'heretic' Yazidi Kurds lived in Hay Bani Zayd, while Bustan al Pasha was amixed Turkman-Kurd suburb.

Beirut, which formed a semi-circle on the east coast of the Mediterranean, presented an interesting case for a confessionally segregated city. The southern part of the city was occupied by Sunnis. To the north, Christian who did not belong to one of the major churches occupied the west-central suburbs. Going further east, Syrian Orthodox suburbs occupied the heart of the city, while Sunnis occupied the east-central suburbs. These latter were generally migrants who resided as close as possible to the southern Sunni quarters. Further north, a Jewish enclave on the coast was surrounded by Maronite suburbs to the east and Syrian Catholic and Greek Catholic suburbs to the north and northeast. The marginalized Shi'is and Kurds occupied the extreme northern slums of the old Beirut (Ruppert 1999: 149).

Non indigenous populations in the Mashreq also tended to live in separate quarters, partly for reasons of protection, and partly because of common interests and ways of livelihood. Al Ma'adi in Cairo, and al Ibrahimyya in Alexandria were entirely occupied by Europeans (Hamdan 1996: 331)

But it would be misleading to confine our analysis of the segregation of Middle Eastern cities to the religious/ethnic aspects alone, for that would distort the reality and complexity of the division of labor and symbiosis in these cities. As can be seen from the above analysis, each community was also horizontally divided between upper, middle and poor classes. And from the types of activities practiced by the members of different communities it is easily discernible that communities were not closed castes or societies. With the exception of explicitly religious functions, each activity was demanded by the whole society and not only by members of a particular sect or confession.

A Middle Eastern city was a locus of transacting communities. Transaction did not pass via the individual but via communities. And therefore, each community lived in its own suburb, had its distinctive means of livelihood, its own youth to defend it from others, and its own notables who mediated between the members and the authorities, or who acted on its behalf in dealing with other communities. This social organization derived directly from the isolation of suburbs. A quarter was actually a mini-town. Within its gates it contained its own mosque, church or temple, public baths and local markets. Each quarter had its own source of water supply. Because of the autonomy of the quarters, there arose the need for a local authority that would play a mediating role: conveying its demands to the authorities and vice versa. This role was played by a one or more shaikhs of the quarter, in addition to its economic and religious notables. Under this authority served the quarter’s police who were assumed to know the different alleyes of the quarter, and the families that occupied each of these alleyes (Na'isa 1986: 82-3).

12 The information on the spatial/communitarian division of Aleppo has been obtained by the author through interviews.
Communities were not necessarily distinguished along ethnic/confessional lines. Specializing in a craft or descent from a common region or tribe could constitute a community. Until the beginning of the twentieth century the heart of Baghdad was occupied by two neighboring longitudinal districts separated by the main city street. To the west the administrative/bureaucratic/military elite and their dependents lived. These were mostly Sunni Moslems: Arabs, Turks and Kurds. To the east was the mercantile and crafts center, mainly occupied by Shi‘is, Jews and Christians. Within each of these land strips, there were residential suburbs for each. The further away one goes from the center of activity (commercial or administrative) the poorer the residential areas were. On the outskirts of each center, one would find the poorer communities—normally members of communities specializing in doing the meanest jobs. The residential areas of merchants, usurers, or bureaucrats lied closer to the center of activity. According to Batatu:

“[T]he groups that belonged to different faiths, sects, or classes or that were of different ethnic or tribal origin tended to live in separate mahallahs [quarters]. For example, on Baghdad's main bank-the eastern bank- the Shi‘is lived in ad-Dahhanah, Sababigh-il-Al, al-Qushal [A section of this quarter was inhabited by Jews], Suq-il-Attarin, and other quarters, the Jews mostly in at-Tawrat, Taha-il-Takayah, Abu Saifain, and Suq Hannun, the Christians in ‘Aqd-in-Nasarah and Ra‘s-il-Qaryah. Much of the rest of the eastern side of the city was Sunni, but subdivided on other lines. Thus al-Maydan was inhabited by the Turkish military, al-Haydarkhanah by “aristocratic” families and upper officials, Dukkan Shnawah by lower officials, inner Bab-ush-Shaikhs by artisans, and BAB-ISH-SHAIKHS’ outer fringes by Baghdadi army officers of humble origins, and other elements.”

Batatu 1978: 18

Damascus presents an interesting case where a politically and economically dominant merchant/landowner/bureaucratic stratum emerged from the segregated city to form its recognized leadership. From leaders of their respective quarters and residents among ‘their’ own communities, notables tended to move away to an exclusive quarter where Damascene notables began to form as a coherent class. Al Maidan, a suburb extending south of Damascus, was a strong fort for the ex-Janissaries. Until the second half of the nineteenth century, al Maidan was not part of the city of Damascus properly speaking. The ex-Janissaries settled there and turned into traders in grain and cattle with the south of Syria, especially Hawran. Since the guild system in Damascus itself was family controlled and free practice of crafts was forbidden in the old city, al Maidan was receptive of newcomers who practiced crafts more freely.

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13 The social organization of the old Mashreq cities is perhaps best described in literature written by Egyptian, Syrian, Lebanese and Iraqi novelists. In a moving novel (which is actually an autobiography) an ex-Iraqi Jew (who is a Canadian now) describes Baghdad in the 1940s where Jewish, Christian, and Muslim shops sat side by side in the city center, but where each community had its separate private life, suburbs and rituals. Yet the author also vividly recounts his estrangement from the suburbs and lives of the poor Jews of Baghdad. See Naim Kattan (1986) Adieu Babylone. Editions Lemac. Ottawa.

14 This statement should be qualified because this ‘main street’ was only dug in 1917, in the last year of the Ottoman rule of Iraq. To the best of the present author’s knowledge, no study has been conducted on the circumstances that motivated the choice of this particular path to be the city’s main street and therefore I am ignorant of whether there had already been a street separating these two districts before opening this road officially. But whether there had been a rudimentary route predating this street or not, the fact remains that it separated two seemingly distinct realms within one city.
The same occurred in al Salhiyya, a village-suburb northeast of Damascus, where many immigrant Kurds settled because they were unable to settle in Damascus itself. Thanks to the Egyptian occupation of the 1840s and later to the Ottoman protection some of those Kurds would turn into part of the upper classes of Damascus by the end of the nineteenth century. Thus many families whose initial power base was al Maidan like al ‘Abid, Sukkar, al Mahaymi, al Maidani and al Bitar moved from al Maidan to the center of Damascus aristocracy: Souk Saruja. Other Kurdish notables whose power base was in al Salhiyya like al Yousif-Shamdin Agha, Buza, and Aghribuz and used to live in Hay al Akrad (The Kurds’ Suburb) north of Salhiyya moved also to Souk Saruja by the end of the nineteenth century.

But this movement to a suburb where the newly formed city aristocracy would cluster was not confined to families coming from ‘faraway’ outskirts. Families like Al Azm, al Kailani, al ‘Ajlani, and al Jaza’iri moved from the traditional ‘Imara suburb to Souk Saruja too, while the Murdam Beys built an extension to the central souk where they resided. The al Quwwaṭli family represents an exceptional case because it did not move away from al Shaghour suburb where it lived since the eighteenth century. By the end of the nineteenth century, Souk Saruja, the Central Souk (al Hamdiyya and Madhat Pasha) and al Qanawat (where al Barudi family lived), three adjacent suburbs in the heart of the commercial center of Damascus, were to become the residence of the city’s Moslem elite. Other notable families who kept their ties with their local popular power base stayed in their original suburbs, which were very close to the central souks anyway. Al Quwwaṭli in Shaghour, and Al Sham’a in Bab al Jabiyya -in the southwestern part of the central Souk.

According to P. Khoury, seven of these bureaucratic/landowning families (Al Azm, al ‘Abid, al Yousif-Shamdin, Murdam Beck, al Quwwatli, al Sham’a, al Baroudi) plus the major five religious scholar-landowner families (al ‘Ajlani, al Ghazzi, al Kailani, al Hassibi, al Jaza’iri) formed the active political leadership of Damascus by the last third of the nineteenth century (P. Khoury 1983: 35-50).

Thus from local leaders who commanded the loyalty of the residents of a quarter of the city, these notables managed to play an active role as mediators between their social bases and the central authorities, forming alliances without alienating themselves from their local bases or adopting confrontational positions towards the Ottomans, and ending up as a class of landed/merchant/bureaucratic leadership of the city. It is noteworthy here that although notable Christians and Jews were faring extremely well economically and were represented in the local political bodies (as well as the pro-independence movement later on), their prestige was still contingent upon their command of loyalty of their respective communities. Hence they did not become part of the city’s leadership. By contrast, Sunni Muslim local notables gradually merged into a class that was no longer identified with its suburban base but became the leadership of Damascus.

Although the notables of Baghdad were much weaker than the entrenched mercantile elites of Damascus, they showed similar patterns of consolidating power via alliances and commanding the loyalty of their local constituencies. Apart from the heart of the city described briefly above, several pockets of urban conglomerations survived around. Just like al-Maidan and al-Salhiyya in Damascus, A’adhamiyya and Kadhimuyyia north of the heart of Baghdad were technically districts attached to the city but were becoming inalienable suburbs with the development of the horse-driven tramway lines in the late nineteenth century. These two districts were separated from the heart of the city by orchards and sparsely populated areas until WWI and the establishment of the modern Iraqi state in 1921. But two main differences between the
pattern of Iraqi expansion from localism and its Syrian counterpart follow from this description. The first difference was its lateness because ‘formal’ Baghdad only began to expand after the formation of the state in the 1920s, which is an indicator of the inability of the dominant strata to absorb and integrate newcomers to the city life. For whereas a relatively thriving commercial activity allowed Damascene elites to engage the lower strata in economic activity and command their political loyalty, Baghdadis notables had little such outlets and it was the formation of the ‘modern’ Iraqi state that generated demand for new jobs. Whether through direct recruitment to the nascent bureaucracy, military and paramilitary services, or through the demand for goods produced or furnished by the private sector (uniforms, furniture, buildings, etc.) the formation of the state was a means of consolidating the power of Iraqi notables.

The second difference followed from the first, namely that Baghdad’s expansion was largely due to the formation of a central state whose capital became that city, and therefore the old Ottoman-inherited cleavages were to be reproduced with this expansion. New suburbs flourished in the 1930s and onwards. The orchards and farms that used to separate the northern suburbs of al-A’dhamiyah and Kadumiyah from Baghdad were now giving place to exclusive suburbs for the new elites that began to leave their local preserves and move to the wider city.

But because of the association of this expansion with the rise of the state and its demands for a new and larger bureaucracy, and because the Ottoman bureaucracy was heavily, if not exclusively drawn from Arab/Turkish-Sunni denominations, the subsequent expansion towards the formation of a ‘unified and centralized’ polity within the capital city was strongly affected by this state of affairs. The new suburbs that mushroomed beyond the old northern gate of Baghdad were predominantly occupied by Sunni families until around WWII. The predominantly Jewish and Shi’i merchant families experienced a process of expansion too. But curiously enough their modern suburbs were erected on the opposite side of the city, south of the old southern gate. In that part of the town the British had built their residence areas too, as well as the Christian migrants from northern Iraq who found new slums in the immediate proximity to the old southern gate. These confessional cleavages were to persist until around WWII, when greater mobility and integration of the state apparatus, as well as the mass exodus of the Jews following the establishment of the State of Israel, allowed Sunnis and Shi’is to come relatively closer to each other.

3.2 The Structure and Dynamics of Precapitalist Cities:

Before we can proceed with our analysis of the subsequent transformations of the Mashreq social formations, we have to address several theoretical issues regarding the nature of the above-described cleavages and solidarities in societies as a whole and in the urban centers in particular. The question that should be addressed first has been a recurrent one and relates to the applicability of such ‘modern’ concepts as social classes, interest groups and class and social conflicts to the Middle East. Indeed, reading the previous pages may give the impression that the Mashreq cities were the home of juxtaposed and isolated societies split along confessional lines and therefore it may be more appropriate to analyze them as vertical cultural groups rather than applying horizontal ‘western’ categories to them.

Yet the deficiency of culturalist approaches can easily be demonstrated once we go beyond the well-known episodes of inter-confessional clashes and conflicts and look at some of the turning-points in the modern history of the Mashreq: Moslems and Christians joining hands in the 1919 anti-British revolution in Egypt, Sunnis and
Shi'is doing the same in the 1920 revolt in Iraq, and Christians championing the pan-Arabist movement for independence in Syria and Lebanon. But a more significant indicator of the fact that inter-communal relations were not unidirectional is that in many episodes the poor sections of different communities stood side by side to fight lords whose solidarity was clearly cemented by interests rather than by similar confessional belonging.

Many historians and social scientists that tried to rescue the universality of class and social analysis by showing its applicability to the Middle East (or other parts of the third world) have been at pains to emphasize this last argument. The fact remains however that *solidarities and conflicts took place mainly within communities and not across them*. And it is the endeavor of this study to apply a different approach to the problem of social division and consciousness and by implication the patterns of political leadership, under a precapitalist social formation. In order to address these issues, three questions should be answered adequately:

1. **Were these ‘vertical’ divisions peculiar to the Mashreq, or do they represent a wider pattern whose rise and perpetuation are contingent upon specific conditions?** In other words, is ‘horizontal’ solidarity a ‘European’ trait, or was its rise contingent upon conditions that could lead to the same effect anywhere? If the latter case is the answer, then we have to define the specific conditions for the rise of such forms of stratification.

2. **How and why did people perceive and legitimate such relations/structures; in other words, what social function did these divisions fulfill?**

3. **Do these types of division and legitimation produce specific forms of political authority?** If so, why and what forms do they take?

A classical structuralist approach to these questions will concentrate on analyzing the existing structures, their functioning and reproduction. While this approach can (and does) add much to our knowledge, it still lacks the power to explain transformations that eventually occur within these structures. A diachronic analysis of the contradictions within these structures is no less necessary in order to understand first, how such societies could survive over relatively long periods of time and second, to understand the processes that led to introducing changes within them and the outcome of these transformations.

In the above analysis of the Mashreq, I have represented the differentiation in identities mainly in terms of religious confession, ethnicity and tribe. Although all these factors played an important role in defining one’s identity and therefore one’s social standing and perspectives, they were by no means the only determinants. Cleavages within relatively larger communities were no less effective in shaping peoples’ destinies: urbans vs. rurals or bedouins is an obvious case in point. But a more subtle division occurred even within what we normally take to be a homogenous community, such as the predominantly Sunni Muslim community of urban artisans in the Mashreq. Here we have people sharing the same lifestyle and similar means of making their living. They live close to each other and interact with each other. Nevertheless, almost each guild in Cairo distinguished itself by joining a different Sufi order (A. Amir 1993: 30). The significance of this remark is that identities are not naturally given. Rather it is the level of development of a given social formation that defines the limits of expansion of each community, and regulates the political mechanisms that should be at play in order to preserve the balanced functioning of the various components of a society. But perhaps this form of stratification was after all a peculiarity of the Mashreq?
In addressing this question, one can choose many multi-ethnic or multi-confessional European societies as cases for comparison. The well-known religious wars preceding Westphalia are good reminders of the processes that led to the crystallization of the national states. In order to draw parallels with the Mashreq, where a division of labor based on confession and ethnicity was at play, one can also cite the examples of such 'excluded' communities as the Jews and gypsies in most European cities, as well as the opposite examples of the non-integrated but privileged merchant communities who until the rise of enlightened absolutisms were mostly foreigners.

But, apart from those communities whom the majority of the population considered 'others', can we draw parallels with the Mashreq stratification from Europe's past? Pre-revolutionary France seems a very tempting case in this regard for several reasons. The first is that it is normally considered a relatively homogenous country from an ethnic and religious point of view. Second because it was the hotbed of the bourgeois revolution, whose stylized account presupposes the existence of a large urban population that has discarded all kinds of local solidarities and joined in as unified and conscious classes. Third, because the secular slogans of the French revolution would lead one to expect that religion played a minor role in the lives of ordinary urban prior to the revolution.

Paris did not reach a population of half a million until the eighteenth century, and only then could it claim to compose a meager 2 percent of the French population. In that period, six French cities had a population ranging from sixty thousand to one hundred thousand, around ten cities with a population of thirty to forty thousand each. All in all, the urban centers of France hardly harbored three million people, that is 15 percent of the French population (Gouber 1969: 165).

How were these three million urban people organized? Originally, the bourgeoisie, or the third estate was more of a legal status than a coherent community. But long before the political transformations in Europe, that legal status had become a remote memory, which nobody cared to apply to existing realities. In a system which never recognized the individual, except as a member of a group: “l'homme isolé...parait à la fois inconcevable et scandaleux” (Gouber 1969: 169). Yet members of sub-groups had a very clear sense of identity and difference from other groups, this otherwise probably led to hostilities and friction within what we call the third estate, or the bourgeoisie. According to Pierre Goubert, the third estate was “an immense waste basket collecting all those that could not be enrolled in the first two”. The conscious sense of belonging to a certain group: craft or profession was not only made possible by 'economic factors', if one were to follow the current usage, but by a set of 'ideological' barriers. In the cities:

“Chacun y appartient à un corps. Chaque corps possède un statut juridique approuvé et, souvent octroyé, par l’autorité judiciaire et administrative. Chaque corps revêt un caractère religieux, symbolisé souvent par sa consécration à un (saint patron), et par des cérémonies religieuses célébrées en commun.”

Goubert 1969: 172, italics and bold added

Members of different guild were not only segregated by following different saints, but also by living in different quarters of the city, which kept its medieval architecture until the 1860s; i.e. some seven decades after the revolution. A rigid and monopolistic crafts system made it virtually impossible for newcomers and immigrants to practice their skills within the city borders. Thus the 'faubourgs'- the

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suburbs lying outside the city proper - came into existence, just like the al-Maidan quarter south of Damascus.

Marshall Berman vividly describes how George Eugene Haussmann, the mayor of Paris and its surroundings was equipped with a royal decree from Napoleon III to open up a huge network of boulevards in the heart of the old medieval city. These new constructions did away with hundreds of buildings and forced thousands of people to leave their homes by destroying whole suburbs that had been in place for centuries. But in the meantime the whole city was thrown open for the first time in history for all its inhabitants. Only then- after eight decades of the revolution- was it possible to move not only within the suburbs but also between suburbs after centuries of life in a pyramid of isolated cells (Berman 1983: 139-40).

The example of Paris shows that the segregated urban society- and the segregated and subclass consciousness- are not Middle East phenomena, but rather precapitalist ones. Yet establishing the fact that this form of social structuring existed in virtually every part of the precapitalist world is not to explain it. We should now turn to the more subtle questions of why and how did such structuring exist? How was it legitimated? And what forms of authority sanctioned it? 

The hypothesis that I present here is that the level of technological development -especially communication technology - defines the limits of interaction within space and therefore defines the number of people who can gainfully engage in each of the known and needed material and non-material activities. Such an abstract statement needs some elaboration. Many authorities have shown that the level of agricultural productivity played a decisive role in defining the limits of societal differentiation over time, by defining the number of people who could engage in non-agricultural activities and still could be fed by the work of others (Bairoch 1975). The number of people whom a society can afford to raise to the level of rulers, exploiters, professional warriors and ideologues was undoubtedly a function of agricultural productivity. But the level of agricultural productivity is subject to another constraint; namely the ability to transfer food and labor form one point to another, and it is here that communication technology comes to the forefront. Rising productivity without an ability to transfer grain and food from one place to another would be a check on further expansion because the ‘absorptive capacity of the local market’ -to use a contemporary coinage- is limited.

Perry Anderson described the unfortunate position of those European regions that had no access to the sea -the main communications means until the nineteenth century- by reminding us “that it was cheaper in the epoch of Diocletian to ship wheat from Syria to Spain... than to cart it 75 miles over land” (Anderson 1974a: 20). Wittold Kula pointed to two contradictory effects of such constraint on transport and communication in the demesnes that did not lie on rivers; one was destructive in that the peasant in feudal Poland used to burn wood because of the non-ability to make use of it. The other effect was constructive because labor power/time that exceeded the needs for agriculture was exploited in manufacturing glass (Kula 1976: 48). A similar effect was described by James Claudius Rich in early nineteenth century Iraq, whereby rivers played a most crucial role in binding the towns lying on them, but other towns and rural areas had no way but to be appendages to the nearest river-looking town (Rich 1831: 157). Cathedrals, Pyramids and the grand monuments of
past civilizations stand as witnesses to this phenomenon of human labor that agriculture could dispense with while not engaging in other productive activities. 

Basing his work on authoritative sources on the economic history of Europe, Herman Schwartz reminds the reader in a section with a telling title: "Agricultural Limits on State Formation" that "before mechanically powered transport, hardly anyone ever transported grain overland for more than twenty miles" (Schwartz 1994: 12). The significance of this seemingly technical statement is that even in countries, which have a history of state consolidation in Europe, such as England and France (or China, Egypt and Morocco in the non-industrialized world) we are talking about what Schwartz calls "microeconomies" coexisting within a political unity. He concludes that:

"Although microeconomies all lay nestled together, they had very little contact with each other, trading only a little with neighboring microeconomies and virtually nothing with more distant ones..... Until the era of canals and railroads - and indeed well into that era- no such thing as a "national economy" existed." 

Schwartz 1994: 13

What does this tell us about authority, identity, 'exogenous' and 'endogenous' factors?

Even in cases where 'microeconomies' were tied together by the existence of a central state authority -whether that was a European monarchy or an Asian Empire-the technical means were not sufficient to facilitate communication beyond a very limited geographical zone (except in those regions that benefited from sea or canal transport) We will show later that when ecological and/or defense requirements necessitated the rise of relatively large political entities, the existing power structures tended to correspond with the actual limits set by the existing technical conditions. Despite the appearances and the eighteenth-century myths about the omnipresent oriental empires, political authority at the center of these empires was either confined to a much narrower space, or it delegated much jurisdiction to the levels that could have effective command on a local level. Whenever this wasn't the case, i.e. whenever the legal level did not correspond to actually effective level, empires disintegrated and devolved into warring principalities.

The ensuing low level of productivity tended to produce rigid and non-shifting internal stratification within such small localities. For under these conditions adding one more smith or carpenter before the retirement of a functioning one can have far-reaching destabilizing consequences for the entire community, as demand for the basic services and products is almost constant, and occupational mobility is almost unthinkable. Thus a small locality is itself what constitutes society for its members, others being foreigners even if there is some sense of a common belonging due to shared religion or language.

What from our vantage point is seen as warriors coming from within a given society to dominate its producers and establish the national state is only meaningful when we look at history retrospectively; i.e. that the "German" Teutonic Knights subjected "German" peasants and the Gaullists subjected "their" French compatriots, or that "Arab" tribes migrating from Arabia in the sixteenth to the eighteenth century

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17 This statement should not be taken as an economic interpretation of social structures. Cathedrals, grandiose mosques and pyramids were essential components of the ideological edifice, which legitimated the functioning of the respective societies. Erecting them stood as a testimony to the viability of the existing socio-political systems and people's dedication to these systems.
ruled “Arab” peasants or tribes in Iraq and Syria. But with the lack of communication until recent times, these people were foreigners to each other. As occupations and functional roles are pre-assigned according to regional, tribal, ethnic, or confessional lines, ‘class’ positions are seen as identities and those belonging to other occupations are ‘others’. Thus ‘otherness’ is essential for the perpetuation and reproduction of a stable pre-capitalist division of labor (and of its exploitative structure). An early form of inventing otherness is a tribe’s rituals to sanctify the position of its leader in order to become the worldly personification of god and its intermediary in conducting contacts with supra-natural forces, a function that can not be maintained if any one can bid for its fulfillment.

This kind of social structuring may look as an anomaly to a contemporary eye. But it is an anomaly only because we tend to take such notions as national space, nation, class and citizen as given, as the ‘natural’ way of social existence. Once one poses the question on the conditions and prerequisites that made these notions come to existence, i.e. once one poses the historicity of such notions, the pre-capitalist categories cease to be anomalies. The coming into age of an enlarged identity: the nation, has not done away with the need to exclude others, it only redefined otherness on grounds that look “natural” to contemporary eyes, belonging to a common culture or speaking a common language, thus excluding ‘others’ from the right to compete for jobs and opportunities within the national space.

Yet it is not the birth of the ‘nation’ that allowed the specific configuration which revolves around the individual citizen, as we will see later. Rather it is the articulation of this structure: the nation with capitalism, a socio-economic system that expands perpetually through increasing productivity that allows for the free movement of individuals across professions and activities.

A structure based on non-expanding demand for crafts and urban services would necessarily require a system that discourages mobility and easy access to profitable fields. Crafts, as is well known, were not equally profitable, nor were those who practiced them looked upon with the same eye by society. Thieves, beggars, and prostitutes (who had their guilds in seventeenth century Cairo and eighteenth century Damascus) were different from tanners — amongst the least respected in the Middle East, and those were different from silk ware producers. But because the concept of the individual was “inconceivable and scandalous”, according to Goubert, the existing code system minimized the potential for friction by assigning whole communities the role of performing certain jobs. People tended to view their personal destinies in terms of their ‘primordial’ situation; that is, X being necessarily a blacksmith because he belongs to a certain sect, while Y has to be a carpenter because he belongs to some other saint of carpenters. This was the case in a society that was relatively homogenous from a religious point of view: the predominantly Catholic France, but...

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18 In conditions of general scarcity, or in cases where additional labor force would not increase the total output in a commensurate proportion, a warring party may not afford to enslave or subjugate the conquered party because the victors themselves constitute a social pyramid of would be rulers and would be peasants. In such cases the outcome would either be the slaughtering of the defeated orousting them beyond the conquered territory. This was the case of migrant tribes in Africa and many parts of the Middle East from around the fifteenth century until the beginning of this century.

19 “...[T]he development and maintenance of every culture require the existence of another different and competing alter ego” (Said, 1995: 3).

20 Hence the fact that despite the undeniable existence of nations with national states in many parts of the third world today, the Indian, Turkish or Persian for example, the non-dominance of capitalism on these formations imposes severe restrictions that prevent carrying a final assault on many forms of pre-capitalist social organization.
these distinctions could, and did, take several other forms in other times and places, as I have tried to show in the case of the Mashreq.

Was there a margin for mobility and friction within such a social hierarchy? The history of the nineteenth century Mashreq gives ample evidence for an affirmative answer. First there was the hierarchy within the guild system itself. From apprentices to the sheikhs of each guild, a hierarchical system allowed for ambitions and jealousies to come to the surface. But despite the wide income differentials within that structure and the deliberate attempts by the crafts’ sheikhs to delay the promotion of their apprentices, it is difficult to discern manifestations of conflict between subordinates and chiefs. The reason behind this is that there was no separation between property and labor in the crafts’ structure. The sheikhs and apprentices alike contributed their work, which naturally differed in quality and intensity. Rising within the hierarchy was dependent on the skills and not on ownership or heredity. A skilled craftsman would marry the daughter of his master consolidating thus professional ties by transforming them into blood ties.

The invaluable nineteenth-century monograph, The Dictionary of Syrian Crafts written by al-Qasimi, provides us with a second source of mobility. The author enumerates tens of defunct or extinct crafts as well as tens of others, which he labeled as in buoyant conditions because of the changing tastes and the appearance of new products/services (Al Ghazzal 1993, al-Siba’i 1968). Even at the close of the nineteenth century and the beginning of the twentieth, it was customary that members of a community would engage collectively in practicing a job. The new service of photography was almost monopolized by Armenians, sewage cleaners were either Jews or Assyrians, and so on. But as was mentioned earlier, ‘vertical’ divisions were not only made on confessional lines. When al-Fanahr a clan migrated to Baghdad, it specialized in producing ‘new’ products from palm tree leaves: baskets and straw-sticks for house cleaning. Likewise, descendants from ‘Imara province joined the newly established police force en masse and composed the bulk of its file. But the kind of mobility that was to play a decisive role in sapping the foundations of the guild system was the one mentioned before and consisted of migrants settling on the fringes of the main cities in order to cater for changing or expanding demand. Eventually, the guilds or established families could not keep their grip on the crafts.

But a more crucial mobility-related dimension, one that may be the key to our understanding of the socio-cultural dynamics of such systems is the one related to the changing relations between various urban groups. These changes occurred due to factors that were exogenous to the members of the groups and only took place sporadically, but they tended to alter the precarious balance that had been generally accepted by the various groups. Perhaps the major such change that had long lasting effects on the Mashreq formations was the one related to the opening of the Suez Canal. Suddenly whole towns lost their centuries-old privileged positions, while others gained importance. Many merchants gained and most artisans lost. Merchants associated with sea trade saw their socio-economic standing rocketing, while those associated with land routes suddenly collapsed. Moneylenders and changers gained, while producers of cloth lost because of the cheaper European products that flooded local markets. Cities far away from seaports such as Mosul gained because their markets were not drowned with cheaper consumer goods, but the new trade routes

21 Although several records show that when the shaikh of a craft died, his elder son would traditionally succeed him, the appointment must nominally be approved by the major practitioners of the craft (Na’isa 1986: 290).
gave them access to cheaper raw material that was used in their industries (Shields 1991: 19ff).

The socio-political consequences of shifting the balance among various activities are not hard to discern. Since engaging in these activities was based upon collective ‘primordial’ lines, social unrest targeting the “nouveaux riches” necessarily took communitarian forms: attacks on people originating from particular areas, or belonging to a certain sects/confessions, or ethnicities. While not all the members of the targeted communities –especially the relatively large ones- could possibly benefit from the new shifts in the patterns of economic activity, it was often the case that all of them were targeted by the disenchanted communities. The logical conclusion then is that these clashes were interest conflicts that took various forms according to the circumstances.

Obviously, those who engaged in the conflicts legitimated their militancy in religious, ethnic or regional discourse. Historians often distinguish such conflicts by talking about civil wars, religious wars or ethnic cleansing which are presumed to be different from ‘social’ or ‘class’ conflicts. The assumption is that a conflict that is not waged explicitly by interest groups aware of their positions as classes does not merit this last designation. But as we will see, the turning points in the histories of European, as well as Mashreq societies witnessed joint actions by members of communities that hitherto thought of themselves as belonging to totally different realms. This leads us to the age-old discussion whether one can talk about social classes under precapitalism. And if so, how can we conceptualize social behavior, authority and legitimacy within a precapitalist world? We need to address these theoretical questions in order to pursue our quest for understanding the transforming processes of the precapitalist formations.
Chapter 4

Social Formations in Historical Perspective

"[I]t is not necessary that the concepts we use in the study of social groups should be familiar to the members of these groups themselves: the fact, if it be a fact, that the concept of income was not familiar to the people of the Middle Ages before the fourteenth century is no reason for not using it in an analysis of their economy."

Schumpeter 1954: 34

Put in the simplest form, a person’s position within the system of social reproduction will be taken as his/her class position. Belonging to a particular social class within society determines a series of moral, cultural and social obligations that a member of the class is expected to fulfill.

"In its broadest sense, class refers - if in the Marxist conceptualisation only indirectly - to the structured and cumulatively unequal distribution of the objects of near universal desire: of the material necessities of life and other economic resources, of respect and honour, and of power and influence."

Rueschemeyer et al 1992: 47

But as is well known and as was stated earlier, it is only within the capitalist system of social reproduction that people come to identify themselves in terms of belonging to a social class or become aware of their class positions as an individual trait not assigned to them a priori.

Although the concept of class was known and used in ancient times - in Athens or Rome for example, the incident of being a free citizen or a slave was contingent upon a priori assigned positions; i.e. upon the incidence of being born as an Athenian or of being a ‘foreigner’ enslaved through war. Under other formations, for example France on the eve of the Revolution or early twentieth century-Mashreq, social positions were assigned in such a way that people could hardly distinguish their primordial identities from their social standing. And it is this qualitative difference in assigning and legitimating class positions under capitalism and precapitalist formations that this chapter will examine.

Can we analyze precapitalist formations in terms of socio-economic categories? And if so, how can we disentangle people’s subjective views of their positions from the dynamics that actually assign them these roles? How and why does a certain formation legitimate social divisions in one way and not another? And, no less important is to ask why should we carry an analysis in socio-economic terms if people do not view their positions in this light?

Class divisions have mostly been treated in terms of the exploitation of one dominant class by another. Undoubtedly, the process of exploitation, i.e. appropriating the surplus from the working classes by the dominant classes is the crucial source of class divisions and is therefore essential to understanding social dynamics. But precious little research has been carried on the other side of the

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1 But class awareness needs not be an exclusive identity even under capitalism. Nationalist feelings take their full sway in this era too, and religious and regional identities are far from extinct even in the most advanced capitalist societies.
process; namely how do the dominated classes view exploitation and how do they acquiesce to it for relatively long spans of time? In other words, how do exploiting classes appear in the eyes of the exploited as fulfilling indispensable functions and how the former’s exploitation is therefore legitimated? Here is where ideology comes into play as a major component that makes the reproduction of a social formation possible. That is why an analysis of class divisions that confines itself to the economic processes inevitably produces ridiculous conclusions.

The need to carry out a composite analysis of classes that incorporates politics and ideology is naturally not a novel proposition, and most contemporary authors would readily agree to it (Poulantzas 1968, Wright 1978, Rueschemeyer et al 1992, among others). However, because the existence of two separate instances: political and economic under all social formations has almost always been assumed, the problem of defining the relationship between these two instances presented a perennial stumbling block for many authors following the historical materialist traditions. Statements like ‘feudal exploitation takes the form of political coercion’, or ‘surplus extraction under the ancient empires is mediated through religious ideologies’, only compound the problem. In the first example, the statement still assumes the existence of two different practices, while in the second, the assumption is that ideology only legitimates exploitation under one form of civilizations.

My argument is that the root of the problem lies in the classical analysis of Marx and Engels, and not in some ‘misinterpretation’ of their texts. According to this analysis, the starting point in human history is a primitive communal society, which is a classless society that knows no exploitation, nor political authority. Rising productivity allows some people within this society to lay their hands on the product of others, and social classes emerge. The division of a given society into those who own the means of production and those who produce wealth through their workforce plunges social classes into a permanent process of antagonistic class struggle. It is at this moment that political authority appears in order to harness these struggles and secure the reproduction of the class system, thus preventing society from an all-out devastating war, and the dominant class from withering away under the blows of the oppressed majority (Engels 1875, 1884).

This line of reasoning, however, fails to address several questions: how could a tiny minority manage to appropriate the surplus product of the majority of a given society, and how can the majority be expropriated? Given that physical coercion alone cannot sustain a social system over a relatively long period of time, how did a ‘third’ party, namely political power, interject itself in between the contending classes, act on behalf of the dominant class, and ensure the acquiescence of the laboring classes? Empirically, how can we explain the rise of several early civilizations with a relatively developed political structure, without in the meantime witnessing the rise of affluent classes outside the ruling dynasty and its entourage?

The arguments presented below regarding the legitimization of class positions will closely link the concept of class to those of political/ideological authority. And in the context of this analysis it will become clear why classes and political authority cannot be dissociated in the analysis of any formation, and especially precapitalist formations. Hence I will begin by showing how a one-sided emphasis

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2 Despite the recurrent attacks on Engels by many Marxian authors on the grounds that he had ‘mechanized’ the profound and dialectical analyses of Karl Marx, it should be stressed here that this critique cannot hold as far as Engels’ account of the rise of classes and the state. It is a well-known fact that Marx thoroughly read and ‘approved’ Engels’ 1875 work.
on the coercive nature of political authority had far-reaching consequences for our (mis)understanding of classes and class positions.

4.1 Social Positions and Social Imagery:

In the current usage we tend to use the two notions of ‘political authority’ and ‘state’ interchangeably to denote the structures that govern and “regulate” our everyday lives through codifying the rights and duties of people living under their jurisdiction and having the authority to punish those who break these codified norms. Yet while the concept of ‘state’ may convey the images of power and oppression, that of ‘political authority’ tends to be more associated with persuasion and moral influence. The American Heritage Dictionary of the English Language defines authority as “the right and power to command” but reminds its readers that this right and power is derived from another meaning “an accepted source of expert information and advice”. The root of the word is, after all, auctor: author. On the other hand, state is defined by the same source as “the supreme public power within a sovereign political entity. The sphere of supreme civil power within a given polity” (Morris, 1980: 89, 1259).

The two overlapping and apparently contradictory aspects of the sources and nature of state power: power = violence on the one hand, and authority = persuasion on the other, are perhaps best reflected in the two divergent views on the state that prevailed among social scientists and philosophers since at least the nineteenth century. In The Philosophy of Right, Hegel had sought to present the state as the ultimate development of the Spirit, the embodiment of the general instrument standing above particular interests, and as being therefore able to overcome the division between civil society and the state and the split between the individual as private person and as citizen (Miliband 1983: 464 - 65).

By contrast, Marxists have until recently stressed the oppressive nature of the state as it has almost always been shown as an instrument in the hand of a minority, the dominant class within a given society. Although the working classes have made relatively big successes in gaining political freedoms and social and economic rights in the West during the nineteenth century, classical Marxists did not find it difficult to talk about the camouflaged dictatorship of capitalists then, because the various European states often recurred to physical violence and oppression in order to suppress the many revolts and rebellions they faced from their working classes until the outbreak of WWI.

Lenin’s emphasis on the coercive role of the state, almost to the exclusion of all else, was a very powerful instrument in mobilizing the workers and intelligentsia suffering from the brutalities of a Tsarist regime. But since Lenin’s pronouncements came to enjoy an immense authority in the world of Marxism as a result of the Bolshevik Revolution, they imposed a dilemma on progressive social thinkers who came to see an ever expanding range of political rights extracted by the workers of the advanced countries since the end of WWI. The only ‘theoretical’ explanation available at the time was one that, in retrospect, seems to have played a damaging role

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5 Another, no less, crucial aspect defining the state is the ‘external’ dimension of sovereignty: that is its control of a defined territory and defending it in the face of ‘foreigners’. This aspect deserves a special treatment and will not be discussed explicitly in this work.
to the image of ‘historical materialism’ instead of saving it, namely the idea proposed by Lenin and pursued and theorized by Lukacs on the ‘falsification of consciousness’ through ‘bribing’ the upper sections of the working class and drawing them into a chauvinistic consensus (Lukacs 1971).

In his well-known pamphlet Imperialism, the Highest Stage of Capitalism (1918), Lenin, bitter of the social democrats in the major capitalist countries who voted to support their national governments in the war efforts, explained that the transfer of surpluses from the colonies and semi-colonies by the capitalist monopolies has made it possible for the ruling classes of the West to use a tiny part of these profits to bribe the leaders of the working class movements, thus creating an aristocracy within that class that betrayed the interests of the class that it belonged to, and was supposed to represent and defend. But this politically powerful statement was not capable of explaining why was a substantial portion of the non-capitalist classes positively responsive to their ‘national’ leaders. George Lukacs was to provide the famous formula adopted by most of the Marxist movements (and astonishingly later by the post-modernist anti-rational thinkers), whereby ideology is contrasted with truth. Rather than viewing human knowledge as an ever-evolving and improving exploration of the world, Lukacs came with the concept that there is some essential truth that human beings may or may not be aware of.

With Lukacs, and then the mainstream Marxist thought, a crucial conceptual distinction was introduced, the distinction between reality or truth or science, which can only be grasped by the elite on the one hand, and ideology or false consciousness on the other. This distinction was ultimately epitomized in the 1960s by Louis Althusser who waged a relentless war against empiricism, historicism and positivism, considering them non-scientific. Borrowing Gaston Bachelor’s notions, Althusser reserved the realm of scientific thought for a Marxism that has constituted itself through self-critique and produced an “epistemological break” with all prior knowledge (Althusser 1972, 1975). Despite Althusser’s rejection of the concept of false consciousness and his insistence on the materiality of ideological practice, ideology still represented for him the “imaginary” relations of individuals to their “real” conditions of existence (Althusser 1971: 162–5). And despite his rejection of the epistemological basis for the distinction between true (scientific) and mystificatory (ideological) discourse, he still made a distinction between “objective knowledge” about theoretically designated objects and “knowledges” that “function as practical norms governing the attitudes and concrete adoption of positions of men with respect to the real objects and problems of their social and individual existence, and of their history”. Neither of these “knowledges”, according to Althusser, has an epistemological claim to absolute truth (Amarighio, Resnick, and Wolff 1988: 494).

Not surprisingly, Althusser’s positions were harshly attacked by many critics on the grounds that by not defining ‘ideology’ and ‘science’, he has disposed in one stroke with the problem of what constitutes science by merely “stating that science cannot be bounded by any ‘external’ criteria of truth, but creates its own ‘scientificity’ in its own ‘theoretical practice’” (Kolakowski 1978b: 484).

The distinction between ‘objectivity’ constituted on the subjective preferences of elites and ‘ideology’, or ‘non-scientific knowledge’ was to have far-reaching consequences for Marxist thought, as well as for the left-wing political movements all over the world. From then on, classes as objectively existing social categories were rendered passive recipients of ideas that may or may not emanate from their own
social conditions. In the meantime, ideology was divorced from material conditions and turned into an all-powerful deception machine manipulated by an all-powerful dominant class. The logical consequence for admitting the existence of a distinction between true and false consciousness is to accept the presence of a faculty of reference which has the ability to decide what is truthful and what is not, i.e. an avant-garde, or an elite. Moreover, the Leninist concept of a class -or a fraction of a class- being bribed, and thus "betraying" its "true" interests was to find a sound theoretical substantiation with this 'theological' conception of historical materialism.

To distinguish between ideology and science, or between false and true consciousness at any given moment of time requires the existence of some acknowledged authority at each particular period in order to define the 'correct' set of truths. Or to put it differently, this requires a teleological conception of history whereby human beings of today would be viewed as the guardians of true science and they would judge all past knowledge and history as irrational, or at best steps towards the realization of today's rationality which should be seen, by definition, as the ultimate truth. Otherwise we can not judge past experience (or any other experience for that matter) as false.

A serious problem then arises regarding our understanding of the role of political structures and their persistence and viability. If one is to reject the 'false consciousness' thesis, how do we explain not only the viability of structures that can be shown empirically to be exploitative, but also the support given to them by those that are exploited by their functioning?

Much of the present day dominant writings tend to argue their departure from the 'old fashioned' modes of thinking, by emphasizing the ideological basis of our knowledge, that is the false and biased consciousness of people. Yet this is not only a replica of the Lukacs/Althusser theses, but it also tends to ridicule all human knowledge. In social sciences, such pretensions seem too easy to prove when one contrasts, say the attitudes of ancient Egyptians towards the Pharaoh (ideology) with today's voting behavior of the various sections of any advanced capitalist society (rational choice). But suppose we were to take two sets of 'scientific' thought, upon each of whom whole sets of social and philosophical conceptions were built and which served, each in its own right and time, in progressing our knowledge. Would it be tenable to label Newton's physics or Euclidean mathematics, for example, as 'ideology' or false consciousness simply because the physics of Einstein has demonstrated their limitations and therefore, their inapplicability beyond certain limits? Half a century ago, Joseph Schumpeter argued that:

"The temptation is great to avail oneself of the opportunity to dispose at one stroke of a whole body of propositions one does not like, by the simple device of calling it an ideology. This device is no doubt very effective, as effective as are attacks upon an opponent's personal motives. But logically it is inadmissible. ...[An] explanation, however correct, of the reasons why a man

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1 In an early period of his political career Lenin had indeed this conception that the working classes cannot develop "true working-class consciousness" from their own experience and that transmitting this consciousness to them was the task of professional revolutionaries (who were ironically petit-bourgeois intelligentsia). See his "What Is to Be Done?" originally published in 1902 (Progress Publishers, Moscow).

2 Half a century later, post modernism would triumphantly proceed with its pretensions of presenting an alternative to Marxism. A closer scrutiny, however, would show the affinity between post-modernism on the one hand, and such idealist versions of Marxism as those of Lukacs and Althusser on the other. Although this subject goes beyond the scope of this study, one should note that one of the forefathers of post modernism, Michael Foucault, was himself a disciple of Luis Althusser.
says what he says tells us nothing about whether it is true or false. Similarly statements that proceed from an ideological background are open to suspicion, but they may still be perfectly valid. Both Galileo and his opponents may have been swayed by ideologies. That does not prevent us from saying that he was ‘right’.

Schumpeter 1954: 36-7

Without subscribing to any form of naive evolutionism then, one can reject the distinction between ideology and science by accepting the idea that human knowledge is relative and is true to the extent that it improves our understanding over time, while at the same time will be shown to be wrong, or limited, after it paves the way for the perfection of better methods, tools and techniques of approaching nature and human societies.

If the above conclusions are valid then we can proceed to ask whether classes have a functional role to play when individuals do not recognize their class belonging. In other words, can their ‘ideological’ representation of their positions be taken as the determinant of their social behavior, or can we still define them according to their ‘objectively’ defined existence as classes?

4.2 Pillars of Power: Knowledge and Acquiescence

In the 1920’s, Antonio Gramsci introduced his concept of hegemony to show that the domination of the ruling class is not only achieved via recourse to physical violence, but is also elicited by a process of legitimization allowing for governance by consent (Gramsci 1971: 245 - 246). The concept of hegemony was rarely used in the social science literature until the 1960’s. One of the reasons for that, it seems, was the lack of interest in tackling the issue of the state and a general preference to concentrate on the economic mechanisms and ‘laws’ of capitalism which were thought to represent the keys to understanding and deriving all other aspects of life. Another no less important factor for the reluctance (and sometimes the hostility) to the use of the concept of hegemony and its theoretical repercussions may have been the fear of most Leninists- the dominant trend within Marxism for most of this century- that it might be taken as an apology for the persistence of the capitalist state, since consent and hegemony entail not only coercion but also some concept of ‘acceptance’ by the oppressed strata of the rule of capitalism.

The debates on the mechanisms of capitalist political domination have produced highly original breakthroughs since the 1960’s. But that old distinction between physical violence and consent still looms on these debates. Rarely is the question of whether physical violence itself needs to be legitimized and therefore whether the violence/consent dichotomy is a valid one has been raised. Philosophical investigation has dealt with this issue since the pioneering study of Foucault (1975). Social science, on the other hand, still shows an aversion to addressing the questions related to the means of achieving consent. Put in other words the question should be posed as such: what makes people see the application, use, or the threat to use physical coercion a normal, or even a necessary, means for guarding their well being and securing the reproduction of their everyday norms, while in the meantime, other forms of coercion are denounced and seen as ‘dictatorship’, ‘tyranny’ and so forth?

A standard textbook answer would refer us to the liberal ideals emanating from a social contract among the constituents of a particular society, whereby these would delegate part of their personal freedoms to a public authority that defends their
‘common interests’. But unless one subscribes to some variant of culturalism, this ‘explanation’ fails to explain what makes liberal norms of governance only acceptable at very specific moments in history, or why are other norms that are totally different from liberal modes equally acceptable at other historical moments or in different circumstances. A tribal society or a medieval urban society for example would find the concept of equal human beings totally untenable morally and lethally destructive to its foundations.

The mere fact that only under specific historical conditions do liberal norms appear to the majority of people as the “ordinary” way of life should warrant against any simplistic way of portraying the cycles of ideological domination over history. Seen from another perspective, or under other historical conditions, liberalism would not appear as merely a system of tolerant governance or economic rules, but also as an ideology that is no less ‘totalitarian’ than any other major world view, because it dictates the ‘good’ norms for individual behavior, the rules for ‘correct’ political choice, the ‘right’ ways to conduct relationships, etc. But even the incidence of tolerance would not look as abstract and absolute as liberals would like us to believe, if one was to take into account not only the intolerance that liberal colonialists have shown towards the cultures of their colonial victims, but also the calls of early liberals to banish, and even persecute, not only non liberals, but also those belonging to some groups that liberals considered to be outside the realm of worthy opponents (Jews, gypsies, non-Catholics or non-Protestants, and so on depending on the circumstances)\(^6\) (Mann 1999: 23-4).

The example of the rise and dominance of liberalism in the modern times is very significant in pointing out that a dominant ideology must be able not only to codify and legitimate the existing social relations, but to make them functional. And it is plainly evident that liberalism cannot be functional in a society whose members have no reason to believe of their equality. Since social conditions are in perpetual change, it follows that dominant ideologies, the way people perceive their relations to one another – especially the rulers and dominant classes- and the way they tend to identify themselves must go in tandem with these social changes. The question is how and why do people accept the rule of a certain authority?

Maurice Godelier has advanced the important hypothesis that consent towards a specific ruling authority is achieved through historical processes which make this authority appear in the eyes of its subjects as rendering necessary services for the perpetuation and reproduction of life and conditions of survival in the face of internal and external threats alike:

“I am attempting a theoretical understanding of the fact that dominated groups can spontaneously ‘consent’ to being dominated. My hypothesis is that, for this to be possible, the dominators must appear to be rendering some sort of service. It is only in these conditions that the power of the dominating group can be regarded as ‘legitimate’, so that it becomes the ‘duty’ of the people dominated to serve those who are serving them. It is thus essential that dominators and dominated should share the same concepts, for there to be consent based on recognition of the ‘need’ for society to be divided into several groups, and for one of them to dominate the others.”

Godelier, 1980: 610-11

The concept of consent here is related to the domain of consciousness not in any idealistic sense of the word, but to designate a level of human knowledge at a

\(^6\) See the chapter on Economic Nationalism.
particular moment of history. Without pretending to present a full account of the determinants of human knowledge, let's just assume that human beings, at any given historical moment, share a common frame of thought irrespective of their social, economic, and political standing. This common frame, which obviously does not exclude the existence of a wide range of differences in the level of scientific and/or educational sophistication among individuals, societies or groups within a given society, is determined by the level of scientific knowledge common to all of them. Therefore, consent has to do with the perceived dangers (whether they are real or fictitious is irrelevant here) to which a community feels vulnerable on the one hand, and the faculties of its leadership that are capable of protecting them from such threats on the other.

In order that consent develops among the dominated, there must first be a sense of unity between dominated and dominants, an aspect which has been overshadowed by the coercion thesis that emphasizes the internal struggles among and between the components of the community. While conflicts may well play a determining role in the development (or degradation) of a community, they must be carried within a common framework of reference to what is right and wrong, otherwise one can not talk of a society, a community, a social formation or a nation, but of inter-communal wars, where each class or social group would form a society of its own. The general level of human knowledge determines the scope of people's perceptions of the universe, and in the meantime, determines the ways their perceptions of leadership, authority and relationships form. In other words, this level determines the modalities of social organization that are considered acceptable or even optimal at a particular moment. In fact it is the general level of human knowledge at a particular historical moment that determines how basic norms, values and data are not contested by the major parties composing a given community. The conflicts would revolve then on who serves these norms, fulfills them, and/or represents them best.

If that is the case, then we can understand, for example, why and how the major struggles in Medieval Europe, or the Islamic world until the late nineteenth century, could not go beyond the limits dictated by a general acceptance of a dominant religion (Christianity and Islam respectively) as the regulator of everyday life. Obviously, social struggles did take place under such conditions. One needs only to recall such bloody episodes as the revolt of the slaves under the Abbasid Empire or the peasant wars in Germany. But the conflicting parties would try to show that their version of religion, e.g. Protestantism or Calvinism vs. Catholicism under Christian Europe, or Shi'ism, vs. Sunnism under the Islamic empires was the 'true' religion.

Similarly, a social setting consecrating individuality and contractual relationships among individuals would produce two visions that may seem diametrically opposed at first sight: i.e. liberalism versus Marxism. But both sets of philosophies belong to a shared world view, in that they both depart from the premises of equality of human beings, democracy as a goal to be fought for, and freedom and justice in the sense of equal access of people to the sources of wealth, power and progress. Such premises, which are taken as basic principles in today's world, would be destabilizing to any pre-capitalist structure and are unthinkable under such circumstances. Now the conflict between the two opposite philosophies of the bourgeois era, Marxism on the one hand and liberalism on the other, revolves around the 'true' meaning of each of these uncontested notions and norms. Can democracy be achieved through the ballots or must there be equal access to resources? The same applies to concepts like liberty, equality and justice. This unity in the visions is what
defines a given social formation; the presence of common visions that are not the product of any one single faction or group within that formation, but of the general conditions under which the major groups coexist and conflict in the meantime.

How then does a dominant group acquire its recognized status within a community?

Relying on anthropological inquiry conducted by Charles and Elizabeth Laughlin on the So, an agricultural people living in Uganda, Godelier notes that not only the elders dominate that community of some 5000, but that among the elders, each of which representing his lineage or clan:

"[A] small minority of men ... dominate the rest of the society: those who are initiated in kenisan, who have the power to communicate with the ancestors...and to obtain from their benevolence everything that makes life happy- good harvests, peace, health, and so on. The ancestors themselves communicate with a remote god."

Godelier 1980: 611

Following similar inquiries, Claude Meillassoux drew important conclusions on the relationship between authority, knowledge and age. When living labor constitutes the main, if not the only, source of surplus product within a community, then controlling and regulating this labor; that is men, women and their reproduction, becomes the real source of authority and power. But in such societies, where fixed assets (dead labor) have not developed yet, human knowledge of weather, good or bad herbs, expected rain or draught, etc ... can only be acquired with time; i.e. with age.

Naturally, not all men are equally qualified to obtain knowledge. First, seniors enjoy a special status because they have the potential to have more expertise on everyday life and the conditions for reproducing the community. Second, among the seniors there occurs a distinction initially based on the selection by the members of the community of someone whose talents can only be accounted for by divine, or supra natural powers, given the technical level of development of the community. The ability to communicate with ancestors of the community- the main supra natural trait laid upon an individual- is then the reason behind assigning such a prestigious value to age, ancestry and grandfathers:

"In order to perpetuate their authority, the seniors must extend their knowledge beyond fundamental subsistence skills to new fields... They will try to make their knowledge their exclusive province by setting up barriers to regulate its transmission... Later the granting of titles or rank to individuals versed in certain "sciences" will also identify them with the senior group which possesses authority."

Meillassoux 1978 a: 138

This is because knowledge in this sense is not confined to producing foodstuffs or tools. This knowledge, though very important and controlled by the seniors, is perishable and therefore does not definitely establish the senior’s authority, as Meillassoux observes (Ibid. 139). Rather, it is the knowledge of geography, climate and topography on the one hand, and herbs and medicines on the other which confers a divine mantle on the practitioner. And it is this knowledge in fact, that gives practitioners their authority: telling people when to travel and when not, when and

7 The ideas developed above on the relationship between classes and ideologies might look similar to, but are not identical with those developed by Ernesto Laclau. In his “Theory of Populism”, he argues that ideologically and political elements do not necessarily have class contents, and that non-class contents constitute the raw material upon which class ideological practices operate (Laclau 1979: 158-171).
what to hunt or harvest and what to use when they are struck with ‘devilish’ fevers, etc. And it is this what makes age and wisdom related because this knowledge is acquired, in such societies by experience and repetition (trial and error).

By erecting barriers in the face of the free transmission of knowledge, various religious taboos would then be introduced, such as the ones among the So of Uganda, where any non-initiate who dares to communicate with ancestors would be struck at once by madness, begin to devour his own excrement, behave like an animal, and die. Of these taboos, perhaps the ones regulating marriage codes and defining incest would play a crucial role because they bear direct influence on the reproduction of human beings, and thus on surplus producers.

Several conclusions can be drawn from the above:

1. Rather than a faculty whose origin is to be found by the need to regulate domestic class conflicts, as classical Marxism views it, the first embryos of class divisions themselves take the form of political authority. Political authority as the “the right and power to command” following the definition of the Heritage Dictionary, or the authority to regulate the affairs of a community is the first form of ‘specialized service’ which members of a community accept. And those who practice this service are given a special status within the community. Hence, it is the embryo of an early class formation within a yet classless community. In other words, the political level is still inseparable from the social and economic ones, simply because the degree of surplus extraction does not permit the rise of specialized coercive instruments. Those whom the community assigns the role of protection begin to acquire additional resources, though they may still participate in the productive jobs of the community.

Leadership of a communal society is not only a matter of convention and prestige, as many authors on the Middle East assert. Leadership implies an important passage towards a class society from the outset. The seventeenth-century formation of al-Muntafiq, one of the strongest tribal confederations in the south of Iraq, is very significant in this context. This confederation was formed among three distinct tribes which had been in constant war with each other until Shabib bin Mani’, an immigrant from Najd agreed to assume sheikhdom of the newly formed confederation. In this episode, knowledge in the form of a supranatural trait of wisdom was behind bin Mani’s rise to this prominent position. For, according to legend, he was the only one who could transform the three warring factions into formidable alliance. Al Jawahiri emphasized the role of tradition and symbolism in the leadership of bin Mani’ (al Jawahiri 1978: 64-5). Yet most authorities agree that the latter had initially posed the condition that in each spring he would be awarded two lambs from each house, one slaughtered, the other alive (for example, al Sharqi 1929: 13-15). Given that the Muntafiq’s dîra covered an area of some 10,000 square miles, and had a population of 200,000, and assuming that a house had an average of 10 persons, this means that 40,000 lambs were given to the sheik annually.

2. We labeled the structure of a community that has assigned a distinct status to its chief an embryo and not yet a class society, because class positions have not

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Note in passing that this divine facade of knowledge persisted well into the medieval (and post-medieval) eras. In his penetrating piece on the intellectuals, Antonio Gramsci distinguishes one category, "possibly the most important after the ecclesiastical for its prestige and the social function it performed in primitive societies". This is the category of medical men. Gramsci reminds the reader of "the connection between religion and medicine", which "in certain areas still is". "Many great religious figures were and are conceived of as great ‘healers’" (Gramsci 1971: 7fn.). Until recently, many Arabs referred to a doctor as "hakim": wise man.
become yet the monopoly of a lineage, or of a family; i.e. the reproduction of class positions is not ensured yet. In fact, it has been shown that the elders, or the seniors would in a subsequent stage try to pass their knowledge and secrets to their descendants, and in other cases hereditary positions would pass from the elder brother to the second in age, until this hereditary line is exhausted by the death of the last brother, when the leading position passes then to the sons (Cocquery-Vidrovitch 1969: 75-76).

3. But in order that a whole leading group takes firm roots within the community and reproduces its dominant status from one generation to the other, labor productivity must reach a certain level capable of sustaining the group of non-working seniors. In fact, the number of 50 seniors in a community of around 5000 -a ratio of 1 percent- must be an indicator of the level of technical development of that community.

4. Beyond a certain level of advancement of productivity and when a community begins to acquire sources of wealth, prestige and valuable goods, there comes a decisive shift in the composition of leadership and rulers of a community. The role of protecting a given community, which is the raison d’être for the rise of chiefs, is no longer confined to insulating that community from nature’s wrath. Wisdom, or supranatural powers is essential for thwarting (or minimizing the losses from) such adversary conditions as epidemics, floods, drought, etc. However, as a community begins to devote most of its activities to sedentarized agriculture, a different kind of protection becomes necessary: protection against raiders. And it is here that Warriors begin to acquire the most prominent roles within the hierarchy of the community subjugating thus the Wizards. More often than not, the new warrior leadership of a community was originally a community that threatened the peasant community, a fighter or nomadic tribe. The role of leadership may take the form of imposing periodic taxes on peasant communities, or subjugating them and becoming part of that community.

The particular form of subjugation that warriors impose depends on the potential and extent of surplus that the subdued community can afford to produce. As neighboring communities communicate through trade and war, they discover each other’s potential. It has often been the case that victors, under circumstances of very low productivity of labor, have had to kill members of a subdued community simply because the available resources and the level of productivity did not permit the realization of a surplus to feed the newly enslaved population. More accurately put, enslaving the subdued community and engaging it in work will not make a net addition to the resources available for the victors, or feeding the enslaved would deduct from these resources. But more important is the relationship between those sedentarized agricultural communities on the one hand, and those who are still in a nomadic condition. From Mongols to Arabs and from the Teutonic Knights to the Abyssinians and the Zulu’s, it was those warriors whose appetites were aroused by relatively more prosperous agricultural communities who had lost their capacity to fight and defend their wealth.

5. In order that this decisive shift towards the social triad of: warriors, ideologists and producers be established within a society that is relatively more organized

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9 In the late 1960’s and the 1970’s, it was fashionable for Marxist anthropologists to conclude their (often profound) studies on certain regions and/or communities with attempts to prove that these forms of social organization that they had studied form distinct modes of production. Dupre and Rey came out with the concept of ‘lineage mode of production’ (Dupre and Rey 1978), while Cocquery-Vidrovitch described what she called ‘an African mode of production’ (Cocquery-Vidrovitch 1969).
than that ruled by the elderly sage, knowledge must be neutralized and turned to the service of the warrior lords. Meillassoux describes this process as follows:

"A social group which becomes the holder of knowledge on behalf of the reigning families appears. But because they control the instruments of power, these "wise men" are also subjected to measures aimed at neutralising them politically. They will either be recruited from a lower social class or made into a caste."

Meillassoux 1978 a. 155-56 (Italics added)

The Hindu civilization presents a crystal clear image of this transformative process. The initial principles of Hinduism, established around 500 BC, stipulated a social scalar of four grades at the apex of which stood the Brahmins: the religious chiefs. A century later, a fifth scale was added where the Rajas: kings now occupied the apex while Brahmins came second (Mandelbaum 1970: 35-54, Mitra 1978: 45 passim). Naturally, such radical shifts in the structure of communities must have entailed significant conflicts, but as we will show in the next chapter, it is not only by coercion that kings or warriors impose themselves on a community. When members of a community develop a common perception of vulnerability towards military or physical threats, then they will acquiesce to paying a 'protection fee' to those groups that appear capable of defending them. We will discuss how political power developed from these embryonic stages in more detail later, but we are approaching here the domain of what a community is and how a perception of belonging to a community develops, which we should discuss now.

As was noted above, the existence, or the belief in the existence, of a common grandfather and/or ancestors constitutes a necessary condition for early class formations within communities that depend on animal breeding and/or hunting, i.e. non sedentarized populations, because superior knowledge can not be ascribed to any other factor than the contact with the dead and therefore with gods or god.

Put more precisely, such a belief is necessary to legitimize the existence of a leading or dominant group within a community that is not differentiated yet. Thus perceptions of common identity are different from the perceptions of equality or homogeneity among members of the given community. A sense of common belonging does not preclude a sense of predestined differences between bloodlines destined for leadership and others destined to perform manual jobs. Perceptions of homogeneity and those of commonness ensue from two different historical processes that only coincide under particular historical conditions; those giving rise to bourgeois society.

Before that however, perhaps until the rise of nationalism between the eighteenth and nineteenth centuries in Europe, the history of sedentarization and the gradual rise in importance of the principle of territoriality - has been marked not only

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10 Interestingly enough for our previous discussion of the social status of merchant in precapitalist formations, these and the peasants occupied the second lowest grade in the Hindu social scale.

11 Warriors or 'political' leaders need not be viewed as negating the religious or supranatural authority of the wizards. On the contrary, they have to legitimate their rule by appealing to the same normative rules which the subjected community consider as sacred.

12 The Arabic word for genius 'abqar' comes from a valley in the Arabian Peninsula: The Valley of Abqar, which great pre-Islamic poets, looking for insight and solitude, used to visit. But ordinary people thought that they were contacting devils that made them come back from these adventures with such rich poetry. Perhaps this explains why early Islam was so hostile to poets. After all, Mohammed, Islam's prophet, himself a young man who was recognized for his knowledge that saved powerful tribes from bloody fighting, acquired his prestigious position from the fact that he used to spend a month every year, contemplating in a cave where God's messenger: Gabriel brought him the Koran, as Muslims believe. He did not become a poet, but 'came out' with what is considered by any authority on Arab literature the first and most magnificent texts in Arabic verse: The Koran.
by “foreigners” dominating locals, but by a shifting definition of who is a foreigner and who is not to the advantage of distinguishing rulers as belonging to some other group than the subjects (even inventing such distinctions) in order to show that they had been “naturally” endowed to lead. Whenever rulers descended from the same ethnic origin as their subjects, they either used a ‘cultured’ language other than the one(s) used by the commons: the high language of the time, e.g. Latin which was the language of the Church during the Medieval Times, French in the British Court until the fourteenth century, Arabic for the Spanish elite and rulers until the beginning of the fourteenth century, Turkish in the Ottoman controlled Arab, Kurdish and East European territories, Persian in Afghanistan and North India, or even some form of “invented language” when the cultural level of the elite was not sophisticated enough to enable it to identify itself with a “leading” and distinct culture.13

What from our vantage point is incomprehensible can thus be explained: the Normans in Britain, the export of Habsburg kings, princes and queens from Spain to Austria, and the Bourbons in France, Spain and Italy. But even where kings came from within the polity itself, certain houses/regions would be ‘naturally’ destined to lead and subjugate/ unify the rest: the Gaulle in France, Holland in the Netherlands, descendents of the prophet Mohammed in many Arab countries14. Belonging to a superior line of nobility took precedence over common belonging with the ruled subjects in legitimating authority. More accurately put, authority must achieve two apparently contradictory goals at one time: to have some common trait with its subjects while in the meantime to stay aloof from them by showing that it has some natural empowering trait that its subjects do not have. Common bloodlines or common religion are usually what binds authority and subjects, while distinctness is achieved through relation to the supranatural, which will be reflected in the authority’s adoption of different cultural codes.

Three conclusions follow from the above:

1. That political authority is the first embryo of a class differentiation within a community, rather than being a product designed to regulate already existing class conflicts. Put differently, the legitimacy of the earliest class division is derived from the political role that the ruling class fulfills. The validity of this statement/conclusion rests on the premise that appropriating surplus product must be legitimated, and that this legitimization is derived from the protection services that a distinguished group is thought to provide to the community. That this appropriation falls in ‘private’ hands is only meaningful when we look at the matter from the vantage point of modernity because the separation between public domain and private economic sphere comes only much later in history, the common or public sphere having precedence in time, as this separation itself is the product of the rise of the market and individualism. Let’s remember that the root of the word private is the Latin “privatus” = to cut from, a deduction from the “normal” ager publicus: public domain.

2. That after a certain level of productivity is attained, it is more the rule than the exception that rulers demonstrate their ‘natural’ difference from the subjected

13 Until the early 1940’s, Shi’ite religious ‘ulama’ in Iraq, who had to wander among tribes in the southern part of the country, used a peculiar “language”, which was nothing, in fact, but a skillful switch of pronouncing words in an opposite direction, so that in a conversation among two ‘ulama the phrase “Paul wants food” would be pronounced: “Luap stna w doof”, a practice that would add some holy aura to those speaking the language of the divine (Author’s interviews and experience).

14 Apart from the early Islamic empires and Kingdoms, the two ruling dynasties in Morocco and Jordan, as well as Iraq (1921-1958) are direct descendents of Prophet Mohammed.
community, or they even invent their difference from the subjected people in order to erect barriers to the free claim for the throne or chieftainship by others. In the meantime, the subjects ‘need’ this distinction, so to speak, in order to preserve the holy, and thus non-human, nature of the services rendered. The following lengthy quotation demonstrates this point:

“It can thus be imagined that, when conditions have given certain men, certain groups, the opportunity to personify on their own the common good or to have access to supernatural powers supposed to control the conditions of the reproduction of the universe and society, these men and groups have raised themselves above common men and become closer to god, going further than other men into the area, which since earliest times, has separated men from gods. Out of this arises the fact that, in many societies in which there are hereditary chiefs who have no means of physical coercion over their dependents... the form of ideological justification of these chiefs’ powers are due primarily to the fact that they control the great rituals of fertility of the Earth and Sea, and that they appear as intermediaries between the clans, their ancestors and their gods. To keep aloof from men and dominate them, to get closer to gods and be obeyed by them may be no more than two simultaneous aspects of the same process, that which marks the beginning of the road towards class societies and the State. This road is marked by the immense figures of Assur King-God of his town, or Shinti the Inca son of the Sun... But this time, what began by a peaceful domination has become ideological oppression and economic exploitation, supported or extended by armed violence. May be it is unnecessary, therefore, to see whether it is the political that takes a religious form or the reverse, since these are only two forms of the same process, two elements with the same content.”

Godelier 1978c: 111-12

3. From the above follows a crucial and third conclusion regarding the classical understanding of the rise of social classes and contradictions within societies. For as is well known, the classical Marxist concept, formulated by Fredrich Engels (Engels 1884), portrays a primitive communal society in which class divisions begin from ‘within’, due to the development of the productive forces and the rise of economic surplus which allows for the rise of an exploiting class. This idea also echoes that of Hegel, who explicitly stated that:

“[C]lasses can not exist from outside, but they only evolve from within. I mean that from within the internal life of a nation, and not vice versa.”

Hegel 1900: 211

Similarly, we find such concepts with contemporary thinkers, like Godelier who begins his first-cited article with the following passage:

“Traditionally, a distinction is drawn between two processes which govern the formation of the state, one exogenous to society, the other endogenous. The term ‘exogenous’ is used when one society conquers another... the term ‘endogenous’ when one part of a society gradually establishes its predominance over the other members.”

Godelier 1980: 609

Yet, it is only from a contemporary perspective of people living within nations, as the ‘natural’ space or setting for politico-economic and social activity, that such a distinction could be meaningful, but it is simply a formal one, or non-existent within a pre-bourgeois context. The famous Greek definition: “The barbarians? They...
are those who live beyond our borders" summarizes very well the concept of identity in pre-modern times. But what are 'our borders'? In the preceding chapters, I have tried to show that until the full domination of the market economy what a community considers its own domain or space does not correspond with the public space of the polity to which the community belongs; be that an empire, a kingdom, or even a city-state. The reason for that is that the full domination of the market economy itself, which we stipulated as a precondition to the identification of community and nation, is a historical process whose achievement is contingent upon several preconditions. Broadly speaking, the full domination of the market, which includes not only the free exchange of commodities in the market but also the full mobility of labor and capital and the transformation of the former into a commodity, requires the existence of two sets of preconditions. First, this domination must be technically possible (the feasibility preconditions), and second it must be in the interest of some powerful group in society (the desirability precondition).

In the absence of the technical and social conditions for the domination of the market, the levels, extents and rules of interaction between different social groups will necessarily take different forms. First, the low levels of productivity and the primitive means of transport and communication define the limits of exchange between communities including those who happen to live within a wider polity: an empire or a relatively large kingdom. Second, even in the case of artisans who obviously do not consume what they produce, we cannot speak of a market regulating production activities. Production is carried more on the basis of personal negotiations and contracts between the consumer and the producer, and in the case of the long-distance trade this only played a marginal role in the overall life of societies. A third consequence following from the above two is that barriers are set to prevent the mobility of people across activities or in search of more profitable opportunities.

In the absence of the market that gives a semblance of equality and individuality to the various agents and regulates prohibitions via the work of economic forces (the availability of capital, or profitability, for example), groups of people practicing similar activities cluster together geographically and pass the secrets of their trades only to the next generation. Whether they originated from some common descent or not, the outcome is the consolidation of a sense of identity among members of a community. This defines a person not only as a member of a guild, but also as an inhabitant of a suburb, a follower of a particular Sufi school specific to each craft (Damascus and Cairo) or of the saint patron of the trade (Paris), and in the meantime separates him from others. This form of social structuring is necessarily a hierarchical one whereby people are brought to believe that there is a natural scale among unequals, each group is destined to occupy its natural place in the ladder. In the meantime, this form of social structuring sets each 'vertical' group apart from others and conditions their awareness of these others.

This explains why protests are not numerous under such systems and when they occur they are mostly local and limited in scale, as Bergier aptly describes the situation prior to the French revolution:

"Apart from a few popular revolts that remained strictly local - such as the camuts (silk workers) in Lyons -or a few purely platonic protestations... no group reactions and, especially, no sign of solidarity can be detected. Solidarity in the ancien regime societies was not horizontal but vertical. There was solidarity between the worker and his employer and the men with whom he worked, but not with those doing the same job as himself in the workshop next door. The serf might hate his lord, or the tenant his landlord, he nonetheless
remained attached to him by bonds of custom that were even stronger than human rights. Hence it was almost unnecessary for the pre-industrial governments and bourgeoisie to resort to repressive legislation with regard to this mass.”

Bergier 1980: 420

4.3 From Stratification to Hegemony:

The conclusions reached above should enable us now to proceed with a question raised above concerning the double sense that a subjected community develops towards its rulers/oppressors in a precapitalist setting: a sense of unity that ensures and preserves the cohesion of a social formation on the one hand, and a sense of alienation from the rulers on the other.

A tribe needs to ‘find’ a common ancestor: a blood or kinship relationship that binds its members together, but at a certain stage the chief that is supposed to have the capacity to intermediate between the living members and the great dead ancestors has to be distinguished from the rest of the community, otherwise any member could challenge his position and aspire to be in his place. A free Athenian, whether a slave owner or not, would share the sense of not belonging to races that are not ‘ours’ and are therefore destined to slavery. Even in relatively homogenous societies, such as France, the rulers used a different language: Latin, in order to distinguish themselves from the mobs. And in perhaps all the above examples, the ‘mobs’, whether they were -or are- peasants, slaves or kinsmen of a tribe considered such an affair as ‘the’ normal or natural setting. How?

We have seen that even in those countries that have managed to construct a more or less unified state system long before their subsequent attempts to modernize and impose direct rule (England and France in Europe, but most notably China and Egypt), the imperatives of geography, the levels of agricultural productivity and the transportation techniques available until two centuries ago have intertwined to produce localized economies within the formally unified country. The low levels of agricultural productivity determined the maximum numbers of those who could make their living from non-agricultural activities (including the rulers and landowners, of course) The available techniques of riverine, maritime, and especially land transport determined how far agricultural products could be carried away from the sites of production and thus determined the potential locus of the markets, i.e. the cities or towns. These two factors combined determined the limits to human communication, and the limits of the division of labor that could be established within a given community. These limits could not go beyond a circle with a radius of twenty miles until the advent of steam technology (Anderson 1974 b, Schwartz 1994).

But this state of affairs should not be treated only from an economic point of view; the social consequences need to be examined too. Could people living in such a segregated space develop a sense of identity with others simply because they belonged to the same empire? The apathy with which rebellions in a particular region were met should be seen as a characteristic trait of precapitalist regimes, as the above quote from Bergier, as well as the absence of solidarity between urban and peasants, which we noted in the preceding chapters, clearly demonstrate. How did the Lyonnais perceive of their Parisian ‘conquerors’? In countries that have been only recently united, such as Germany, Italy, or those in the Middle East, would it make much difference if the ‘foreign’ rulers came from another city or tribe from ‘within’, i.e. from what we call today their ‘own’ country, or if they came from some faraway
region? Therefore what we call today stratification from ‘within’ society needs not necessarily be viewed as such by those who had experienced it in a different historical setting. If professions, crafts and class positions are identified with a certain primordial trait of those who practice them, then it follows that concepts of identity and otherness would apply to our/their profession as well as our/their ethnicity, saint, religion, or tribe.

While the division of labor within a precapitalist local economy must be based on the recognition, at least by some influential strata, of the social and necessary function of each craft or profession and therefore on the need to regulate the rules governing their practice and the rules of communicating with those practicing them, these functions would necessarily be scaled according to their levels of importance. By implication the social status accorded to members of each sect/profession would vary accordingly. What we have here is a complex system of seclusion - regulation and communication, which by forbidding intermarriages across sects for example, or by giving the exclusive rights of acquisition of certain objects (salt, tobacco, etc.) to the Sovereign establishes a degree of equilibrium between the needs of society to certain jobs, while at the same time restricting unchecked entrance to these fields of activity.

Within such a system then, whether the dominant class (or any other social group for that matter) belongs to the same ethnicity of others or not is an irrelevant issue. The ‘legitimacy’ of domination will be judged by the social functions that the rulers perform, or pretend to perform, to the subjected community. Urban classes will take the form of orders rather than that of classes, because of the localized nature of the economy as a whole. Orders in this sense are non-hegemonic classes: classes that play roles within their towns (or even suburbs) and the hinterlands lying around it, but are unable to extend their influence beyond their original constituencies, or in cases of

15 Naturally, it would make much difference if the rulers cannot justify their rule by some common cause that they and the ruled people share, such as religious or national belonging. That is why European colonialism could not be viewed in the same way as, say the Ottoman rule of the Middle East.

16 Yet one must note the existence of a layer of trans-communal bureaucracy in virtually all of the precapitalist systems, i.e. a layer of ideologues, warriors or administrators who saw its realm as belonging to the whole kingdom or empire. Describing the autonomy of the church from the nobility (despite the close alliance between both), Schumpeter reminded us of the trans-communal structure of the former: “All those monks and friars spoke the same unclassical Latin: they heard the same Mass wherever they went; they were formed by an education that was the same in all countries: they professed the same system of fundamental beliefs, and they all acknowledged the supreme authority of the Pope, which was essentially international: their country was Christendom, their state was the Church. Their internationalizing influence was strengthened by the fact that feudal society itself was international. Not only the Pope’s, but also the Emperor’s authority was international in principle and, to some varying degree, in fact. The old Roman Empire and that of Charlemagne were no mere reminiscences. People were familiar with the idea of a temporal as well as of a spiritual superstate. National divisions did not mean to them what they came to mean during the sixteenth century: nothing in the whole range of Dante’s political ideas is so striking as is the complete absence of the nationalist angle” (Schumpeter 1954: 75-6 italics added). Similarly, those religious ‘ulama, military leaders and bureaucrats who were moved from one place to another under the Ottomans must have developed such a sense of belonging to the ‘House of Islam’. Although this does not preclude the possibility of cronyism and bias towards one’s kinsmen for example, but the fierce resistance that some of those had shown to the British and the French during WWI must have been an indicator of their trans-communal sentiments.

17 Obviously, this doesn’t mean that all members of a community would agree on recognizing the social functions of each profession/craft. Merchants, long identified with Jews, would be viewed differently by rival would-be merchants, or by the poor.
established monarchies or empires, to the whole territory of these political units. Only with the centralization of the public space and the invention of a national space, can such modern concepts as equality, civil society, national leadership and, consequently, democracy arise.\(^{18}\)

Before that, it should be stressed, inequality emanating from one’s primordial belonging is, and must be, an accepted norm in order that such a precarious balance among the components of the urban centers, as well as between urban dwellers and peasants, and serfs and landlords can be preserved and maintained. In other words, there must be a general recognition that certain groups are ‘naturally’ endowed with superior or inferior traits, which predestine them to fulfilling certain functions within society.

While the above observations can be safely applied to relatively small occupational strata, the problem arises with the larger ‘primordial’ divisions within precapitalist societies. The most obvious examples are the followers of the dominant confession within a state: the Catholics in France and Iberia, or Sunni Muslims in the Ottoman Empire. While it is true that all other things being equal, a member of the dominant confession had easier access to the sources of wealth and power within their respective societies, it is equally true that social cleavages cut deep within each of these communities. This also applies to the Jews and Christians in the nineteenth-twentieth century Mashreq where members of these communities were among the richest of the rich, while others were among the poorest of the poor, as we noticed earlier. Even when a community was traditionally seen as occupying a prestigious social position, its numerical expansion beyond certain limits would put it in competition with other members of the society because of the limits to the expansion of the economic system itself.

The *sada* (claimants to be descendants from the prophet Muhammad) in Yemen provide a good example for the case in point. Attempting to reconcile class analysis with the modalities of Yemeni social structure, Umar noted that:

“[C]lass division [in Yemen] took a sectarian and hierarchical form within each of the upper and lower classes (the sada and akhdam respectively) and [class positions] were hereditary. ...Individuals inherit their social positions. Mobility from one stratum to another, or from one class to another was unfamiliar except in extraordinary times like wars.”

Umar 1970: 28

Eickelman went further by asserting that this type of stratification is not a class system because the system of production:

“was correlated with a complex evaluative process involving wealth, religious status, and the honorable behavior of family members, and links within society tended to be vertical, patron-client ones.”

He therefore concludes that:

“In many instances, a whole range of people engaged in transport, crafts, and mercantile activities that are not enveloped by the class system.”

Eickelman 1981: 287-8

Yet, basing his study on empirical data pertaining to the 1960s, Gerholm estimated the number of sada in Yemen at 200-300 thousand, that is around five percent of the total population. He noted that the sada did enjoy a prestigious position in Yemeni society, but they were not all wealthy. Under equal opportunities a member

\(^{18}\) I have used the label ‘modern’ intentionally, because such words as ‘democracy’ had a radically different meaning under the ancient Greeks: similarly ‘equality’ is a word used by Moslems, but just like Athenian democracy, it means equality among Moslems, and good Moslems exclusively.
of the sadas was more likely to be privileged than a non-member, but many of them actually belonged to either the middle or lower classes (Gerholm 1977: 119).

The above example (and many other similar cases can be cited here) can shed light on our understanding of the ways status/wealth/authority interact in a premodern society. Initially society confers certain functions or positions to a group of people due to their perceived role in defending or saving that community from spiritual or material evil. The group thus gradually transforms into a distinct social class whose size must be commensurate with the working people’s ability to feed them on the one hand, and with the perceived importance of their functions to society on the other. Yet beyond a certain point the physical expansion of this group induces a process of differentiation within it-normally through violent splits whereby a certain lineage or selected stratum defines itself as the “legitimate” bearer of the position conferred upon the entire group by society.

The above explanation should help us in explaining two remaining problematics in our research on the transformation of precapitalist formations: first, how can kinship/confession/common regional descent become the determinants of social relations of production, and second how authority and wealth intertwine to form a social class.

4.4 The Political, Ideological and Economic Levels:

It has often been stated in the debates on the history and evolution of socio-economic formations that in each given formation one level plays a dominant role (Althusser 1970, 1971, Amin 1976, Godelier 1978a, Mouzelis 1978). Thus we have the ideological level playing that role in formations where kings and emperors were seen as gods, or as fulfilling some divine role, while we have the political level dominating under feudalism, because it is pure coercion that forces peasants to hand their surpluses to the landlord, until we finally come to capitalism, where the economic level is claimed to play that role because here people see their ‘real’ relationships based on economic rules.

This view, I would argue, is a direct descendent from an unfortunate coinage of terms by Marx, whereby social formations are viewed statically in terms of architecture-structures versus superstructures: the base (structure) determining all other levels of a given mode of production, while the superstructure (Überbau) reflects the relationships developed within the structure19.

Given that ideologies are not mere reflections of the economic sphere, but are major agents that define—among other things—the forms of social organization, we will try another analogy from a more dynamic field: that of biology. In this case, we do not have to view a social formation in terms of domination/determination, but as a complexity of more or less equally important instances. In biology, it may look rather absurd to try to decide whether it is the circulatory system—with the heart at its center—that plays a determinant role in the functioning of a biological system, or the nervous system with the brain as its center; for in a complex and organic system there is no such term as ‘determinant’ or ‘dominant’. If we can carry on with this analogy, then we will have the ideological and cultural instances playing the role of the nervous system which, through the actions of its sensory nerves, is responsible for analyzing the raw information and data that the various systems and senses bring to the body while sending signals and responses via the motor nerves.

19 Some authors emphasize that Marx only used the “base/superstructure” dichotomy “a handful of times, suggesting that he felt uneasy with it. See, Kiernan 1984: 97. and Gandy: 1979: 153.
Here we will have several types of information and signals, out of which let's single out only two sets: micro signals and macro ones. The first: micro signals, are dealt with by the autonomous nervous system, which responds even before the central nervous system has the time to analyze what has happened. A typical example is a sting of cold ice, or a pinprick touching one's hand. The feeling conveyed does not have necessarily to be 'truthful', that is, the signal conveyed is heat resembling that of flame touching the hand. But the response of the hand is 'correct': an instinctive and immediate withdrawal of the hand from the source of pain. This is a micro response resembling the millions of everyday calculations and responses carried out by ordinary people. They do not necessarily have to have 'exact' knowledge of the wider frame that conditions their lives, nor of the mechanisms of the capitalist, feudal, or whatever system under which they happen to live.

What about macro responses? Macro responses are those responses related to the central nervous system with a coordinating (commanding) organ playing the crucial part in decision making: the brain. The central nervous system as a whole is the regulator of life and activity in this case. Via macro decisions, the organism does not only respond, but actively behaves in the direction that could alter the surrounding atmosphere. But here also, a 'correct' explanation is not a necessary precondition for taking the right decision. A body infected by a virus will respond, through the central nervous system 'correctly', in the sense that vomiting or fever will take place. A sophisticated human being would act additionally to change the atmosphere, warming his/ her house, taking a pill, etc. Macro responses in social systems can be revolts, strikes and demonstrations, or formulating and adopting reform policies.

Similar to the biology analysis, peasants revolting against overexploitation by their landlords, workers striking in a factory, or even government officials formulating new strategies, do not necessarily have to perceive the class nature of the systems they are revolting against in the first two cases, or are trying to reform in the third case. In the first case, they may be driven by a general acceptance of the basic rules of feudalism, but view the landlords as 'deviating' from the 'just norms' that the church had sanctioned, or that the monarch had been deceived by his bad advisors, or in the third case, that governments should adapt to some 'natural' and blind crisis. Nevertheless, such acts can be 'correct' because they have the potential of affecting the desired and efficient changes.

This view of a SYMBIOTIC, rather than a MECHANISTIC relationship between the components of a social system should not give the impression that the question of the primacy of production over other instances is overlooked, but that the meaning of primacy should be revisited.

Primacy of the material production sphere is asserted through the fact that the ideological sphere (the nervous system) cannot be developed without some prior functioning of humans beings passively adapting to nature first, and engaging in the transformation of their nature later. The ideological instance then, just like the nervous system, is not a given, but is a historical complexity that develops with the development of those actions aimed at transforming nature with the aim of maximizing the fulfillment of specific needs. Social systems are, after all, historical systems just like ideological instances. Put more accurately, the development of social systems reflects (and enhances) the development in the general level of knowledge and therefore the structures that people used to consider as legitimate before would look irrational under more complex social systems. Therefore a more sophisticated social system is not only one whose reproduction mechanism is more complex but also one whose ideological instances are more sophisticated and specialized. But just
as the nervous system is not a mere passive reflector of what a biological organism experiences, the ideological instance will react to invent, innovate, and imagine objects, perceptions and ideals that do not yet exist. This is where human purposeful action differs from other biological organisms (Lange: 1963: chapter 1).

The other aspect of the primacy of the material sphere over the ideological one is a *temporal* one. This can best be illustrated by the fact that while biological organisms can dispense with any sort of consciousness, passive or active sensing of what lies around them, they would not be living organisms without an elementary metabolic mechanism that adapts them passively to nature. An amoeba composed of a single cell (or even some more complex living organisms) does not have a differentiated organic structure, yet it has the basic traits of living organisms: passive interaction with nature. Hence the primacy of the material productive aspect in any human social organization, in the sense that a primitive *Homo Sapiens* may have not developed his/her consciousness yet much beyond that of a developed ape, however s/he still has to satisfy her/his material needs, through hunting and living within a herd of primitive human beings. Asserting the primacy of material productive spheres over the ideological ones, however, should not be confused with a cause-effect relationship, since what we have been trying to show above is an interactive relationship, where the material sphere has primacy but not a causal position. What I am trying to suggest here is not a different version from that of Marx, but simply a different way of formulating the working of a given socio-economic system, in the sense that ‘primacy’ should not be confused with ‘cause’, and ‘reflex’ with ‘passive effect’.

If the above formulation is valid, then the question raised by several authors (Althusser 1971, Mouzelis 1978, Taylor 1978) on the determining instance within the various social formations should be seen as the product of a historically given perception of society; i.e. the product of living in a capitalist age, where the only authentic truth is perceived as “economic calculation”. According to such perceptions, history is driven, in a teleological way (just like Adam Smith’s invisible hand) by an innate logic, from religion (antiquity) to politics (feudalism) to the *real* understanding of human relations under capitalism: economics.

By contrast, the present study tries to show that ideology plays an intermediary, but crucial role in *all* social formations. As much as contemporaries consider economics as the ‘natural’ legitimating principle of life, a medieval or Middle Eastern peasant of the nineteenth century looked at protection and the need to pay for it as natural. Therefore, what we see as ‘extra-economic’ compulsion mediated by politics is actually a system mediated by ideology, an ideology that determines the primacy of politics, just like today’s systems, which are not mediated by economics, but by an ideology that determines the primacy of economics. It is the technical, organizational and economic level of development of people that gives them the feeling that it is some political contract, some divine logic, or some so-called ‘objective’ necessity that dictates the rationality of their actions. Under capitalism, economics is not the real Messiah unfolding before the eyes of people, rather it is the ideological instance of economics which gives the impression that each and every individual is, and must be presented as a commodity and that s/he is equal to her/his ‘fellow capitalist’: one has labor and demands its ‘price’, the other has capital and demands interest: its price. The end result is the outcome of good bargaining between equals. Evidently this is no less an ideological perception than that of viewing a tribal chief as sacred, or the monarch as the representative of God. The difference is that the legitimating ideology under capitalism is an economic ideology, i.e. that capitalism,
just like any other social system, requires an ideological legitimation which takes an economic form derived from the concepts of equality of individuals that arise with it.

The fact that human beings are approaching a better understanding of the primacy of material life does not thus warrant the conclusion that ideology is what influenced their decisions before and is no longer influencing their calculations, perceptions of their place in society, or their means of forging alliances and adopting survival strategies today. Whether one is analyzing capitalist or precapitalist formations, it is almost impossible to understand the processes of the functioning of these formations without analyzing the forms that consent takes within them, and explaining the variety of means by which the ideological instance intervenes with their functioning. In other words, symbolic values and moral codes are neither simply means designed by a ruling clique to deceive its subjects, nor are they merely means intended to give a transcendental form to the otherwise mundane activities aimed at satisfying everyday's needs of the humble people. Moreover, these values are not mere illusions and/or superstitions that a social scientist should either discard as 'irrational', or fancy as some exotic ornament that 'our' societies lack.

4.5 Situating Social Classes:

"A fact is a holy thing, and its life should never be laid down on the altar of generalization."


The cognitive framework of a given society is determined by its dominant socio-economic system, via the 'overdetermination'- to paraphrase Louis Althusser, of the technical-material level of that society (Althusser 1971). Let's reiterate that just as a whole can not be reduced to any of its parts, a socio-economic system is not only composed of the economic sphere, but of a whole complex of social relationships, the relations of property are major among them. This means that divisions within each community (and between communities) are shaped and seen accordingly. The dominant cognitive framework defines the forms that these divisions take, though it does not define the divisions themselves naturally. A logical corollary is that although the division between propertied classes and working classes and within each of these classes is independent of the cognitive apparatus, the latter will determine how a society will assign class positions and how it will view them and view the relationships between classes and fractions of classes. Accordingly, it should be natural that while classes have always existed, and class actions have driven the course of events, members of these classes have rarely been aware of the final outcomes, or the long term consequences of their actions, and they have, more often than not, viewed their collective identities and actions in terms other than class: a

20 Let me reiterate that this generalization should not be misread as a negation of the possibility that individual geniuses can appear at some time or another envisaging what their contemporaries would not take seriously. But the mere fact they are treated as eccentrics, mad, corrupt or even criminals signifies that in conceptualizing its collective aspirations or projects, a given society departs from the cognitive apparatus given by its time. In fact the whole distinction between what we conventionally have come to call 'revolutionary,' on the one hand, and 'utopian' on the other, seems to rest upon the following concepts and inventions that take as their point of departure the present modes of thought or applications and try to develop them from within this structure with the aim of change are considered revolutionary, because they can gain acceptance from (at least) a significant portion of the population, while the same ideas, concepts and or designs could be subversive and utopian if they are developed by, say, some far-sighted genius when the dominant modes of thought are not ripe yet for them.
micro - response if one borrows the analogies drawn in the last section. And it is for this reason that class analysis is of paramount importance in both capitalist and precapitalist formations provided that it takes into consideration the ideological representations of a given society of its internal divisions without, in the meantime, necessarily adopting them as the valid analytical categories.

“[The] objective conception of class must be completed by an analysis of the subjective mentality, ideas and dispositions found among members of a class and, equally important, by an analysis of the conditions of collective organisation and action on the basis of class position. Neither class consciousness nor class organisation and collective action follow with any simple necessity from class position. Nor do collective organisation and action have a one-to-one relationship to the ideas and attitudes found among class members. This means: not all classes are collective actors in history; nor do they become eventually such actors with any generalised necessity. It also means that the interests pursued by organisations acting on behalf of a class are not with any necessity “the” interests of that class.”

Rueschemeyer et al. 1992: 53

This conclusion is of particular importance even today when the social relations within advanced capitalism were thought to be more transparent than before, i.e. that people realize their positions as economic agents and members of social classes whose positions are determined by their economic status. However, we must point out to the fact that apart from a handful of cases of explicitly class driven actions all over the world and throughout history, most of the significant social movements are (and were) conducted under different banners: nationalism, religion, ethnicity, etc.

The obvious question that arises then is why should we care to study societies and systems in terms of class analysis? This question is not novel and we can see that the trend in social theory (even among some Marxists) has been to abandon that ‘old fashioned’ category for various reasons, most conspicuous among them perhaps is that today’s capitalism has introduced such radical reorganization of the world and domestic economies that we can no longer discern horizontally stratified societies in a clear manner, and -by consequence- we can hardly find mass actions, if any, taking explicit ‘class’ forms.

I will argue that such conceptions confuse class with class consciousness, a problem that has plagued Marxist debates and has contributed to rendering the concept of class a futile one. The fact that people wage their struggles or are driven to them under nationalist, religious, sectarian or ethnic slogans does not make these struggles any less social than explicitly class-driven ones, and it is therefore a mistake to talk about ‘social and religious’ or ‘social and national’ movements as if each belongs to a different category. The obvious example is the social force that came to shape the present day world and is commonly referred to as “the bourgeoisie”, a class that has often been associated in our minds with the enlightenment, liberalism, antagonism with the feudal monarchies and landlords, and industrialization. A standard text book narrative on the bourgeoisie is that of a Third Estate acting in unison and solidarity to overthrow the ancien régime and to establish a secular bourgeois system as best exemplified in France.

The outcome of the French Revolution has been undoubtedly a bourgeois system. In other West European countries, the numerous upheavals, revolutions, wars and insurrections led to the establishment of such systems at varying points of time. But while the trend towards the almost unrestrained domination of capitalist relations
and forms of surplus extraction has been the obvious result of this “great transformation”, to paraphrase Karl Polanyi (1944), we can hardly speak of a massive class that had been conscious of its homogenous interests and aspirations in advance, such that the consequences of its actions had been already intended and calculated.

The Dutch revolution of 1568-1609 was carried under nationalistic and Protestant slogans; the 1640-1688 English uprisings were waged under Calvinism; and the sixteenth-century German reformation was carried under Protestant banners (Gandy 1979:39-42).

While we have emphasized that a whole formation at a given point in time shares basic norms, values and conceptions, the particular backgrounds and material conditions of each group within that formation tend to color and influence the views of its members on how these norms and values should be served best. It goes without saying that these influences are not the product of an individual’s choice and they need not lead individuals of shared backgrounds and positions to take a unilinear position or to adopt a unique ideology, a position that many defendants of the “pure class-consciousness” thesis still adopt even today.

In one of the most powerful attempts to revive the Luckascian Marxist concepts of class and class conflict Robert W. Cox states his view that “... [T]he present work argues [that], the classical tradition remains valid. But past definitions of class that has some basis in mid-nineteenth-century European societies cannot just be taken over and applied mechanically and uncritically to a late twentieth-century world that manifests a great diversity of social class situations.”

Cox 1987: 3

This claim of presenting a revised (and long awaited) definition of social classes, which has been a preoccupation of many dedicated Marxists, boils down to the following in Cox’ formulations:

“Class is to be understood as a real historical relationship and not as merely an analytical category in the mind of the analyst.... The social basis for the existence of classes comes from the way in which people are positioned in production processes, but if the production process creates the potentiality for classes, it does not make classes. Social practices shaped by event give people the common experience of class identity and collective action.”

Cox 1987: 355

The major conclusions reached by Cox from the above definition are:

1. “Not every dominant or subordinate group in each distinct mode of social relations of production necessarily forms a class; some may not attain the level of common identity and capacity for common action that constitutes class; they remain a latent or potential class.

2. Dominant or subordinate groups from two or more modes of social relations of production may combine to form a class, e.g., through the development of solidarity between established and nonestablished workers, or between small scale entrepreneurs and corporate managers.”

Ibid. 356 (underlines added)

Cox’ definition, in fact, contains no new elements. Its roots lie in the distinction made by Marx (following a Hegelian tradition) between ‘class in itself’ and ‘class for itself’, a distinction that I have tried to show above, was developed to its extremes by George Lukacs and then came increasingly under attack by many Marxists during the 1960s and 1970s because of its elitist and voluntaristic conception.
of classes in general and the working class in particular. In a few words, one may criticize this conception on the grounds that it gives individuals the ‘privilege’ of belonging to a particular social class only if, when, and as much as their actions follow what a certain analyst or thinker considers a class driven action.

In the case of Cox the aim of reverting to this old definition, going even further to the point where a class is reduced to that ‘class for itself’ aspect only is stated clearly. The intended aim, according to Cox, is to bring Marxism to the contemporary reality of present day capitalism. The problem, however, is that by so doing he is not! By posing ‘class’ as a real relationship against it being an analytical category, Cox feels that class membership would be an effective means for carrying class based struggles. But by so doing, he is going exactly in the opposite direction, i.e. he is minimizing the role of classes and class struggles in history. First, because human awareness of the functioning of their muscular system (which is no less real than classes) may slightly make the functioning of that system more effective, but will certainly not change it. Similarly, the actions of members of social groups are indeed class-conditioned, whether they are aware of this fact or not. If awareness is ‘implanted’ among these members, to use a Leninist conception, these actions may or may not turn to be more effective, but that will not introduce a qualitative change. The second and more important objection is that according to Cox’ definition, classes would have existed only over a very short period of human history and class struggles have played even a less important role. I will elaborate on this last argument because it is closely related to our topic.

Geoffrey de Ste. Croix, one of the (if not the) leading scholars on antiquity studied the structure of the class that probably the majority of scholars do not dispute the fact that it did constitute a social class: the slaves of ancient Athens (de Ste. Croix, 1981). Let me quote at length his Isaac Deutscher Memorial Lecture, which I think sheds invaluable light on the nature of classes and the repercussions of associating class with class consciousness:

“Marx and Engels always regarded slaves as a class; and yet of all those groups in history which seemed to have the right to be regarded as classes in Marx’s sense, it was precisely Greek and Roman slaves who most conspicuously lacked the qualities which I had been led to imagine as essential ingredients in class: namely class consciousness and political activity in common... a Greek or Roman slave household was often quite deliberately drawn from slaves of very different nationalities and languages. [Acquiring an ethnically and linguistically diverse set of slaves is urged upon slaveowners by a whole series of Greek and Roman writers...]. The heterogeneous character of a given set of slaves would make it difficult for them even to communicate with each other except in their master’s language and make it much harder for them to revolt or even resist. It is no surprise to find ethnic and cultural differences playing a major part in promoting disunity in the few great slave revolts... and which, incidentally, never involved more than a small fraction of the total slave population.”

De Ste. Croix 1985: 25–26

After a lengthy analysis, the author concludes that a class: “[I]s the collective social expression of the fact of exploitation, the way in which exploitation is embodied in a social structure. (By “exploitation”, of course, I mean the appropriation of part of the product of the labor of others...). Class is essentially a relationship - just as capital, another of Marx’s basic

concepts, is specifically described by him, ...as "a relation", "a social relation of production" and so forth. And a class (a particular class) is a group of persons in a community identified by their position in the whole system of social production, defined above all according to their relationship (primarily in terms of the degree of control) to the conditions of production (that is to say, to the means and labor of production) and to other classes. The individuals constituting a given class may or may not be wholly or partly conscious of their own identity and common interests as a class, and they may or may not feel antagonism toward members of other classes as such.

Ibid. 28 (underlines and italics added)

The significance of distinguishing two conceptions of class is not an academic exercise. Many writers with a militant attitude, such as Cox, depart from the famous eleventh thesis of Karl Marx, in his *Theses on Feuerbach*, which demands that "philosophers should not only interpret the world". The "aim now is to change it" (Marx 1989: 8-9). The point, however, is that no serious change can occur before a full understanding and interpretation of the world is carried thoroughly.

Applying Cox' framework for understanding the evolution, structure, and contradictions of human societies can lead to absurd results. Consider a society whose major classes view their contradictory situations in terms other than class. This, as we have seen, is the rule in precapitalist societies. But according to Cox' definitions, the latter should be treated as classless societies, or at best societies with "potential classes". So, a project that began with the intention of emphasizing the role of class struggle ends up minimizing the role of classes to the point that only a few episodes in human history (the Russian Revolution, for example) can fulfill the conditions laid by the author.

A logical corollary should follow from applying what I will call subjective methodologies in studying human societies, namely that different phases of development of societies cannot be subjected to any meaningful comparison, let alone generalization, since each structure has its own definitions of "status", which we should take not as a set of images and discourses that need themselves to be analyzed and understood, but as expressing the "reality" of that system and/or social formation. And it is exactly here that one can find the close affinity between Max Weber and Robert Cox, despite the latter's repeated reference to Marx. Weber's definition of class situation, as is known, is based on the relationship of individuals with the market, a totally different view from that of Marx.

By deriving social classes from the market, we obviously reach a point where not only all classes under precapitalism are no longer treated as such, but also many fractions and classes of capitalist societies, because their positions are not exclusively, or totally determined by the market. Although Cox does not share the Weberian definition of class, his subjective method leads us, nevertheless, to similar results; to taking the dominant discourse of a particular formation at a particular historical moment as our point of reference. Whereas a class is an economic phenomenon derived from the market, according to Weber, a status group belongs to the social realm, which exists under non-market situations.

And even this is arguable because many people supported the Bolsheviks not so much for their socialist strategy as for their dedication to put an end to Russia's involvement in WWI.

But always this is the generic connotation of the concept of class: that the kind of chance in the market is the decisive moment which presents a common condition for the individual's fate. 'Class situation' is, in this sense, ultimately 'market situation'" (Weber 1968: 928).
"In contrast to the purely economically determined 'class situation', we wish to
designate as status situation every typical component of the life chance of men
that is determined by a specific, positive or negative, social estimation of
honor."

Weber 1914: 932

Whereas both the Weberian conceptual apparatus and the 'pure consciousness'
thesis end up negating the existence of classes under precapitalism, the latter goes
ironically one step backwards in comparison to Weber. Robert Cox, as we have seen,
denies 'unconscious' members of classes in a capitalist society their entry card to the
class, while Weber solved the problem by distinguishing class from 'class action'.

"For however different life chances may be, this fact in itself...by no means
gives birth to 'class action' (social action by the members of a class). For that,
the real conditions and the results of the class situation must be distinctly
recognizable. For only then the contrast of life chances can be felt not as an
absolutely given fact to be accepted, but as the resultant from either (1) the
given distribution of property, or (2) the structure of the concrete economic
order. It is only then that people may react against the class structure not only
through acts of intermittent and irrational protest, but in the form of rational
association."

Weber 1914: 929

Weber's distinction between class and class action provides a fresh
contribution that can be very useful in explaining the conditions and motives under
which the various social agents take positions on social and political issues. His
insights on the way social change takes place are superior to those, which lump class,
class action and 'true consciousness' under one category. Yet, I have tried to show
that the superiority of Weber's conceptual apparatus lies partly in the fact that he
disposed with the complex problematic of defining classes under 'non-market'
situations beforehand. By treating classes as modern phenomena, one can easily look
at the activities of trade unions and political parties to deduce from them the necessity
of recognizing "real" class situations and "rational" association for class action to be
effective

The preceding pages, however, have shown that on the eve of the French
revolution, ordinary people - including urbans- did not perceive of themselves as
members of social classes - at least this was not their primary self-identification,
according to Goubert. Nevertheless, the French revolution, as well as the peasant
revolts carried under banners of religious conflicts, produced no less authentic
'bourgeois' transformations. What I have been trying to establish in the preceding
pages is that until the dominance of capitalist relations of social reproduction,
relations of production necessarily take 'primordial forms'. In other words, kinship,
religious status, and belonging to a warrior race were not only individual traits,
since we saw that the concept of the individual did not exist in the first place, but also
regulators and legitimizes of the relations of production. Communities based on a
shared religious belief would necessarily assign higher socio-economic status to
those considered close to God. Where belief in a common grandfather that preserves

24 This statement can actually be extended to apply to capitalist societies as well. For until recently
nationalism was strictly associated with ethnicity and blood and therefore access to resources within a
given capitalist society was (and until now is in many cases) confined to those with 'primordial'
relations to a given country.
the community is dominant, kinship is the regulator and legitimizer of the relations of production. In the last analysis because class positions determine the ways people define and treat their saints, their sects and the contents of their beliefs. Without recognizing this fact, we cannot understand how the centuries-old isolation of each guild under the patronage of its saint suddenly came to an end when the urban masses joined hands during the revolution. In the same token, one can enumerate many such episodes in the Mashreq where people sharing the similar life conditions but had been living in relative isolation for centuries, launched mass actions that were class-conditioned par excellence, although they were obviously not aware of the class nature of these actions.

Twice in the 1820s, the Mossulites revolted against their wali, Yafia Pasha al Jaleeli, himself a Mosssulite merchant who monopolized cereal products and caused a hike in their prices. The revolt reached a point that forced al Jaleeli to take refuge with Baghdad’s wali, Dawood Pasha. The latter supported him and reinstalled him in his position. But the populace expelled him again and appointed Qasim al ‘Umari. The Sublime Porte had to acquiesce to this development (Nawwar 1968: 82).

Damascus witnessed a more violent revolt in 1831, when Wali Muhammed Saleem Pasha imposed new taxes on the crafts. Craftsmen, supported by the city inhabitants, installed barricades in the streets of Damascus, declared revolution and killed the wali (Na’isa 1986: 302-3). Our source cites the memoirs of a chronicler who was an eyewitness of the continuing revolt. “When ‘Allou Pasha was appointed as a new wali ... the manufacturing sons of the land rose in revolt because of the high prices of bread. The rifle-holders [the army] descended to the square wanting to arrest the demonstrators. They discovered that the crafts were revolting because they wanted an increase in wages to offset the high prices. The manufacturers took an increase.”

Another episode regards the 1831 decree of the Ottoman sultan to depose Baghdad’s wali, Dawood Pasha. Merchants and notables belonging to different sects, ethnicities and religions sent a petition to the sultan requesting that the rebel wali be kept and his authority extended to all of Iraq. In exchange the notables pledged to pay Constantinople all the expenses of the campaign to depose the pasha (Longrigg 1925: 310).

15 Obviously, this analysis should not be taken as an answer to the more complex question that many anthropologists and social philosophers have spent their lives trying to explain— and which the present author obviously again has no claim to answer: namely, what makes a civilization take religion, politics, or kinship as its cementing ideology. To state—as we did earlier—that living labor counts more preciously than dead one and therefore that kinship plays a paramount role, is only to lay the basic elements of the problem, because until the industrial revolution, and actually until the dominance of machinery almost a century after, living labor counted much more than dead labor, yet that does not explain why kinship no longer played a crucial role in eighteenth century Europe or in structuring the Ottoman polity. For a recent discussion of this intriguing problem, see, Godelier 1998: 5-22.

16 These invaluable memoirs, whose author is unknown, and are therefore known in Arabic as “Mudhakkarat Majhouli (The memoirs of an Unknown)" contain very important details that shed much light on the relations between various sections of the Damascus society. Despite the validity of the general statement that little or no solidarity existed between urbans and peasants, it seems that the severe conditions, which instigated the 1831 revolt was an exceptional case when Damascus hinterland joined hands. According to this unknown chronicler, the Damascenes alerted the peasant "he who has no rifle [must] buy one. He who has no arms [must] buy. And then all the people began to buy rifles and arms were in the hands of all" (Na’isa 1986: 308).
A very significant case of 'horizontally' driven mass action left its lasting imprints on al Suwaida' province in Syria. This province (also called Jabal al-Duruz or Jabal al-Arab) is one of only two Syrian provinces where Sunnis do not form a majority of the population. The Druzes form an overwhelming majority of 87.6 percent, and relatively large Greek Orthodox and other Christian communities are also found. Sunnis are represented in al - Suwayda' by less than 2 percent of the population, the least of all provinces. Traditionally, the city and its hinterland had been under the leadership of the big landed Druze family of al Atrash. Nevertheless, the Druze peasants waged a fierce anti-feudal revolt against the Durzi family in 1890, which forced the Atrashs to make a number of concessions including recognition of proprietorship of part of the land cultivated by the local peasants. Since that time, many Druze peasants have been small or medium-sized landowners (Van Dam 1980: 24).

All these actions, and undoubtedly historians can add many others, were collective acts that cut across 'vertical' solidarities and mobilized people of similar social positions against those who exploited them, or in favor of those who enhanced their interests. With the coming of the twentieth century these actions multiplied.

While a class position does not imply that at each and every moment individuals should act with an eye to their positions, it does determine their outlook in the final analysis. Put differently, we can say that in ordinary circumstances the vertical group to which an artisan or peasant belongs forms the basic point of reference in his everyday calculations, judgements and consciousness. This is because we saw that not only peasants in one demesne live isolated from those of other demesnes, but also each group of craftsmen is spatially isolated, living in 'their' own quarter, having their own master, and ideologically delineated from other groups through their belonging to 'their' own saint or sufi brand. Hence it would be only logical to agree with Bergier's remark -cited in section 4.2 above- regarding the absence of solidarity across crafts. This does not mean that craftsmen or peasants in a precapitalist setting are unaware of the existence of 'others' suffering as they do, nor does it mean that the social relationships within a vertical unit are harmonious. Rather, it means that in non-crisis situations craftsmen or peasants would try to negotiate solutions to their perceived problems within their own vertical unit, since that unit is almost an autonomous realm having its 'judicial' and disciplinary mechanisms. However, when perceived unjust actions are taken collectively, on behalf of more than individual merchants or landlords, or target the majority of the working people and the poor, spontaneous individual revolts could easily transform into mass revolts where the hitherto isolated groups share their grievances. This explanation applies to all the examples that we cited above on widespread revolts: monopoly of cereal products that put unbearable pressure on the living standards of the majority, burdens and exaction imposed on peasants across an entire province, or heavy taxes levied on all crafts.

Here -I think- is where we can posit the point where class is not only a category of investigation, but in the meantime is not necessarily an everyday identity. For in a precapitalist society, peasants -and especially serfs- do know that they are being exploited but they need not, and actually do not, perceive this exploitation as a socio-economic phenomenon. Rather, they may see their landlord as a blasphemous man, someone who is not fulfilling his religious duties, or someone forgetting the teachings of Christianity, Islam or Hinduism, etc. But they can, and do, act as a class when they wage an uprising to rectify these affairs in accordance with the 'true will of God'. Similarly, depressed classes in a formation marked by the domination of an
alliance of merchants and landlords whose interests lie in intensifying trade links with western capital will tend to view their misery in terms of national vs foreign domination on resources. It is only when one subscribes to a Lukacsian framework of what I will call ‘Christian Marxism’ whereby a ‘true’ consciousness is confronted with, and contrasted to some ‘false’ one that non Marxist, non socialist consciousness is regarded as false, or when one adopts Althusser’s conception of Marxism as the only scientific world view, anything else being ‘ideological’ (Althusser 1975).

In everyday life, people may be “deceived”; many workers may have voted for fascism not merely because of the benefits that they would gain from an étatist regime, but also because the Pope had given his blessings to that regime. An Islamist may not see the relationship between his aspirations on the one hand, and assassinating a novelist on the other, but he will sincerely try to fulfill ‘God’s will’ at any rate. But at historical and transformative moments, moments that whole group interests are at stake, class determination of positions has proven to be most formidable. Whatever a shaikh or the Pope might decree, a capitalist believer will fight ferociously against confiscating or nationalizing his/her enterprise. This naturally applies to the working classes too. Plenty of evidence shows that in transformative moments they have followed their ‘class instinct’ rather than obeying the teachings of their traditional ideological leaders.

The above observations on how people perceive their sufferings and thereby how they act in order to change the existing situation directly follow from our analysis of the role of ideology in cementing various social formations. The ways people perceive their positions in this universe and their relationships with each other are conditioned by the general level of technical, cultural and economic development. These perceptions are decisive in shaping the legal, moral and political norms binding ordinary people together and regulating their relationships with their rulers and are decisive in shaping the type of politico-economic structures under which they live. Moreover, the intellectual framework given by the above mentioned determinants defines the scope of technological-scientific, intellectual, social and political change that a social formation permits at any given time. The statement that human perception is conditioned by the general level of knowledge available or by the level of technical-economic development should not be understood as either:

a) that human purposive activity, whether in the realm of science, or in the socio-political sphere aiming at improving the present conditions is impossible (the fatalistic view), or

b) that this statement concerning the collective behavior of people in the long term should be applicable to each and every individual within a given community.

The general level of knowledge, in brief, determines the limits of discoveries and inventions, as well as determining the possibilities available to people to transform their dreams into reality. The submarine of Leonardo da Vinci was only a magnificent fantasy by an individual genius at its time. Other geniuses were less lucky and either lost their lives or were considered mad because their “dreams” -some of

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27 For example, when land was sequestered from big landlords to be distributed to landless peasants in the 1950s-1960 following the nationalist revolutions of the in the Mashreq (see chapter 6), several Muslim shaikhs issued fatwas forbidding peasants from owning land ‘robbed’ from its ‘legal’ owners. With the exception of very few cases, peasants showed overwhelming enthusiasm to the land reform acts.

A starker example is when the supreme Shi’i leader, Muhsin al Hakim, issued a fatwa in 1960 declaring communism blasphemous and atheist to stem the rising popularity of communism in Iraq, Iran and other parts of the Islamic world. Nevertheless, there is no evidence that this fatwa had a significant influence on the popularity of communism at the time.
which were to come true later- were too much ahead of the general level that the public would accept. But let us note that even dreams or fantasies are the product of the scope of one’s imagination which are, after all, only a few steps ahead of reality. Attempts at extending/improving human organs in order to emulate an already existing creature: fish or bird, or attempts at creating something similar to these already existing creatures were the expressions of genius in the pre-industrial era, but even dreaming of a computer would be impossible then simply because the limits of technical change are determined by the existing technical level. The same, though in a more complicated way, applies to people’s attempts at changing socio-economic and cultural norms. The forms of social organization and political structures that people aspire to create in a revolutionary period derive from their existing reality: their modes of thought, the forms of social organization under which they live, etc.

As we have seen earlier, change has occurred through conflicts between and among groups that could never imagine a society living without “good” Christianity, or Islam. The outcome has, more often than not, been radically different from what all the warring parties had intended to reach. In the age of “Reason”, a revolutionary change has undoubtedly occurred thanks to the French Revolution. But this change was far from the “Liberté, Égalité, Fraternité” that the revolutionaries had dreamt of. In sum, it is the social conditions that dictate their rules and limits of change, even if the “avant-garde” would work for something else. This should also be the lesson to be drawn from the tragic fate of the Bolshevik Revolution, which could not go beyond the limits of its time or the social and historical setting and the level of development within society, despite the ambitious dreams of the Leninist Party.

1. The mid-twentieth century transformative changes of the Mashreq were obviously no exception to the above mentioned conditions. The illusions and aspirations of the revolutionaries, the way these illusions articulated with the suffering of ordinary people, the tragic breakdown of the grandiose ‘modernization’ schemes and the ensuing multiple crises will be the focus of the coming chapters. But in order to carry our endeavor properly, we have to address the issue of authority and its relationship with property.
Chapter 5

Community, Authority and Identity: Some Methodological Considerations

"Beyond the rational, there exists a more important and valid category, that of the meaningful, which is the highest mode of being of the rational."

Lévi-Strauss 1978: 67

The last chapter tried to show that until the dominance of capitalism social classes appear in the eyes of most people as non-socio-economic categories, as distinct groups who are rendering services to the entire community. Defense against threats - perceived or actual - is a function that is normally performed by a group of people before they are accredited with titles and special privileges that turn them into a dominant social class. Pierre Phillip Rey and George Dupré concluded their studies on several African societies by observing that class functions arise before the rise of the classes that would later specialize in performing them. They showed how this applied not only to societies whose structures were based on lineage relations, but:

"We believe that this problem of a class function which is not supported by a constituted group can also be found in other socio-economic formations, thus, before the emergence of real feudalism as it is understood by Marc Bloch, the nobles and various magnates took on some of the class functions of the future feudal lords before becoming a real class."

Dupré and Rey 1978: 197 (italics added)

What the two above authors call class function is actually what we have labeled as ‘rendering services’. This may look absurd in the case of feudalism, since we are (rightly) accustomed to viewing this class as parasitic and coercive. However, if one thinks of a formation where sovereignty is dispersed, then free peasants or tenants on a lord’s estate have no other choice but to look for protection of a local magnate, whose ‘service’ is nothing but to allow them to till their land in relative peace against a rent. In the historical cases that we dealt with, the ‘services’ rendered by dominant classes can be summed up as providing protection to the dominated groups and thereby to the whole community. Short of a typology of the diverse forms of ‘protection’, I am using the word to cover a wide range of cases: protection from natural disasters by communicating with god, gods, or the spiritual world in general; protection from invading groups, protection from the excesses of central authority by defending the interests of the community and lobbying on its behalf, protection from the encroachment of rival or competitive groups living alongside the community or performing similar jobs, etc. In exchange for the protection services, the bulk of the working community accepts the authority of the leader(s) and concedes to pay the expenses of this protection from its own work.

The prestigious position conferred upon those destined to play the role of leaders of the community, with its concomitant material privileges, is actually what we call political authority in our present usage, whence the conclusion reached that political authority is the first embryo of class division, rather than being a medium to
regulate already existing class conflicts. For the protection function to be performed efficiently, members of the protected community would acquiesce to a series of prohibitions and taboos. Supervision of good behavior and punishment of ‘evil’ would be entrusted in the hands of that protector.

Thus we have all the basic elements of political authority amassed in the hands of the exploiting/dominant class, including the famous principle which we normally associate exclusively with the modern state: monopoly of violence. Coercion, as we noted, begins as a threat, which requires that the leaders of a given community decide that the guilty has breached the accepted moral codes. Execution of punishment is enforced by the ordinary members of the community and not by a specialized coercive apparatus. In principle, the means of coercion are not the property of tribal chiefs, feudal lords or a local urban notables, but the latter enjoy the rights and privileges of sanctioning/legitimating their use against others on account of their acquired role in defending and protecting “their” respective communities.

But how far can a ruler or a ruling class go in its demands from its subjects? What determines the magnitude of exploitation/protection fees? And how can variations in protection fees account for the different state trajectories across space?

5.1 Costs of Protection:

Schematically, two overlapping functions are required to ensure the reproduction of the social relations of production: the first consists of securing ‘internal’ favorable conditions such as those related to bringing rain, protection from epidemics and floods, while the second set of functions is defense against invaders. The two functions roughly correspond to those fulfilled by ‘knowledgeable’ men (wizards, magicians, men of religion) and warriors respectively and are ‘rewarded’ by various forms of tribute, rent and taxes from the subjects/citizens. As these two strata fully detach themselves from the production activities of their communities, a sufficient level of surplus is required to make for their (often lavish) living. But how far can an authority go into taxing its population?

Fredric Lane introduced the concept of “protection costs”, which may shed some light here. Arguing that the state had played a significant role in encouraging growth in the seventeenth century, he compares the state to an economic enterprise producing a commodity called “protection” (Lane 1975: 8-18). The costs of protection are met by pricing and selling this commodity to those to be protected, i.e., economic enterprises. But the peculiarity of this commodity, according to Lane, is that it is a monopoly of the state since the outset. And this allows the state to overprice its product by imposing taxes that exceed the requirements for the reproduction of protection. This “requires an analysis of the impact the state has on capital formation and the formation of potential capital, both of which constitute the social surplus” (Ibid., 10-11) Lane calls that part of the surplus that the state extracts tribute. Whether this tribute will turn into a capital producing tribute or not depends on the way it is expended. If it were spent on building roads and drainage systems, it will contribute to the future increase in capital. But if it were spent on building pyramids

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1 When local communities coexist within a wider polity, violence is admittedly not a monopoly of the local chiefs. But unless the central authority intended to punish the whole community— which was not an exceptional case— it had to find ways to exercise its violence via the local chiefs themselves, thus acquiescing to some form of power-sharing with them. A typical example of this problematic relation is the way nomadic tribes were subjugated in the Mashreq from the eighteenth century onwards.
or cathedrals, or on riotous living, then it will not contribute to economic growth (12-13).

This important contribution can be extended to show why do protection costs differ according to the degree of maturity or dominance of a mode of production within a social formation. Also one can use this analytical tool to understand how states in physically vulnerable regions in the Middle East and the Balkans, e.g. have assigned higher protection costs. But in order that this undoubtedly original concept of protection, being a commodity produced by a monopoly, be applied to a wider range of cases, we need to discuss it in more detail and introduce some qualifications to Lane’s generalizations.

Lane seems to take the contemporary state’s monopoly of violence as a given, thus what needs to be explained is presented as an explanation. The question that needs to be addressed is how could this organism: the modern state, take over the functions that used to be in the hands of multiple bodies and organisms over history, tribes, street gangs, barons, feudal lords, etc.? This should be analyzed in terms of 1) the efficiency of this monopoly compared with the previous systems of ‘protection’, that is of political authority, 2) the availability of the means to enforce this monopoly, 3) the existence of social interests that make this system desirable by an influential section of the population.

Monopoly is only possible when these conditions are fulfilled and the absence of alternative providers of the commodity is only a product of long historical struggles, thus it was not always given. Until the era of state consolidation, competition and fierce struggles between invaders and conquerors presented an outlet for competition, whereby lowering the tributes levied on subjected populations would be a means of gaining acquiescence from the subjected populace. But even after the state has consolidated its sole authority, rulers knew that no matter how greedy they were, they couldn’t go beyond a certain limit in imposing dues and taxes for fear of rebellion among their population. Hence rebellion was in a sense, an *a posteriori* vote on the fairness of a given taxing system. As for modern democracies, the electoral competition among political parties revolves partly around who provides various public goods—protection foremost—with cheaper prices.

Lane’s analysis is conducted on the assumption that capitalist rationality is the regulating mechanism for all social systems. For one thing, protection is not only ‘sold’ to economic enterprises, be those capitalist ones, feudal demesnes, or any other historical form. What makes protection a unique ‘commodity’ is that it is consumed and demanded by all, making demand for it highly price inelastic, which is a precondition for monopoly. Security, in the bare physical sense, is the minimum protection requested by all whether they conduct a profitable economic activity or not. And that is what makes the calculations of a political authority regarding pricing protection and the ways to expend the revenues different from the calculations of an individual enterprise. While the latter is concerned with maximizing its revenues, political authority must establish the conditions for the overall reproduction of the social system in which these enterprises function, as well as its own prosperity and survival depend. An economic analysis may lead to the conclusion that building

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2 Rebelion should not be equated with our modern conception of revolt, naturally, given the wide span of historical cases that we are covering. It can take the form of outright violence against tax-collections, the rise of a local chief who advocates secession of the particular community from the state in exchange for lower tribute under the would-be formed polity, or it may take the form of ‘peasants’ or artisans’ strikes’, i.e. when the demanded tribute is so high that the livelihood of the victims is threatened, they may desert the land or their crafts.
cathedrals or pyramids does not contribute to economic growth\(^3\), however no system can function without some kind of ideological legitimacy, and the symbolism of cathedrals, pyramids and even present-day statues lies exactly here. Ancient Egyptians, European serfs, or Hindus would not have toiled for centuries under the pressures of physical coercion alone, and the belief that they were offering these sacrifices for some spiritual and transcendental cause must have been among their main motives. Thus assuming that ‘productive’ investment for the sake of perpetual enlarged reproduction is the only efficient means for state expenditure means turning the state into a redundant body whose functions are no more than those of the individual enterprises. Moreover, perpetual investment is a phenomenon that is specific to one socio-economic system: capitalism. Before that, it is either impossible, or unnecessary or both.

One cannot analyze the rationality of a specific form of expenditure, nor its contribution to growth, only in terms of its direct economic contribution. This applies not only to expending the revenues of selling protection, but also to the price paid for protection. From an individual enterprise’s point of view, military conscription or sacrificing brides to the Nile may look a waste of labor power, but seen from the prism of the overall system, war making is a no less ‘necessary’ function for survival. Even under capitalism a firm’s expenditure for public relations and advertising purposes does not contribute directly to production, nevertheless it is essential for the firm’s survival. Pyramids and Cathedrals are essential for the legitimacy of a system. Without ideological symbolism and legitimation, no economic system can survive. And a system deriving its legitimacy, and thus forcing acquiescence on the populace, from the ruler’s divine nature or mandate cannot only extract resources to make wars or enrich the ruler. Even under today’s ‘rational’ calculations, people expect the state to ‘invest’ in statues and other artistic expressions aimed at forging a sense of legitimacy on the working of the social system.

Broadly speaking, the ‘costs of protection’, i.e. the degree of surplus extraction by a ruling class, will be proportional to the internal and external threats that a community faces, or imagines it is facing. Probably, thwarting internal threats could be more rewarding for a ruling authority, because protecting a community from the wrath of nature would have almost immediate effects on the lives of the subjects, and would even confer some divine character on the ruler who manages to rescue his subjects several times. In fact, success in this field could be the leverage that a certain ruling nobility acquires in making bold demands on its economically dominant classes and ordinary subjects. Because as we have noted above, from the point of view of sedentary populations, all the warring parties trying to conquer their lands are equally foreigners. What really counts for the former is which invader can ensure the more or less smooth functioning of their reproduction conditions with the minimum extractive and/or human burdens weighing on their shoulders.

As for the rulers and/or warriors aspiring to be rulers, such constraints are not absent from their calculations, i.e. the presence or absence of other competing forces threatening to encroach upon their domains, the extent of extraction that they can impose before the whole reproductive cycle of the community disrupts, and so on. So, although protection ended up as a monopoly of the state, it does not follow that the state can arbitrarily price this commodity. Theoretically, its lower margin is the minimum required to sustain an idle, non-productive elite and the upper margin is the maximum that people can dispense with before their life patterns disrupt or revolts

\(^3\) But in a capitalist setting, even this is not necessarily true because it can be a form of a Keynesian recipe of public works aimed at invigorating effective demand and creating employment opportunities!
take place. In fact, we can portray the rise of the modern centralized state and its monopoly of ‘protection’ as an outcome of fierce struggles not only among competing states, but also among ‘central’ authorities and the various local groupings, which strongly resisted being disarmed by the state. This struggle, which ended up with the invention of direct rule, was in a sense a struggle on the meaning of representation/protection on the one hand, and on the efficiency of domestic protection on the other hand. The fact that standing armies took shape long before the establishment of police and internal security forces is very significant in that rulers were not automatically perceived to be representatives of the respective local communities that they dominated, and therefore were not trusted with the job of protecting them.

With no pretensions to formulating a general theory of state/society relationships, let’s state in conclusion that all these calculations are meaningful in their own right, that is, from the perspective of the functioning of the system under consideration. In other words, capitalist rationality is certainly not rational when applied upon forms that are not capitalist. Therefore, a theory of a system’s functioning must, first and foremost, develop an understanding of the forms of economic calculation of that system, the logic behind these calculations and the historical setting of that system, and not judge it by present day calculation methods and dismissing pre-bourgeois calculations on the ground that ‘economics’ does not play a role in such societies.

5.2 Contextualizing Spatial Variations:

We may proceed from the above to attempt an account for the historical differences between West European political units and those that prevailed among other places in the Mashreq. The much larger average size of the latter’s political units and the apparent strong authority that the emperors wielded have given rise to many unfounded myths, such as that on “oriental despotism”, or the ‘Asiatic mode of production’. So, if we were to reject the essentialist or culturalist accounts, how can we use the above analysis to explain the authentic differences mentioned above?

Our point of departure must be an emphasized reminder of the similarity in the basic characteristics that all precapitalist formations share, of which we singled out the fact that politics and economics are inseparable as instances. Therefore to say, for example, that the wealthy in the Middle East had no way of preserving their fortunes if they lost favor with the Sultan is a doubly mistaken statement. First, because by confining this statement to this region, one gets the impression that this was not the case in Western Europe. However, if we keep in mind the nobility were first and foremost political leaders, i.e. de facto rulers of their own regions, who presented themselves to the sovereign as the men capable of controlling the peasantry, and to the peasantry as those capable of protecting them from banditry or other masters, and as such made their fortunes, then the distinction will lose its meaning. In this respect, Marx notes in his Critique of Hegel’s Philosophy of Law:

“In the Middle Ages there were serfs, feudal estates, merchant and trade guilds, corporations of scholars, etc: that is to say, in the Middle Ages property, trade, society, man are political; the material content of the state is given by its form; every private sphere has a political character, or is a political sphere. ...In the Middle Ages the life of the nation and the life of the state are identical.”

(Marx 1843, cited by Wolfgang Müller and Christel Nesüss 1978: 37)
Second, we have seen in the preceding chapters that the central or local rulers in the "East" were not as freehanded or detached from the wealthy as the oriental despotism thesis would want us to believe. Fattah's conclusion regarding nineteenth-century Iraq is very pertinent here:

"The local machinery of government was, in many ways, oiled by provincial notables and merchants, to whom Mamluk and later Ottoman officials turned for the indispensable assistance and succour. If the vali were to recompense himself for having paid a large badal to Istanbul for the post of governor of Baghdad or Basra (an important priority for all officeholders in nineteenth-century Iraq), he had to enter into local alliances; for without local support, no government official could hope to extract the bare minimum of revenues from the provinces of Iraq."

... In terms of economic influence, the vali was far less influential than local merchants in any number of economic activities. For instance, the control of grain-producing districts adjoining Baghdad was in the hand of grain merchants and rural shaikhs; if the vali were to make any sort of profit from the grain trade, he had to choose his local allies well. Even then, he was invariably at a disadvantage. The evidence relating to Najib Pasha's tenure in government shows that the vali was only one of many taxfarmers/monopolists of the province, and not necessarily the richest one."

Fattah 1997: 209

Then why did Western Europe end up with political units that were much smaller and less centralized than the Mashreq?

To begin with, rulers' ambitions and urge to form as vast an empire as possible was not less than elsewhere. Charlemagne and Napoleon - let alone Julius Caesar and Alexander the Great - are just a few examples. In the short intervals when this endeavor seemed possible the internal organization of European empires was similar to the ones that prevailed in the Mashreq. Under the Carolingian unification of the west around 800 A.D:

"an elaborate and centralized administrative grid was laid down over the whole land mass from Catalonia to Schleswig and Normandy to Styria. Its basic unit was the county, derived from the old Roman civitatis. Trusted nobles were appointed as counts with military and juridical powers to govern these regions in a clear and firm delegation of public authority, revocable by the Emperor. There were perhaps 250-350 of these officials throughout the Empire; They were paid no salaries but received a proportion of the local royal revenues and landed endowments in the county ... a competent noble could successively be transferred to different regions, although in practice revocations or shifts of countship were infrequent."

P. Anderson 1974 a: 138

If the interests in forming big empires were present in both parts of the world, then the swift dissolution of West European empires and the persistence of these in Asia and the Mashreq must be explained by their divergent protection functions. However, proving the functionality of erecting such political systems only tells part of the story; for in addition we have to show that erecting such structures was technically and socially feasible at the time. One can assume that the larger a precapitalist political entity is, the more costly are the protection costs levied on the various sections of the population, especially the working classes. This is because such an entity requires a standing army and bureaucracy, and the existence of multiple layers...
of intermediaries—each extracting its share of the surplus—in order to enforce the rules of the center on the local population over a relatively vast territory. It goes without saying that under such systems the only way to extract more protection costs is carried by squeezing additional sums from the direct producers since a continual rise in the productivity of workers is only possible under capitalism.

The question then is how could the Mashreq (and Asian) societies acquiesce to paying such high tolls, while the west Europeans did not?

Two basic hypotheses can account for the Mashreq’s need for a ‘megapolicy’. The first is that much of its territory depends on large rivers—the Nile, Tigris and Euphrates, in addition to smaller ones—that extend over long territories, which makes it imperative to centrally plan the supervision of irrigation schemes and carrying large-scale maintenance projects for the large hydraulic basins (Wittfogel 1962). The paucity of rain in the Mashreq, moreover, made the livelihood of the population critically dependent on these rivers. Under these circumstances, the micro-efficiency criteria, i.e. the ability to run and cultivate separate demesnes, could not be a substitute to the overall management of water resources as leaving small parts unattended could result in major damage to the entire civilization.

The second reason behind the need to preserve large political units lied in the topographic vulnerability of the Mashreq to recurrent massive nomadic attacks, mainly from the Mongolian steppes and also from the Arabia Peninsula (and the Libyan and Sahara in the cases of Egypt and North Africa). In a sense, the need to defend the area against these invasions could be viewed as derived from the need to preserve the relatively sophisticated irrigation schemes that were in place. The threat was not from invasion itself, for invasion was tolerated as long as an invader could take proper care of the irrigation systems on which human lives literally depended. After all, those who came to rule the region since time immemorial had been all invaders. The difference laid in the fact that the Moguls, for example, were nomads who did not have the slightest idea of what the maintenance of agriculture required, and thus caused the long-term devastation of the whole region when they conquered it in 1258 A.D.

Driven out of their native land by drought and other ecological calamities, the Moguls went in huge waves to conquer and devastate large areas to the west, reaching into the Balkans and Eastern Europe. It was thanks to the latter region, in fact, that West Europe was shielded from these invasions. Perry Anderson remarked that:

“[T]he slow growth of the agrarian Slav communities in the east towards stable State systems was repeatedly interrupted and shattered by successive waves of nomadic invasions from Central Asia... For not only was it territorially adjacent to the Asian frontiers of pastoral nomadism, and therefore repeatedly bore the brunt of nomadic military assaults on Europe, from which the West was by its interposition buffered, but much of it also shared a topographical similarity with the Asian steppe-lands from which nomadic peoples periodically poured outwards.”

P. Anderson 1974a: 217

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4 It may seem ironic that we are using the argument presented by the proponents of the ‘oriental despotism’ and ‘Asiatic mode of production’ theses. However, it is not the basic argument that makes these theses ideologically biased and factually mistaken, but the speculative conclusions drawn from them, such as claiming that unlike the West, all land in the ‘orient’ was in the hands of the supreme ruler and/or that this state of affairs froze the social dynamics of societies and gave the allegedly omnipotent rulers a free hand in shaping their societies the way they desired. See below.
By circa the fifteenth century, Eastern Europe was finally shielded from the threats of nomadic invaders from Asia. Ironically, the shield was provided by the Ottomans, who themselves had been nomadic invaders that occupied the vast region extending from Central Asia in the east to North Africa in the west, and from Eastern Europe in the North to the Arabian Peninsula in the south. The Mashreq required the strong Persian and Ottoman states to prevent the Moguls from coming again. However, these states were not very effective in combating the threats of “internal” nomadism, i.e. herds from desert regions from within the existing polities who periodically attacked and sacked the settled population in countryside and towns. The threats of internal nomadism persisted until the twentieth century in most of the Mashreq. And the need for a strong state with a strong army was strongly felt by both the rural and urban subjects of the Persian and Ottoman states.

Thus we can conclude that ecology and geography made the minimum size of a viable political unit in the Mashreq (and Asia in general) much larger than that of Western Europe. This implied that the costs of protection, or the powers invested in the central authority, were higher in the Mashreq than in Western Europe, as the minimum defendable territory in the latter was smaller.

Mega-polities, however, while essential for the life of such civilizations, were hardly functional when it came to the efficient organization of local concentrations of subjects, hence our emphasis on the viable political unit, and not the socio-economic unit. And it is here that the myth of the omnipotent Oriental State becomes a mere ideological edifice.

I have tried to demonstrate in the preceding chapters that from a social and economic point of view, the Mashreq urban and rural structures were not much different from their counterparts in precapitalist Western Europe. In many cases the main traits of these structures were even identical. The existence and maintenance of a bureaucracy and standing army entailed payments of additional tributes by rural and urban subjects. But apart from that, there was not much that the “Oriental” state could do to enforce despotic impositions and regulations that the Western European polities could not enforce.

First, the desire on the part of state rulers to extend their authority to the remotest parts of the empire –or even to occupy more land- had to be compromised with the existing communication techniques. Each community, even those that felt the need to integrate with other faraway ones within or without the empire, enjoyed various degrees of autonomy in running its own affairs. But how much autonomy would each community enjoy depended neither on the good/bad will of the central authority, nor on the desires of the subjects themselves. It was constructed and reconstructed through incessant (and often bloody) struggles with every perceived change in the power relations between subjects and rulers.

Second, a general statement regarding the dependence of a region on central irrigation does not necessarily lead to the conclusion that a) all parts of the empire felt that necessity in the same degree (the Syrian coast or the Arabian Peninsula for example have no big rivers); or b) that some regions which depended on central irrigation could not form an independent a viable political unit of their own (Egypt and the Nile valley). Hence the six-century life cycle of the Ottomans was a continual struggle to suppress secessionist movements and attempts at autonomy by various regions of the empire.

The eighteenth and nineteenth century developments in military and communication technology and the opening up of the Mashreq to international trade intensified the trends towards autonomy and secession from the empire. Whereas
these developments laid the basis for the unification of national markets and the rise of nationalism, direct rule and centralized state machinery in the social formations that were ripe for capitalism, in the Ottoman case they invigorated the secessionist tendencies. Although nationalism was not explicitly invoked as an ideology to legitimize autonomy or secession from the empire, the trend towards forming more homogenous polities were at work. First, improvements in military technology signaled the beginning of end for internal nomadic threats especially to the major administrative and urban centers. More stable patterns of trade and land ownership could thus emerge as landowners and merchants enjoyed more security. Second, the vigorous rise in trading opportunities strongly contributed to the consolidation of dominant classes in the various wilayas and sub-wilayas of the empire. The newly emerging dominant classes, even the walis, who were the appointed representatives of the Constantinople in their respective wilayas, began resisting demands from the central authorities to contribute large sums of tributes to the central authority. The following are cases in point:

Between 1735 and his murder in 1775, Dhahir al Umar al Zaidani, a descendent from a bedouin family that worked as tax farmers for the Sultan, dominated most of Palestine and had more influence than the Lords of Mount Lebanon and the Wals.

The Mamluks of Baghdad established an autonomous rule over Iraq between 1747 and 1831;

The Jalilee family of Mosul, though dependent on the wali of Baghdad, ruled the city between 1726 – 1834;

The Mamluks of Egypt reached the zenith of their power in the eighteenth and nineteenth centuries until the suppression of Muhammed Ali’s rebellion against the Sultan.

The Druze Hamdan family succeeded in controlling much of Syria’s south during the seventeenth and eighteenth centuries;

The Christian Shihabi lords controlled Mount Lebanon and much of the coast during the same period;

The Kurdish Baban family were the de facto rulers of the Sulaymaniyya region of Iraqi Kurdistan;

In Western Tripoli, the Qaramanli family ruled between 1711 – 1836;

Many Bedouin tribes actually controlled their areas:

- ‘Iniza ruled the Syrian Desert since its arrival there at the end of the seventeenth century and ousting the Mawali tribal federation;
- The Muntafik Federation controlled Basra;
- The Hawara tribes in the south of Egypt;
- The eastern coast of the Arabian Peninsula witnessed the rise of ruling bedouin families which formed the embryo’s of today’s Emirates;
- In the heart of the Peninsula emerged the Wahabite movement, which criticized the Sultan’s weakness and his incapability of protecting Muslim territory.

In Damascus the Azm family ruled for 60 years

To these we have to add the successful attempts to secession, especially in the European part of the empire: Hungary 1699, Crimea 1784, Serbia 1878, Romania 1878, Greece 1882, Bulgaria 1908, Bosnia 1908, Tripoli (Libya) 1912, Albania (Rafiq 1985: introduction, Nadhmi 1984: 1913 91fn., Nasr and Dubar 1976: 25).
We can discern two major determinants of the degree of independence a territory could gain: the first is the distance from the seat of power. Yemen’s early secession from the empire and the successful attempts by the Wahabites to wrestle much of the Arabian Peninsula from Istanbul’s control are two cases in point. But distance alone does not explain the motives for seeking autonomy. It only explains why a region’s autonomy or independence could not be suppressed by the central state. The second determinant in binding a sub-region and driving it away from the empire seems to be in the main transportation means available to it. For one thing, regions depending on land routes differed greatly from those depending on water. But more important is the fact that the paths of those sub-regions that relied on sea transport were very different from those that relied on riverine maritime. Syria’s non-dependence on a main river may have contributed to the rise of two main rival centers: Aleppo and Damascus, each with its own trade routes and partners and therefore each having different political agendas and aspirations. By contrast, Egypt had long had its unique identity thanks to the Nile in the first place.

5.3 Precapitalist Authority and Protection Costs:

Despite the higher protection costs, larger political units and the consequently having to sustain standing bureaucracies and armies, the operation of the socio-economic units in Asia (including the Mashreq) did not radically diverge from that of Western European units. A pertinent question to be addressed now relates to the formation of precapitalist ruling classes in both areas. Did the different political structures of the Ottoman empire lead to a peculiar formation of the landed aristocracy in the Mashreq?

When discussing the general process of class differentiation above, we noted that the division of a community into a triad: politico-military leaders, spiritual-ideological leaders (whether they are men of religion, magicians or mandarin bureaucrats) and producers should be seen in the context of rising productivity and at least for the warriors, increasing means of communication and knowledge about potential rivals or the possibility of controlling a larger territory and thereby subjugating more men and women. Given the very limited (but not non-existent) rise in agricultural productivity under precapitalism, the only available means for continually raising the number of men under arms, as well as the standards of living of the non-workers, was through subjugating more men and controlling more territory and/or increasing the exploitation of the already subjugated peasants. In this regard, Therborn notes:

“Under feudalism land ownership (which includes a number of unfree peasants) was the main means of production, and consumption was directed towards fulfilling the nobility’s needs. The distinguishing social dynamic was the acquirement and occupation of more land and the extraction of increasing surplus from the already possessed land. Since free buying and selling of land in the market was not possible, military supremacy was the only skill distinguishing the ruling class. The main occupation of the state (whether absolute or not) was preparing for war.”

Therborn 1978: 71

A relatively prosperous community would not accord consent to its rulers unconditionally, because we have seen above that consent is contingent upon the perception of the ruled that their rulers are rendering them services, in exchange for which they would offer presents, tributes, rents or taxes. Thus war and war
preparation were essential for rulers in projecting their image as invincible and therefore for forcing others to demand their protection. But protection from whom?

It is well known that before the advent of feudalism in Europe, and the rise of sharecropping in the Mashreq, land was a communal property, and peasants were its free possessors. The war barons in the West could only force the peasant communities to relinquish their rights on land if the latter felt that they were under constant threat of plunder and pillage. The war barons, who were the major threat to the peasant communities, now came to provide their protection in exchange for rent. In this respect, Robert Brenner notes that the structure of West European feudalism, which dispersed force among the individual lordship, also tended to make it difficult for the peasants to secure full property as it obliged them to put themselves under the “protection” of some lord precisely in order to maintain their land against other lords. From a purely economic point of view, which we should bear in mind is only tenable under capitalism, peasants would not need to work on the lord’s demesne since most of them did possess plots of land and tools to work for themselves (Brenner 1985a: 229).

Thus we see that the ‘economic’ rights of the evolving feudal class were derived from their political role, or ‘services’ rendered to the peasants. A serf in the heyday of feudalism may have heard stories from his ancestors about the old times when they did not have to be constrained by a lord, but that does not ‘deligitimize’ the functions of the landlord in his eyes. For him, dispensing with the ‘services’ of the landlord is unthinkable. Consent, thus was engendered by everyday experience and not through a meticulous analysis of the history of the existing ruling class.

To perpetuate the ‘legitimacy’ of feudalism as a political protector, especially when it was decaying in the fifteenth-century, the rulers were directly implicated in creating gangsterdom. This was not an incidental coincidence, as the following lengthy quote from Dobb shows:

“This gangsterdom, though it probably increased in the fifteenth century, seems also to have characterized Feudalism in earlier centuries (as it did even more notoriously on the Continent, e.g. the “robber barons” of the Rhineland and elsewhere). Jusserand gives examples of highway robbery and racketeering by armed gangs in the fourteenth century: gangs which, under the system known as “maintenance”, received support from the highest of the land, including persons at the Court and members of the Royal Family, not excluding the Prince of Wales and the prelates of the Church and Edward III’s “dearest consort, the queen”.

“The great of the land and some lesser people too had their own men, sworn to their service and ready to do anything they were commanded, which consisted in the most monstrous deeds, such as securing property or other goods to which neither their masters nor any claimants, paying their master in order to be ‘protected’, had any title. They terrorized the rightful owners, the judges and the juries, ransoming, beating and maiming any opponent.”

Dobb 1946: 49 fn

Thus it could be easily seen that an ideological representation of politics was the motivating force behind feudalism in Medieval Europe, just as an ideological representation of religion was the legitimating force of the pre-existing civilizations (in Europe as elsewhere), and an ideological representation of economics under
capitalism. The ideological representation in the feudal case lies in the fact that it is force that protects others and that legitimacy, from the point of view of an agricultural community, resides with the most powerful protector, that is, the best warriors.

The costs of protection therefore necessarily vary depending on the magnitude of perceived threats on the one hand, and the availability of alternative ‘protectors’ on the other. Yet one thing must be borne in mind regarding these costs; namely that they had to be legitimized. In other words, the view that feudalism was based on pure coercion in the sense that peasants were aware of its injustices from the outset must be seen as a pure fantasy invented by the minds of those who derive their notions from the rules of bourgeois society and cannot therefore imagine producers parting willingly with portions of their work for the benefit of others. But in a social setting where war is the ‘normal’ way of life, an agricultural community would see its search for a ‘protecting’ group and the payment of protection costs as natural. In the presence of many competing warlords, the margin of freedom available for such communities would be confined to choosing the least costly and more efficient protector among those predators.

The above mechanism, which defines pre-modern social formations, explains much of the eighteenth-nineteenth century dynamics of class formation in the Mashreq as well as many other parts of the world at various points in time. Theoretically the Ottoman and Persian states were responsible for protecting the cultivating communities and fighting outlaws. In reality, however, state authority hardly extended beyond the major cities. And even here, the central authorities had to rely on local notables in order to keep order, as we have seen. Moreover, several Mashreq cities came under the siege of different warring tribes in many occasions.

Naturally, warring tribes differed in size and therefore the extent of their threats and their ultimate objectives varied. The majority were elbowing each other in order to lay their hands on grazing land and form their own dira: a domain over which the tribe exercised sovereign rights and from which the sheikh extracted the khnwwa or “brotherhood” tax on all those unaffiliated with his confederation and who traversed the tribal dira (Fattah 1997: 30-1). When the tribe grew strong enough, the sheikh also sent representatives to collect the khnwwa from “protected” tribes and villages within the dira itself. Payment of the khnwwa implied recognition of tribal frontiers by all those parties that crossed the tribal dira, be they merchants, pilgrims, or pastoralists in search of water and forage.

Occasionally, however, stronger federations like al Muntafiq in the south of Iraq, the Babans in Sulaymaniyya, and more seriously the Saudis in Najd managed to form semi-independent statelets. In the first two cases, the supreme authority of the Ottomans was not challenged. However, in the Saudi case a powerful amalgam of warring tribes converted into a newly formed puritanical Islamic sect: Wahabism and

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5 I am emphasizing the term “ideological representation of economics, religion, or politics” to distinguish my understanding of the working of social formations from those scholars who maintain that economics, politics, or religion, and not the ideological representation of economics, politics, or religion are the dominant instances under various social formations. In the preceding pages, I have tried to show that it is ideology and ideology alone that casts on a given instance its dominant position within a specific historical context.

6 A future analyst may wonder how present-day citizens were ‘coerced’ to pay for such ‘irrational’ expenses as to sustain monarchical dynasties and political leaders. And indeed the whole tax system of today may be viewed tomorrow the way we view tribute extracted by old empires. But unless the overall working of the existing social system is taken into consideration, the ‘necessary’ functions of the present political structures in preserving the cohesion of a social formation cannot be thoroughly understood.
challenged the authenticity of the Ottomans' Islam, eventually managing to wrestle much of the Arabian Peninsula from the effective rule of Istanbul.

Divisions between or within tribes between warriors and peasants has been acknowledged even in early times. Not only did the Hindus and West Europeans hold peasants in low esteem, but Arabs too. In his famous *Muqaddama*, Ibn Khaldun (1332-1406) affirmed that “People who live by agriculture are distinguished by the abjectness or lowness of their condition”. Ibn Khaldoun traces the roots of this condition to the impost or other compulsory contributions levied on the peasants, the detriment sustained by them in their possessions, and their fall under the yoke of overbearing power. From his standpoint, their payment of taxes or impost which, unless threatened by destruction, “proud hearts” would not bear, is itself a sign of weakness and ultimately explicable by the erosion or loss of their “asabiyah or group feeling and, therefore, of their ability to defend themselves or advance their interests” (cited in Batatu 1999:95).

The aversion of warrior tribes from practicing agriculture continued well into the nineteenth and twentieth centuries in many parts of the Mashreq. Kurdish aghas insisted that their peasants belonged to a different race than theirs, as we have seen. The powerful Bani Lam tribe in southern Iraq did not practice agriculture and considered it degrading. Despite the many canals that were built in their lands, they relied on protection fees extracted from other peasant tribes. Their large dira was cultivated by the Kurdish Lure tribes. This was also the case of Shammar Jarba, whom the wali Madhat Pasha tried to settle on land in the 1860s. The response of their chief ‘Abdul Karim was that Shammar had a lot of cattle, horses and camels, and “we will not become shopkeepers” (Nawwar 1968:156).

Tribes of notable bedouins kept terrorizing Egypt’s countryside at several periods until the first half of the nineteenth century. Many of these tribes were from the beduins of Barqa (Libya) who came to Egypt during the eighteenth century and resided in the governorates of Al Fayoum, Bani Swaif and al Minya. Others migrated from Hijaz due to the harsh economic conditions there and directed their attacks to the fertile Nile delta before laying control over the peasants in much of al Sharqiyya governorate. A noted Egyptian historian described nomadic threats in the following lines:

“For a considerable period of time, these tribes continued to shake the Egyptian social and political structure. They were a constant plague to the agricultural areas on the edge of the [Nile] Delta, particularly in the Sharqiya and Beheira provinces and along the fringes of the Nile valley in Upper Egypt, notably in Beni Suef, Minya and Fayoum. ... In the 18th century, for example, the sheikh of Huwara...took advantage of the disintegrating authority in Cairo...to establish a virtually autonomous entity in Upper Egypt.”

These bedouin tribes only settled in land in the nineteenth century when Muhammed Ali turned them into multazims (tax farmers) and granted them large areas of land. The settlement of others occurred several more decades later in the era

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7 A secessionist movement required not only a far away location from the seat of empire, which provided the technical potential for success, but also an ideological legitimacy. And in an empire whose legitimacy resided in representing Islam, the best recipe was the spread of a different version claiming to be the authentic Islam. The Arabian Peninsula was not the only case of such an attempt. Sinusism developed in Libya and Mahdism in Sudan around the same time. Early on, however, Persia’s conversion to Shi’ism in the sixteenth century was the major legitimating principle of its rivalry with the Ottomans.

of Khedive Sa'id. Many of today’s prominent Egyptian families are direct descendents of these tribes: Lamloum al Sa’di al Masri in Maghagha in the governorate of al Minya and al Basil in Al Fayoum Oasis and Abaza family in Al Sharqiyya (Davis 1983: 51, 100).  

The tendency towards the domination of peasant communities by the more powerful warring lords was more pronounced in the Asian part of the Arab world. The warring Druze communities subjugated Christian Maronites in Mount Lebanon and later moved to conquer the Suwaida’ region of Syria. In the course of the seventeenth and eighteenth centuries Druze from Lebanon made the Hawran Mountain (now called Jabal al-‘Arab) their own, giving it their name. It was also by conquest that they acquired the plains to the south. Some of the towns and villages that they seized had long been deserted or seasonally occupied by bedouins but many others belonged by tradition to the peasants or townsmen of Hawran (Batatu 1999: 13). Eastern Syria became the stronghold of the Roula clan—a branch of the powerful ‘Iniza that migrated from the Arabian Desert in the seventeenth-eighteenth centuries, while the northeast was under the Syrian branch of Shammar (Blunt 1880: 46-90).  

In Iraq  

“It is the fighting nomadic order that tended to provide the ruling stratum of Kurdish princes and aghas, and of Arab shaikhs al-mashayikh— the chiefs— that is, the heads of the confederations, and the shaikhs of the powerful constituent tribes, and it is partly to the distinction between the fighter-nomad and the often nonrelated cultivator that we may ascribe the beginning of the social cleavage within the tribal domain as we find it in the period of the monarchy.”  

Batatu 1978: 71  

Arab tribes in the south of Iraq were divided into People of the Camel, People of the Sheep, and buffalo-breeding Marshdwellers. The fighter-nomads belonged to the people of the Camel who regarded all the other groups with the same undiscriminating contempt, and refused to give their daughters in marriage even to their leading families. The cultivators in the tribal society who lived in miserable huts and paid “tribute” to the camel-owning desert-lords— were members of weaker or subdued tribes (Ibid.: 68-9).  

It is very interesting to note that long before the Ottomans’ move to grant lands in private names, those powerful confederations like Bani Lam, al Khazai’il, Shammar, and Albu Muhammed, who differentiated their chiefdoms clearly from the peasants by bringing other ‘lower’ tribes to cultivate land for them, were already evolving into European-type feudal lords. Political authority and monopoly of

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“Dr. Rizq (ibid.) gives several examples of how these sheikhs were pacified through intimidation, land grants, bestowing honorary titles on them and appointing others to official posts. Thus Suleiman Pasha Abaza of the Abaida tribes in Sharqia province occupied the post of “the chief of provincial directorate, a post that had been formerly reserved for members of the Turkish aristocracy that were close to the throne.” Lamloum Bey El-Saadi, the bedouin sheikh received the rank of a bey and a pension of 15 pounds a month.

Subjugating tribes to the Egyptian central authorities reached its zenith, as Rizq quotes Al-Ahram daily of 2 December 1895 which related that the government “convened commissions in all the provinces in which a mayor or more was elected for each tribe. Each mayor would be served by other sheikhs in the capacity of division chiefs.” The system was in fact implemented without a hitch in all the provinces with the exception of Beheira, where “the sheikhs of the Nazla tribe objected to being division chiefs after they had been tribal leaders.”
violence was established by the chiefs as the following quote on Albu Muhammed reveals:

“The peasants (from other tribes) were kept in check by the armed retainers of the ruling sheikh. The chiefs of Albu Muhammad, the powerful camel-people on the southern Tigris, developed in the first half of the nineteenth century a standing armed force and, with the help of two smiths from Baghdad, fitted it with twenty-one canons, and forbade the peasants and other tribesmen under their control to carry arms”.

Batatu 1978: 69-70

In different parts of Africa similar patterns were at play in the nineteenth-twentieth century. The case of the Zulu fighters in South Africa is perhaps the most familiar episode. Yet in the second half of the nineteenth century Ethiopia underwent a phase quite similar to Europe’s passage to feudalism. At the time of Manlike, the King of Shoa (1865-1869), the Kingdom expanded to the east and south by annexing regions not inhabited by Abyssinians. The Abyssinians had established the naftagna-gabbar vertical relationship in the conquered regions. Naftagna means literally ‘rifle holders’. The conquered peoples and their land belonged to the victorious soldiers or settlers: the Abyssinian royal families, nobility, the Orthodox Church and the state, while the peasants (gabbars) were forced to give free service to the settlers and pay tribute in kind both to the settlers and the state. In some cases, the inhabitants of the conquered territories were sold as slaves (Vander Linden 1977: 70 ff., Vail 1997: 52-68, Etienne 1997: 518-35).

The Mossi, who descended from horsemen in Ghana, conquered the Volta basin about the middle of the fifteenth century. They subjugated the native agricultural people, who are known today as the ‘people of the land’ or the ‘sons of the land’ (Izard 1975: 234-7). A group of nomad Touareg dominated the African farmers of the Niger in the nineteenth century. These societies were organized in a hierarchy of groups with, at the summit, a tribal aristocracy which wielded political power and dominated nomad tribes which supplied it with cattle, labor and armed forces. Lastly, subordinate to the stock-breeders, were African farmers who paid tribute. (Bonte 1975: 51-3).

The above shows beyond doubt how warriors, nomads or not, have historically used their fighting skills to turn into ruling classes almost everywhere. Their ideological legitimacy rested upon a system of terror that they themselves had created then proceeded to offer protection to the weak peasant/shepherd communities. Their transformation into ruling classes was associated with a process in which common interests took precedence over kinship. E.A. Thompson traced in details the formation of a retinue system which, according to him, was a decisive preliminary step in the gradual transformation from tribal towards a feudal order everywhere (Thompson 1965: 48-60). Kinship relations did not lose their importance to be sure. However, they ceased to be the dominant structure of feudalism.

In the Mashreq and Africa, warriors went almost exactly into that same path, as we have noted. Quraish, the merchant-warrior tribe of the Muslim Prophet Muhammed subjugated whole nations during the early Islamic conquests, as is well

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10 Maurice Godelier describes the early formation of feudalism in Germany in similar terms where the “free peasants slowly lost their personal independence and became increasingly subject to the authority of new nobility which had developed from Germanic chiefs and their armed retainers and Romanised Gauls who had joined the administration” (Godelier 1978d: 187 bold and italics added).
known. A viable state that existed for several hundred years ensued from these tribal invasions. The same applies to the Mogul tribes who, though unable to survive in a centrally irrigated Iraq, established one of the most prosperous civilizations in pre-British India.

Eighteenth and nineteenth-century developments in the Mashreq, however, are most instructive in their evidence. Thus it is all the more surprising that many authors simply indulged in some kind of speculative thinking regarding tribes and state formation. Perhaps the most significant attempt at understanding the general traits of nomadism is Perry Anderson's coinage of the term 'nomadic mode of production' which, according to him:

"dominated the Asian borderlines beyond Europe in the Dark and Middle Ages ... This nomadism did not simply constitute a primordial form of economy, earlier and cruder than that of sedentary peasant agriculture. Typologically, it was probably a later evolution. In fact, the particular paradox of nomadic pastoralism was that it represented in certain respects a more highly specialized and skilled exploitation of the natural world than pre-feudal agriculture, yet one whose inherent limits were also narrower. It was a path of development that branched off from primitive agrarian cultivation, achieved impressive initial gains, but eventually proved a cul-de-sac, while peasant agriculture slowly revealed a far greater potential for cumulative social and technical advance."

P. Anderson 1974a: 219

Anderson's generalizations, however, are empirically unfounded and theoretically untenable. Once he views nomadism as a 'stage' in the history of human evolution and a distinct mode of production, then he has to place it somewhere in the sequence of stages. Yet, we have seen that depending on ecological conditions, nomadism gained importance and lapsed away in recurrent phases of the history of Asia and Africa. When the sedentary civilizations around nomads were prosperous and expanding, nomadism receded to insignificant pockets that had to find a modus vivendi with the local rulers. When empires were decaying, nomads presented the embryos of potential political leaders and dominant classes over agricultural populations. Hence, in all circumstances, nomadism could never evolve into a distinct mode of production capable of reproducing itself without significant interaction with other forms of material production.

Anderson's notion of a nomadic tribe is actually the conventional nineteenth-century concept which has been shown to be empirically incorrect. According to this concept, a tribe is a 'completely organized society', i.e. a self-perpetuating system having within its boundaries all the resources necessary for the continued maintenance of a particular mode of collective existence (Betjeman 1980: 826). Nomads, as we have seen, could never reproduce their life cycle without significant exchange with peasant communities. Exchange in this sense involves plunder and coercion, exaction of protection tolls, as well as exchange of products via barter or using money.

Despite Anderson's efforts to show nomadism as a distinct mode of production, he was unable to show the existence of an antagonistic formation based on clear differentiation of classes. The difference between owners of means of

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11 The Egyptian historian Sayyid Mahmoud al Qimni provides ample evidence on how Mohammed's call was actually driven by the imminent threats to the established social position of his tribe. He also shows how before the Prophet's birth, two lineages within that tribe almost went to war and finally reached a division of labor whereby Mohammed's lineage would specialize in spiritual jobs while the other contending lineage was given control over the war machinery (al Qimni 1989, 1993).
production and the propertyless was nonexistent, and therefore the internal dynamics that could make this supposed mode evolve were nonexistent. He admits however, that the phases of expansion of a nomadic social formation: "typically begin with raids on adjacent trade-routes or centres. The next phase was characteristically the fusion of rival clans and tribes on the steppes into confederation for external aggression. This phase also produced in the case of the Moguls a genuinely close parallel to the retinue phenomenon of pre-feudal social formations" (P. Anderson 1974a: 223)

But what does this actually mean? It means that clear-cut class divisions within nomadic tribes only begin when they inevitably, and not accidentally, merge with their non-nomadic surrounding. This is because the internal dynamics of nomadism only allow a limited degree of differentiation within the lineages, differentiations that are similar to the senior-junior ones which we noted above. The warrior clans would turn into leading or dominant classes within the formation with which they merge. In this respect, Anderson remarks that:

"Collection of taxes, control of trade-routes, rounding up of recruits, deportation of craftsmen: the administrative operation of nomadic states were essentially limited to these. They were thus purely parasitic constructs, with no roots in the system of production on which they battered."

P. Anderson 1974a: 224

However, it is only from the vantage point of a contemporary observer that such ‘ethical’ statements can be advanced. One needs only to question the nature and functions of feudal rent to discover that collection of taxes and recruiting warriors was the essence of virtually all precapitalist political units. Whether these were parasitic constructs or not is a matter that can only be judged historically, i.e. whether imposing taxes on trade encouraged producers to make more efficient use of their resources or not, or whether squeezing peasants led to increased productivity, albeit an intermittent one, or not. Otherwise, one can argue that protecting trade routes, even if the threat to them comes from those same protectors, is an indispensable function for each state and cannot be dismissed by simply labeling it ‘parasitic’.

Applying similar speculative (and unfounded) generalizations about tribes, nomadism and state formation in the Middle East, Simon Bromley tried to use these as explanatory factors for the non-rise of capitalism. According to him, in the regions beyond the reach of the Ottoman rulers, that is beyond today’s Turkey:

"[T]ribal pastoralism permitted neither any significant development of the forces of production nor any lasting social stratification or political authority within the community. The tribal nobility was not reproduced by regulated intermarriage and it had no power to tax, control or command. And even if tribal warfare precipitated the temporary emergence of a confederation, the paucity of the available surplus meant that state formation was unthinkable. Where this tribal cohesion survived it proved to be destructive as such, for in so far as nomads accumulated surpluses at all this was by means of parasitic plunder of sedentary agriculture or from siphoning of tribute from trade routes."

Bromley 1993: 383 - 384

Such general statements assume a temporally and spatially unchanging relationship between tribes and states. The evidence, however, show that at various points, and depending on the power relations tribal leaders acted as autonomous political entities rebelling against the existing states, clients to the states performing functions and policies that the center assigned to them in exchange for rewards, or even members of the ruling classes who joined cabinets. Conversely, state leaders
deal with tribes differently: from dealing with them as outlaws to incorporating them within the existing institutions.

The changing power relations, not only between the various social actors makes any statement about the ability of tribes (or other social actors) to form states of little value. One might ask: how then did the Ottoman warrior-nomads (and the Mogul nomads in seventeenth-century northern India) establish formidable states, tax sedentary cultivators and merchants and become their political leaders, oppressors and protectors? Why, in other words, one should assume that once we are talking about nomads no embryonic state structure could emerge from a coupling of producers and warrior protectors-oppressors, which was the case in Saudi Arabia, southern Iraq and many parts of Iran and the Arab Mashreq.

“Historically, whether a given tribe was to be reckoned as a tribal chieftainship or qualified as a tribal state depended very much on the fluctuating fortunes of the larger polity of which it was a part or to which it was related, and not simply on its own evolutionary potential.”
Betille 1980: 827

One does not need to go beyond the same standard references that Bromley had relied upon to discover that there were indeed several attempts to create independent states by tribal leaders throughout the eighteenth - nineteenth centuries, as we have seen above. Plundering? But what else was the so-called primitive accumulation of capital and the Ottoman tax farming from the point of view of their victims. For social theory is not concerned with the ethical implications of the sources of wealth, as much as with the social conditions that permit or forbid the reinvestment of what is plundered in a process of enlarged reproduction.

For his part, Aziz al Almaz recognizes the possibility of state formation by a tribal-nomadic stratum. However, his study of Saudi Arabia implies that this formation had to impart some exceptional traits on the nascent state emanating from an exceptional situation, as the following quote shows:

“This new political right [exclusively exercised by the center] erected over the debris of tribal rights is itself derived from an eminently tribal concept, that of protection, himaya, exercised by the central authority, in exactly the same way as the nomadic tribes had hitherto offered protection and thus politically neutralized settled and trading groups in return for taxation. ... In the religious terms of the Wahabite divine and of the principles of government they imparted to the House of Saud, this reduction of nomads, agriculturalists and townpeople equally into subjects of the Saudi polity, this compact of protection and allegiance, was expressed in terms of the canonical tax, the zakat... With the zakat, the criterion of inclusion within the exclusive group is indicated; the group comprises the parties to a compact of unequal power, sharing a common exterior which exists for the purpose of expansion.”
Aziz al Azmeh 1993: 109-110

Looking at the above description, one can see that the Saudi tribal state actually went into the same practices that gave rise to the early centralized European states. Canonical or not, the principle of taxation, the subjugation of the population to a system of inequality, the system of exclusion and inclusion, were all part and parcel of the fifteenth-sixteenth centuries state consolidation by precapitalist warlords and monarchial dynasties. For although the legitimizing principle used by the Saudi family relied on tribal practices, the outcome, whether intended or not, was the rise of a centralized state structure. What transformed the subjects into citizens in the European case were not the initial plans of the ruling dynasties, but the ensuing social
struggles that paved the way to the transition to modernity. These social structures and struggles are what we should look for to explain why and how did sharecropping in Syria and Iraq lead to the disintegration of tribal ties, while in Saudi Arabia the state and social system could preserve its tribal basis.

To conclude: the process which led to the rise and consolidation of feudalism in Europe was known in different parts of the world, though its outcome was, obviously, not the same. Warriors turn into lords through conquering peasants and becoming a dominant class. But that does not explain what class will they become, or what mode of social production will they prevail in. They may turn into tributary ‘tax’ farmers, or just looters of levies in exchange for protection, or else become feudal lords. Thus while one can establish the universal case that precapitalist dominant classes owe their existence to some kind of legitimated force, the specific form(s) that these classes will take depend on many other factors, not least of which is the potential for surplus production within a given community.

Having addressed the question of spatial variations of state forms, we have to address the twin question of the transformations of state forms over time. This question becomes all the more important when we look at the qualitative differences between contemporary forms of authority and those of premodernity.

5.4 States and Classes in the Passages to Modernity:

With the rise of the modern state, politics becomes a distinct and specialized field of activity for the first time in human history. This can be said to be the main distinguishing feature of the modern state compared to the premodern ones. This separation of politics entailed a series of separations, so to speak: the separation of economics and the rise of the market as a regulating mechanism, the separation of religion and ideological instances from both economics and politics, and so on. Within politics itself, however, a series of specializations produced evermore-distinct bodies, to the extent that the word ‘state’ became too loose to express the full reality of political practices. The separation of the judiciary, legislative and executive branches, the professionalization of the armed and police forces, and the autonomous role of the administrative bureaucracies are the obvious examples.

As the contemporary state – unlike the political structures of the past – came to fill “the entire social space” (Braudel 1979: 39), it is seen more and more as an independent agent and actor, a shaper of that social space (Badi and Birnbaum 1979). More and more, social changes look like the products of state policies and programs.

A valid question is whether our approach to state-society relations is a false one, or whether it applies to precapitalism but not to the modern state. Addressing this question seems all the more important given that over the past quarter of a century an ever increasing number of social and political scientists have been in the habit of rightly rejecting the crude instrumentalist notion of the state as a mere reflection or servant of the interests of a dominant section of the population in favor of more dynamic perceptions that emphasize the relative autonomy of that institution. However, as is often the case in social and political theories, there is now a tendency

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12 Moreover, this process should not be viewed as a ‘stage’ in the linear, evolutionary sense of the word. For the eighteenth-nineteenth-century process that we are analyzing here was the last in a series of similar invasion by nomads that began more than a thousand years before and ended up with the establishment of different socio-economic and political structures.

13 The word ‘state’ as we understand it today was first used by Machiavelli (from the Latin: status, the past participle of stare: to stand).
towards tilting to the other extreme; towards viewing the state as an independent institution that faces another equally independent institution: society. The state needs thus to be restituted in its societal context.

The best known (and perhaps most extreme) examples are the works of Theda Skocpol and Charles Tilly. Skocpol finds it imperative to define her approach by way of contrasting it to the Marxist tradition. She concludes her introduction to the collective work *Bringing the State Back in* by emphatically pointing out to the new “theoretical understanding of states in relation to social structures” that will likely emerge “will almost certainly not resemble the grand systems theories of the structure-functionalists or neo-Marxists” (Skocpol 1985: 28). The reasons for this, according to her, is that states are “social actors” and as “society-shaping structures”, while historical materialism is “society-centered” that ignores the state.

The problem with Skocpol’s work, however, is that it is self-contradictory, because in her analysis of the French revolution she makes extensive use of Marx’ writings and she explicitly admits that classical Marxists ‘do not analytically collapse state and society’, and characterizes the classical Marxist view as being that ‘states are not simply created and manipulated by dominant classes’ (Skocpol 1979: 26 - 28). In a critique of her assertion that the autonomy of the absolutist states refutes the historical materialist conception, Paul Cammack argued that:

“[I]t is not inconsistent with a classical Marxist perspective to identify in such cases independent state projects aimed at modernization which go against existing dominant class interests. It is exactly what Marx described and expects. If the projects which Skocpol describes seem to offer evidence against a Marxist perspective, it is because she fails to discriminate theoretically between precapitalist and capitalist societies, and ignores the structural context from which foreign pressures and threats from abroad emerge. Her version of the state is independent of class forces by definition, as she presents it as concerned purely with external defence and the maintenance of order at home, refusing to address the question of its possible class content.”

Cammack 1990: 154

Charles Tilly presents a more comprehensive alternative statist view, which rejects associating forms of states with the dominant modes of production. His work touches directly upon the topic of our research: power and production during the passage to modernity. Hence I propose to discuss his work with some detail.

Tilly formulates his problematic in the following words:

“What accounts for the great variation over time and space in the kinds of states that have prevailed in Europe since AD 990, and why did European states eventually converge on different variants of the national state?”

Tilly 1990: 5

This question arises from Tilly’s observation that:

“Three different types of state have all proliferated in various parts of Europe during major segments of the period since 990: tribute-making empires, systems of fragmented sovereignty such as city-states and urban federations, and national states. The first built a large military and extractive apparatus, but left most local administration to regional power holders who retained great autonomy. In systems of fragmented sovereignty, temporary coalitions and consultative institutions played significant parts in war and extraction, but little durable state apparatus emerged on a national scale. National states unite substantial military, extractive, administrative, and sometimes even distributive
and productive organizations in a relatively coordinated central structure. The long survival and coexistence of all three types tells against any notion of European state formation as a single, unilinear process, or of the national state-which did, indeed, eventually prevail- as an inherently superior form of government.”

Ibid. 21

The author begins his book by a courageous statement of his method: “Any reader of this book will recognize the signs of my compulsion to order and simplify” (ix). However, an urge to order and simplify complex processes, such as state and nation formation, can hardly produce an adequate, not to speak of a superior theory that adds to the voluminous body of writings on the subject.

I will try to show in the following that Tilly’s oversimplified account of state and nation formation in Europe has sacrificed accuracy and scientific rigor for the sake of producing an interesting and comprehensible text in which history was the main casualty.

In the first pages of the book, Charles Tilly attacks what he calls the ‘mode of production approach’ by selecting Perry Anderson’s explanation of the different paths that Western Europe traversed towards modernity. Quoting the well-known work:

“The typical Western constellation in the early modern epoch was an aristocratic Absolutism raised above the social foundations of a non-servile peasantry and ascendant towns, the typical Eastern constellation was an aristocratic Absolutism erected over the foundations of a servile peasantry and subjugated towns. Swedish Absolutism, by contrast, was built on a base that was unique, because ... it combined free peasants and nugatory towns, in other words, a set of two "contradictory" variables running across the master divisions of the continent.”

Anderson 1974 b: 179-180

Tilly comments:

“[W]hile the mode-of-production literature as a whole contributes many insights into struggles for control of the states, indeed, it offers only the faintest of clues to reasons for variations in form and activity among states having similar modes of production... Most available explanations fail because they ignore the fact that many different kinds of states were viable at different stages of European history, because they locate explanations of state-to-state variation in individual characteristics rather than in relations among them, and because they assume implicitly a deliberate effort to construct the sorts of substantial, centralized states that came to dominate European life during the nineteenth and twentieth century.”

Tilly 1990: 10-11

The lack of an adequate theory of state and politics, as well as a theory of international relations, in historical materialism has long been recognized by followers of that method. However, Tilly’s critique simply falls beside the point and brings us back to more vulgar formulations of inter-state relationships.

“Let us think of capital generously, including any tangible mobile resources, and enforceable claims on such resources. Capitalists, then, are people who specialize in the accumulation, purchase and sale of capital. They occupy the realm of exploitation, where the relations of production and exchange themselves yield surpluses, and capitalists capture them. Capitalists have
often existed in the absence of capitalism, the system in which wage-workers produce goods by means of materials owned by the capitalists.”

Ibid. 17

By equating capital simply with non-landed wealth, Tilly goes to the every day usage of the layman and brings us back to traditions that have been long discarded since the classical economists if capital were simply non-landed wealth, then the usurer in ancient Athens and today’s multinationals belong essentially to the same category. What has changed over time is the “ratio” of capital to coercion. Since economic power is only viewed in terms of capital, according to Tilly’s vulgar conception of it, then all other forms of rent extraction, slave labor, surplus extracted in kind or in monetary forms, etc... are nothing but expressions of coercion - the other leg in his dichotomy.

Thus, the author who justifiably rejects all kinds of teleological explanations of a national state asserting its dominance through time over other forms, ends up with a teleology of a capital (and capitalists) that existed since the outset, building up its position over coercion until some “optimal” mixture of capital and coercion was reached: the ‘capitalized coercion’ path, as he would like to call it.

Accordingly, the difference between capitalism and the socio-economic systems preceding it is only a quantitative one. Obviously, Tilly totally ignores the fact that even if we concede to calling pre-capitalist money lenders and merchants capitalists, their functions and positions as appendages serving pre-capitalist social relations of reproduction are totally and radically different from those in which capitalist social relations of reproduction dominate. What are the implications of such definitions for a theory of the state?

First, it is simply incorrect to state that “states having similar modes of production witnessed variations in form and activity”, unless the author has some other definition of ‘modes of production’ and/or unless he is referring to non-substantial variations. It is probably the first mistake that he falls in because of his deliberate loose definition of capitalism. Yet the second and major objection is that it is not difficult to see that the state-to-state variations are not absent in materialist-historical analyses. The radical difference between the latter and Tilly’s approach, however, is that the forms that states take, according to the historical - materialist approach, are not exclusively the product of the dominant mode of production, or interstate relations.

While these two sets of factors have a decisive influence, one should also look at the particular class configurations and geostrategic location of a particular country in order to understand why under the predominance of the same mode of production, say feudalism, Poland was different from France, or both were different from the Habsburg Empire. The balance of power between peasants and lords, the presence or absence of relatively autonomous towns and trading activities, the ethnic composition of the merchants and their relationships with the domestic classes, and the location of a particular country, especially its relative immunity or vulnerability to “foreign” incursions, all these help in explaining why states dominated by the same mode of production vary in form.

On the other hand, the decisive role of domestic social structures can clearly be seen in the many cases when certain ruling classes were aware of the need to introduce new institutions and arrangements in order to compete with superior rivals, but were either unable to do so, or achieved little or even negative results from the introduction of such institutions that proved to be highly efficient in different circumstances. Stark examples could be seen in the Ottomans’ attempts to introduce
modern land laws, or their attempts to create a professional army, or the Austro-Hungarian Empire's attempt at homogenizing its populations where no less than 15 languages were spoken by its soldiers and officers (Kennedy 1989: 164-5).

While Tilly pays lip service to such factors, admitting that they do play a significant role in shaping states, he nevertheless overlooks them because the story is already complicated, according to him, and he doesn't want to introduce more complicating 'details'. But if such 'details' are precisely what explains the variations in state forms, i.e. they are the variables that provide the clues to the book's problematic, then their omission would demolish the whole theoretical construct of Charles Tilly.

In fact, Tilly contradicts himself on several occasions when trying to decide the factors that account for the formation of state structures. He states first that his 'three paths of state formation': the coercion-intensive, capital-intensive and capitalized coercion paths:

"do not represent alternative "strategies" so much as contrasting conditions of life ....The reshaping of relations between ruler and ruled produced new, contrasting forms of government, each more or less adapted to its social setting"

Tilly 1990: 30

One page later, we are confronted with a bold statement that contradicts the first one:

"Driven by the pressures of international competition , all three paths eventually converged on concentrations of capital and coercion out of all proportion to those that prevailed in AD 990. From the seventeenth century onwards the capitalized coercion proved more effective in war, and therefore provided a compelling model for states that had originated in other combinations of coercion and capital."

Ibid. 31

Here, then, is a case where Tilly reiterates exactly the assumptions that he had set himself to refute: social configurations are of no relevance and state formation and form become strategies whose outcome is preconceived by the rulers. Reading the above paragraph, one is tempted to ask: for whom did the capitalized coercion path prove to be more effective? And if it were a compelling model, then somebody, the rulers that is, tried to implement it consciously and therefore the whole story of the different paths being independent of the rulers' choices falls apart.

For Charles Tilly, and many other writers in the 'statist' traditions, there is always an explicit or implicit assumption that the dominant interests in a given economy cannot be any other thing but capitalist. This is especially evident in Tilly's definition of capital, and in considering that the main source of exploitation in the medieval times, namely landlords' exploitation, was only a form of coercion, where coercion is divorced from exploitation. Hence, when states took measures against merchants, for example, or adopted policies that were not particularly conducive to the interests of the existing capitalists, these are seen as expressing the "interests of the state" on the expense of the interests of classes. A question that is never raised by such authors is: why shouldn't such measures or policies be seen to serve the interests of the real dominant classes under such social formations; that is the landlords and nobility who would benefit from acquiring industrial, or imported luxury goods as cheap as possible?

In fact, the economy and politics, properly speaking, are in Tilly's account not only two distinct realms, but totally independent of each another each having its own
dynamics and internal logic, that of exploitation in the first case and domination or coercion in the second. Some sort of ‘bargaining’ takes place and a midway compromise is reached where ‘political interests’ intersect with ‘economic interests’ to produce some unintended outcomes. Thus the forms that states eventually took were the product of the conflicts between the two realms, rather than the development of political structures that reflected and expressed a certain balance of power ensuing within a social and economic context in a given society or country.

A proponent of Tilly’s theory may object to the last criticism on the grounds that he did indeed take the nature of the dominant classes and their relationships with the state authority into account and that he did emphasize the fact that the outcome of this relationship in terms of state forms was not dependent on *a priori* policies designed to produce a certain form, but rather on the balance reached among conflicting interests. Such an objection is only formally valid; for if exploitation (read = economics) is only identified with capitalism, and feudalism is seen as a coercive mechanism, then it will not be difficult to see that the whole theory is based on manipulating terms: coercion - intensive regions, defined by the author as “areas of few cities and agricultural predominance, where direct coercion played a major part in production” (Tilly 1990: 58) are nothing but feudal Europe.

It follows that the whole problematic of the book can be reduced to the familiar - almost mundane - question of why did feudalism, and the political forms associated with it prove to be inefficient in comparison with the rising modern state system? The fact that by 1490 “city-states, leagues of cities, dynastic empires, and ecclesiastical entities such as the Teutonic Order all coexisted ... on the continent” and that therefore “it was not clear that national states as we know them would become Europe’s dominant organizations” (ibid 46) is tantamount to stating that feudalism, disintegrating feudal structures, buds of capitalism and petty commodity production coexisted during that period; or that in 1490, it was not clear that capitalism as we know it today would become Europe’s dominant system.

Tilly rightly points out to the fact that empires seemed the most efficient organizations during the ninth - thirteenth centuries and that national states took that role decisively only in the nineteenth century. But then, why should one dissociate political forms from the socio - economic systems to which they correspond? Isn’t this tantamount to saying that empires proved to be the most efficient state organization for feudal systems, while centralized states are the forms which fit well with capitalism?

Tilly’s overriding concern to show that inter-state relations play a decisive role in making certain state forms prevail has led him to leave many questions unanswered, for it is not enough to note that those states which failed to adopt to the new national form perished, but one needs to see that many states that did adopt to that form prematurely, i.e. before developing social relations, structures and mechanisms conducive to capitalism entered into deep crises because this centralized structure did not reflect the existing relations and realities within the ‘national space’. Indeed the example he uses to show how compelling the “national state system” has become to others following the Napoleonic wars is very significant. Most of Spanish America declared independence after Spain was defeated by Napoleon. Yet the ‘efficiency’ of the national state in the Latin American context of the early nineteenth century needs to be demonstrated.

What are the implications of Tilly’s seemingly *ad hoc* definitions? We have two distinct categories neatly separated from each other, but always coexisting: coercion and capital. On coercion “Europe created two major overlapping groups of
specialists in coercion: soldiers and great landlords" (p. 19), while capitalists, as we have noted “are people who specialize in the accumulation, purchase and sale of capital. They occupy the realm of exploitation, where the relations of production and exchange themselves yield surpluses” (p. 17). According to the above, feudalism ceases to be a system based upon relations of production and exchange that are no less authentic than those under capitalism. Feudalism belongs to the realm of coercion and not exploitation.

What Tilly overlooks here is the fact that coercion is meaningless were it not the means to extract more rent. However, coercion is not the regulating mechanism of the feudal system. Just like capitalism, where a worker is ‘free’ to starve if he does not work for a capitalist, a serf, even if not threatened by coercive means, has no means of living other than working for a landlord. And free peasants have to accomplish services for the lord because they have to put themselves under the ‘protection’ of a lord for fear of other predators. Rebellions waged by serfs, or coercion deployed by the landlord are means to enforce better conditions for the respective parties within the existing structure of relations of production. Coercion, moreover, just like the various penalties and laws under capitalism, is a necessary means to ensure the more or less smooth functioning of the whole system.

Tilly’s definitions are therefore not just ad hoc ones. A little scrutiny would show that he has produced an excellent description, but his major arguments are nothing but absurd tautology. If coercion is identical with the authority of big landlords, then we are talking about feudalism, so we will have the coercion intensive path (which is not a path after all) to denote feudalism, capital intensive path = capitalism, and a feudal - capitalist path? Certainly, an expert in European history knows that landlords ceased to exist (or at least lost any coercive potential) long before the rise of capitalism. Then we are left with the other leg of the coercive apparatus: soldiers.

But Tilly very rightly reminds us that this institution - the army - has not remained the same over the one thousand year span that his book covers. From patrimonialism to brokerage, then to nationalization, and finally to specialization, one cannot assume that the interests which this institution has defended or expressed, or the social origins of its members, remained the same over time, nor were the coercive functions that it performed. Therefore, rather than being an explanatory factor itself, coercion needs to be explained, in the sense that it is not a goal in itself, but is needed to preserve something, in the interests of someone. This is not the case according to Tilly, for he reserves coercion for pre-capitalism. As for capitalism, coercion is an extraneous element, since the capitalist intensive path, in his view, is the one we had in the Dutch and Italian city - states. So there is a “pure”, non-coercive, but “exploitative” path followed here. Suppose we return to the familiar concepts (landlord domination = feudalism, capitalist domination = capitalism).

His three paths now would bring us back to:

1. Feudal states, with their feudal relations of production, feudal dominant classes, and their necessary oppressive apparatuses;
2. Autonomously organized trading posts, which despite occasional conflicts with the surrounding feudal world, served its needs and did not represent a capitalist system (as Tilly imagines). These posts preserved their autonomy simply because they maneuvered their way among the various rivals and because they performed essential services for the nobility; and
Capitalist states, with their capitalist relations of production, 
capitalist dominant classes, and their necessary oppressive 
apparatuses. The last variant eventually prevailed over other forms, because capitalism 
was the system to prevail.

To sum up, let us state first the necessity and validity of rejecting the 
instrumentalist view of the state as a reflection of the interests of some reified 
dominant class, its ‘chief of staff’ as Lenin put it. First because fractions of a 
dominant class sharing basic ultimate interests need not, and do not in fact, share the 
same world views on, and interests in perhaps all other aspects. Second, because this 
dominant class does not live in a void, and its interests are constrained by the 
existence of a multitude of other actors in society.

This should bring us to a second statement, that in order to preserve its 
viability, the state, or a political system has to regulate social conflicts in such a way 
that expresses the existing power relations between, within and among classes and 
fractions of classes. Third, as the state, that is the political level of social activity, 
acquires its relative autonomy from the ideological and economic spheres, which has 
only become possible with the rise of capitalism, state officials, state bureaucrats, and 
political leaders tend to develop some *esprit de corps* or bureaucratic ethos. But this 
is entirely different from saying that these officials, bureaucrats or leaders have 
interests, or views that are totally distinct from all other agents in society. Let us 
present the constraints and autonomous margin of the state in the following crude 
way: number 6 is different from each of the following numbers: 9, 7 and 2. But it is 
the simple average of these three figures. It is closer to 7 and 9 than to number 2. 
Although the resultant or average figure is none of the ones that made it, it 
evertheless reflects the average of these.

The various versions of the statist views do not necessarily overlook the social 
structures within a given society. For just as the instrumentalist view derives the state 
from a dominant class interests, there is the no less instrumentalist statist view, 
whereby ‘strong’, despotic or ‘developmental’ states or leaders mold societies and 
shape them according to their interests.

Predictably, this is the view that we will meet when discussing the literature 
on the ‘third world’ in general, and the Middle East in particular. But in between these 
divergent opposite views, there is a wide nuance of theories which depart from what 
is claimed to be a ‘classical’ development through which Europe and the advanced 
capitalist world has passed, while claiming that the modalities of today’s third world 
development no longer permit this. The reasons for this supposed divergence may be 
the revoked Asiatic mode of production, or simply some culturally inherent traits 
that hinder any ‘normal’ development, or the impact of colonialism and imperialism. 
In the following chapters, I will address the ramifications of the doubly mistaken 
reading of history that we discussed earlier. This time we will see how this reading 
has managed to produce a highly distorted- but influential- narrative on the 
relationship between state and society in the Middle East.
Chapter 6

Roots of Change:
A Political Economy
of the Mashreq Revolutions

“Now, therefore, it is meet to sing of endings; of what was and may be no longer; of what was right in it, and wrong. A last sigh for a lost world, a tear for its passing.”

Salman Rushdie

6.1 Continuity and Change in Patterns of Migration

Recurrent internal migration waves from the countryside to the major Mashreq cities has been a theme that we dealt with in the preceding chapters. Until the early nineteenth century in Egypt and the mid-nineteenth century in Syria and Iraq, the administrative-bureaucratic and military elite of the region was mainly composed of indigenized “immigrants” or non-Arab subjects: Turks, Turkocized, Turkmans, Mamluks of Albanian and Caucasian origins, and Kurdish Janissaries. The much more numerous immigrants were those communities driven out of their land by nomadic attacks, local wars or drought. These were doomed to a marginal life on the fringes of urban social and economic activities. Survival and viability of urban life, including those of the small coterie of merchant and bureaucratic/religious families, heavily depended on reaching acceptable compromises with the forces that controlled the countryside and trade routes.

Even when the Ottomans had sufficient military capability to suppress a powerful tribe, relying on force alone could disrupt the economic life of whole urban communities. The increasing mutual dependence between urban merchants and seminomadic tribes made blows to the nomads a risky venture. When the government was planning an expedition against the powerful Shammar confederation in 1862, the British Consular Agent in Aleppo worried about its economic impact and sent the following memo to his government:

“An organized Expedition at this season will be the cause of serious loss and damage to the Merchants, both native and European, and to the petty traders who have been advancing money for the past four months to the Shammar for Sheep’s wool. As Agent for a British Firm at Aleppo, I have also advanced to the Shammar and other tributary tribes the sum of Piastrs 60,000 and I considered it prudent, in case this amount should be lost, to inform the local Authorities of the matter.”

Shields 1991: 28 (capital letters and mistakes in original memo)


2 In further away regions where the Ottoman administration was only nominally in control, such as the Persian Gulf, attempts to control trading posts led breakaway tribes to form their own trading posts, which eventually evolved into today’s emirates. The authoritative study of Fattah shows how, since the 1790s, “the Saudi state formalized a new approach to transit trade in the region by forcing merchants
This threat of nomadic tribes within the areas belonging to the Ottomans only began to recede between the second half of the nineteenth century and the early years of the twentieth century. In Persia, nomadism and semi-feudal big landlordism persisted to coexist well into the mid-1920s (Bromley 1994: 82, 148-9).

The pre-1850s migrations to the major cities did not seriously alter the working of the Mashreq formations. The radical changes of the second half of the nineteenth century threw the relationship between urban activities – especially trade- and rural ones asunder. Before the enactment of land laws that transformed most of the Mashreq’s countryside into private hands, agricultural communities had little contact with urban traders, and these contacts were usually carried through the community chief not by individual peasants. Habib Chihâ described the trading mechanism between urban traders and shaikhs in early twentieth-century Iraq in the following words:

"Ce marchands sont pour la plupart des israélites parmi lesquels il y a même des orfèvres.
En dehors de ces petits marchands, des négociants établis dans les villes envoient des agents qui s'assurent pour ainsi dire le monopole d’un ou plusieurs campement, moyennant certains cadeaux qu’ils apportent au cheikh... Grâce à ces présents, le cheikh interdit l’accès du campement aux autres concurrents.”

Chihâ 1908: 326

With the new land settlements and the opening up of trading opportunities merchants and landowners began competing for land ownership. Alliances were eventually forged between the two classes allowing for a two-way track where merchants invested in land and landowners invested in commerce. But the social status of practically each and every group – a status that had been preserved for centuries- was undergoing radical shifts.

The rerouting of trade within the Mashreq due to the opening of the Suez Canal and the introduction of steam boats brought untold fortunes to some regions-the Iraqi provinces in general- and much suffering to others – especially the Syrian trading centers. In 1879 the British Consul in Aleppo wrote that the Suez Canal had diverted Iraq’s exports from Aleppo, which were now transported by river to Basra and exported from there. Baghdad’s imports moved away too, but “the greater part of the imports of Kurdistan and northern Iraq still passes through Aleppo (Issawi 1988: 139).

“Before the opening of the Suez Canal, Mosul used to imports all the needs of the northern region either directly or via Aleppo. But after 1869, Mosuli merchants found that it was more profitable to import their relatively little needs and pilgrims to take the direct route to Dar’îyya [the Saudi capital city] and inducing Saudi-allied tribes to patrol the passageways from the Iraq, Syrian, and Kuwaiti deserts into central Arabia. The Saudi amirs tried to destroy the other free ports in the region or, at least, to bring them under control for the greater glory of the Saudi state.” (Fattah 1997: 51)

A nineteenth-century Baghdadí historian describes how Kuwaiti merchants took advantage of the heavy duties that Ottoman-controlled Basra had to impose on its merchants. Thanks to their duty-free ports, big Kuwaiti merchants became among the wealthiest ship-owners in the region (al Haydari 1872. Fattah 1997: 192).

Fattah concludes her study by asserting that “the incidence and regularity of the establishment of these market towns is supportive of the thesis that regional collaboration created new markets in the full face of the governmental opposition... [These free ports were often survival mechanisms, built to reinforce the tribal sector against the enveloping sweep of governmental centralization which, more often that not, was a city phenomenon.” (Ibid.: 194-7).

For a more a politics-oriented study on the formation of the Gulf emirates, see Anscombe1997.
via Baghdad in the first place, and Aleppo to a lesser extent. In the first decade of the 20th century the more prosperous and active merchants of Mosul would visit Baghdad (an 8 day trip back and forth) or Aleppo (15 day trip) once a year, or perhaps more than that.

Hassan 1965: 262 fn. Quoting a 1907 Consular report

As for Damascus, whose trade was heavily dependent on its role as a center from which pilgrims to Mecca gathered, the decline began in the 1830s, when Anatolian and Balkan pilgrims began to use the sea route to Hijaz. From an average of 15 - 20 thousand per year, the number declined to 6000 in 1845 (2000 Persians, 2000 Turks and the rest Arabs). By 1863, only 250 pilgrims came back to Damascus from Hijaz. Persians too began to go by sea through the Gulf to Jedda. (Rafiq 1985: 250 - 2) The decline in Damascus trade led to a decline in the rural markets with which it traded, especially the villages of Hawran, which used to hire thousands of camels for the transport of pilgrims, their goods and the military troops that used to accompany them. The most important such market was that of Mzairib (2 days distance from Damascus), where pilgrims used to gather on their way.

The introduction of modern crafts like printing, photography, ironwork, mechanical work and so forth in the early twentieth century was a blessing to some marginal communities who were eager and capable of capitalizing on them, while the competition of western goods was a disaster to many traditional craftsmen in the entire Mashreq. And the cities were the loci of the conflicts and the reshaping of boundaries between and within the various declining and ascending communities.

Yet it should be obvious that unless one is dealing with numerically tiny communities, no one single community prospered or declined in its entirety. For one should remember that vertical solidarities never concealed the deep cleavages between rich and poor within each and every large community irrespective of confession or ethnicity, nor did they blur senses of solidarity across ethnic/ confessional lines when common interests were at stake. Christian and Muslim notables sided with each other in discussing and adopting laws relating to their common interests, and Jewish, Muslim and Christian destitute went to the streets in numerous protests and rebellion.

These late nineteenth and early twentieth century changes brought the first radical shift in the relationship between city and countryside on the one hand and between different cities on the other. Although land ownership gained in importance and became the major source of individual wealth and power, peasant communities saw their conditions degrading to semi-serf positions. The cities were expanding thanks to the unprecedented growth in foreign trade. Thus it is not difficult to speculate on the fate of the early immigrants to urban centers- who were numerous as the figures cited above reveal. The rise of new ‘faubourgs’ on the outskirts of the cities to accommodate those communities engaged in crafts was one avenue of employment as we noted above. But trade and trade-related activities were the major source of assimilating the newcomers.

However, as table 6.1 shows, the most massive waves of internal migration were to occur some three-four decades later. From the 1930s on, these waves took place under radically different circumstances and had different outcomes. Unlike the early waves, the new ones were to become the gravediggers of the ancien regimes. The receptiveness of cities and their capability of preserving the division of labor among the various crafts, activities and communities were not functions of the personal attitudes or cultural traits of the urban population or of their notables. The property systems that were evolving throughout the second half of the nineteenth
century and the first decades of the twentieth had taken their firm shape. Big landowning and mercantile classes were now dominating social, economic and political life. The political structures that were decaying in the earlier case gave way to new state structures.

The Turkish republic was formed from the defunct center of the Ottoman empire. Egypt had regained its formal independence from the British and the Ottomans. The Asian part of the Ottoman Mashreq was now formed of ‘national’ states that either gained formal independence or were under French or British mandate. And Persia went through the Reza Pahlavi coup of 1925 that overthrew the two-century old rule of the Qajar dynasty.

Table – 6.1 –

<table>
<thead>
<tr>
<th>City</th>
<th>1930</th>
<th>1950’s</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alexandria</td>
<td>600</td>
<td>1000</td>
<td>2400</td>
</tr>
<tr>
<td>Aleppo</td>
<td>230</td>
<td>460</td>
<td>770</td>
</tr>
<tr>
<td>Greater</td>
<td>300</td>
<td>784</td>
<td>3800</td>
</tr>
<tr>
<td>Baghdad</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greater Beirut</td>
<td>180</td>
<td>600</td>
<td>1500</td>
</tr>
<tr>
<td>Cairo</td>
<td>1200</td>
<td>2500</td>
<td>6400</td>
</tr>
<tr>
<td>Damascus</td>
<td>210</td>
<td>455</td>
<td>1100</td>
</tr>
<tr>
<td>Basra</td>
<td>60</td>
<td>232</td>
<td>680</td>
</tr>
<tr>
<td>Teheran</td>
<td>500</td>
<td></td>
<td>4300</td>
</tr>
<tr>
<td>Istanbul</td>
<td>700</td>
<td></td>
<td>3900</td>
</tr>
<tr>
<td>Ankara</td>
<td>80</td>
<td></td>
<td>1700</td>
</tr>
</tbody>
</table>

* In thousands

Sources:
-1930 & 1975, Issawi (1988, Table 6 - 2)
-1950’s, H. Barakat (1984: 93)
-Basra figures for 1950’s, Calculated from Najm il Din (1970: 132)

Although still lacking legitimacy, the nascent and expanding modern state structures with their parliamentary facades and bureaucracies seemed to be facts of life. In sum, prospects for social mobility within the existing systems were blocked for new immigrants whom the existing agricultural relations were throwing away. Despite the consolidation and expansion of opulent mercantile and landowning classes, which we have depicted in chapters one and two, the economic conditions in the Mashreq until WWII were all but stagnant. From the beginning of the twentieth century until the mid-1950s for example, Egypt’s annual rise in per capita income did not exceed 0.1 percent (al Ayubi 1989: 95) Despite that, Middle East cities were growing in numbers. The reasons for this state of affairs have been discussed in the first two chapters of this study. As agriculture was increasingly commercialized and old loyalties disintegrating in the countryside, landowners were no longer in need of a large workforce of their tribesmen or kinsmen. In the meantime, urban dominant classes were mostly engaged in trade, banking and real estate activities, which have a low absorptive capacity for labor. The expansion of industrial activity was too slow to absorb even a fraction of the migrants or urban unemployed.

Where did the immigrants go? What was the social impact of these waves of internal migration?
It would not be unreasonable to suggest that the vast majority of immigrants were landless peasants, mostly illiterate and unqualified. These were the ones that occupied such ‘jobs’ as domestic servants in Cairo and Alexandria, Baghdad and Basra, Aleppo and Damascus, and Beirut and Tripoli. Although no detailed studies exist on the employment avenues of immigrants in the 1930s-1940s, one can make inferences from indirect evidence. Interestingly enough, Egypt’s national accounts statistics in the 1940s and early 1950s carried by the Central Bank reserved a separate category for the wages of domestic servants, which included personal chauffeurs and home cooks (Central Bank 1963: 464-5). In just three years, the total for this item rose from 25.5 to 28.8 million Egyptian pounds between 1950 and 1952. In relative terms this item rose from 2.8 and 3.4 per cent of Egypt’s national income for these years; i.e. faster than the rate of growth of the national income itself. Assuming that the monthly pay for a house servant in Cairo was 5 pounds, this means that there were some 480,000 such servants when the Egyptian revolution took place in 1952.

The first embryos of the working classes were formed from these migrants too. However, a stagnating industry could only absorb a tiny portion of these immigrants. Egypt, the most advanced of the Mashreq countries witnessed a decline of its non-agricultural workforce employed in industry and construction from 32 percent in 1914 to 22 percent in 1960 (Amin 1976: 160). We have noted that the main branches of manufacturing industry were of the type that required very few qualified workers: textile, food processing, shoes and leatherwork, etc. The slums on the outskirts of big cities, mud huts and shantytowns, shelters made of reed on the outskirts of big cities and even within them (and still are) material witnesses on how the cities dehumanized their migrants. These slums that hosted hundreds of thousands were the main pools from which cities drew their labor force. Unemployment played a crucial role in depressing the rate of pay and cheapening the workforce for employers. Despite the spectacular rise in Iraq’s oil revenues since 1952, unemployment rates increased from 19.5 percent in 1947 to 23.8 percent in 1957 (Hassan 1965: 78-9).

Migrants themselves tended to cluster according to their places of origin, and more often than not, they tended to work in the same jobs. This pattern of clustering ensured mutual support for the newcomers. The southern quarters of Beirut were almost exclusively inhabited by Shi’ite migrants from the Bekaa Valley and Ba’albeek. Those migrants gradually displaced the original Christian Maronites who had occupied the district since the beginning of the twentieth century (Jalloul 1984: 327-33). The northern suburb of Barza in Damascus was the new home for immigrants from the Golan Heights. Further north of Barza was al Qaboun where destitute migrants from Hawran found shelter. The Druze, who migrated from al Suwaida’ resided in the southern quarter of al Hajar al Aswad.

Migrants to Cairo and Alexandria came mainly from the two most densely populated governorates of Egypt: Al Munoufiyya in the Nile delta, and Girga in the south (el Saaty 1980:89). These migrants tended to cluster in the sparsely inhabited outskirts of the cities of destination. El Saaty’s pioneering work on Alexandria shows the pattern of settlement in 1954, where most migrants packed the eastern, southeastern, and to a lesser extent southwestern outskirts of the city, while the

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2 The 5 Pound average is a high estimate based on interviews with old Egyptians who confirmed that a domestic servant used to receive around 3 Pounds, while personal car drivers were paid around double that amount. Unfortunately, the present author is not aware of the existence of such estimates prior to 1950, which would have been useful to estimate the rise in domestic service.
‘original’ Alexandria was a semicircle lying on the Mediterranean and surrounded by these new quarters from all other sides.

In Cairo, immigrants occupied the extreme southern suburbs of el Giza and old Cairo, or the east – al Khalifa, for example – Shobra al Khaima and the center – Boulaq. (al Hussein 1980: 302-33) The image that viewers of Egyptian movies preserve of Nubians working as porters, house servants and house cooks in Cairo is not an isolated case. The Egyptian hammakeen, those who specialized in carrying heavy weights on their backs, descended from the village of Musha in Asiat. Their Iraqi and Syrian counterparts were Kurds or Jews. Drivers came from the village of Dair al Baqar in al Gharbiyya. Similarly, many construction workers were brought by contractors from the village of Tirs in Jeeza (A. Barakat 1977: 365).

Baghdad presents a stark, but by no means an exceptional case in point. According to the 1957 population census, 25.2 percent of the city’s population had not been born in it. The comparable figures for Basra and Kirkuk were 12.5 and 3 percent respectively (Hassan 1965: 75, B. Al Najjar 1976: 152). A survey in 1956 found that there were 16413 reed huts in Baghdad occupied by 92173 immigrants. These mainly clustered in nine quarters within the heart of the city or outside the municipal borders. In the first case high reed or mud ‘walls’ separated the immigrants’ huts from the residential areas. But since the bulk of the city lied on the left side of the Tigris river until the 1940s, many (but not all) migrants moved to the western side of the river: al Karkh and had their suburbs named after their tribal or provincial origins. Thus al Tikarta quarter was named after immigrants from Tikrit, al Douriyyeen after those from al Dor, al ’Ikkat after the tribe of Akeel, etc.

The segregation was not only between urbans and immigrants, but also among immigrants themselves. Because they competed for the same jobs, immigrants of similar social standing harbored deep feelings of suspicion towards those who came from other regions or belonged to other tribes, and clashes between suburbs were not infrequent. Thus reproducing the original social landscape and relations of the towns or tribes of origin in the receiving cities served as a catalyst for turning immigrants’ hostility against their oppressors into hostility towards urbans in general. Immigrants from the countryside tended to lay their hands on squatters of land in uninhabited areas east of Baghdad. Those belonging to a clan used to build their cluster of reed huts around the hut of their shahkh, and surround their ‘colony’ with a wall made of reed or mud. When al Sudan clan immigrated en masse to Baghdad in the late 1940s, they clustered in one of these areas to work collectively in the newly established Abboud tobacco factory.

Migration waves were inevitably leading to a radical change in the composition of Middle Eastern cities. The original city, the nucleus in which prosperous merchants, absentee landowners and bureaucrats thrived, was cracking down with time. The cities, which hosted a few hundred thousands until the 1930s, were organized in such a way that not only the rich, but also the poor who served them had their suburbs, social organizations, common habits and traditions, distinctive dialects, support mechanisms, and interpersonal ties. The old city was a locus of interaction among and within communities who realized that despite the envy and jealousy, the systems of exclusions and inclusions, they needed and depended on each other for their living. This explains why most of the established urbans: rich and poor, Muslims, Christians and Jews, Arabs and non-Arabs, faced the immigrants with the same apathetic attitudes. All of them needed these immigrants, but all of them despised them and treated them as inferior species, and tried to isolate them in pockets that would keep their effects on social and cultural life at a minimum.
But for the new migrants, the pluralism of urban life whereby members of 'other' ethnicities and/or confessions enjoyed enviable positions, were only explicable in terms of the latter's playing the role of agents of a foreign enemy, or as the latter being foreigners themselves conspiring to deprive the true Arabs from having access to the wealth of their homelands. The source of these evils was seen as a result of the dominance of foreign and alien elements over urban life. The big city to which they had only recently migrated was seen as a locus of all the maladies. Softy people alien to the true nature of 'men', commercial life which was seen as a departure from the moral codes of the family and tribe, non Arabs (many of whom had to live in the economically depressed cities not out of choice but because they could have no access to the traditional source of wealth: land) and/or non Muslims fulfilling vital functions in social, economic and cultural life. It was but natural that such complaints would be articulated within an ultra nationalist, and statist discourse.

But these perceptions by immigrants were not totally unfounded. From the end of WWI, when the new 'national' states began to emerge, until the rise of the revolutionary regimes a considerable section of political and administrative aristocracies of the Mashreq was a direct descendant of the old Ottoman apparatus that was brought up to despise the 'local' population. Many of these preserved, and even accentuated at times, their Turkish or Ottoman-inherited styles of life. The Egyptian royal family was the descendant of the Albanian Mamluks. Its Iraqi counterpart was brought by the British from Mecca after WWI to a country that they had never been before. Family names of Turks and/or non-Arabs whose ancestors served the Ottomans as Janissaries, such as Touson, Zayyour, Yakin, Buzo, Shamdin, Mardam Bey, etc. were still dominating economic and political life until the 1950s.

What the new migrants saw in the cities was the seemingly lavish life and the city dwellers who were insensitive to their sufferings and immune to integrating them within their fabric. Interestingly enough, Baghdadis, Damascenes and Cairoites reserved the 'pejorative' labels "'Urbi, 'Urban, A'rab'(meaning Arab) to villagers and Bedouins. Would it be surprising then, that one of the greatest contemporary Arab poets, Badir Shakir al-Sayyab, himself an emigrant to Baghdad from a village near Basra, would write in one of his most celebrated poems: "Baghdad, a grand brothel". Later, the Egyptian Salah 'Abdul Sabour and Ahmad 'Abdul Mu'ti Hijazi would pronounce Cairo in similar symbolism 4.

By the 1960s, the 'cosmopolitan' Cairo and Alexandria in Egypt, Aleppo and Damascus in Syria, Baghdad and Basra in Iraq, as well as Teheran in Iran and Istanbul in Turkey were disintegrating to the benefit of recomposed capital cities. And it would take the prosperous Beirut another decade to suffer from a similar syndrome. Although the migratory waves caught additional momentum following the overthrow of the ancien regimes in the Mashreq, one should stress that this process was by no means the product of the new regimes. Its roots are to be found in the crises of the agricultural structures of the pre-nationalistic era and the relative prosperity of the capital cities.

A small pro-western class that dominated the political and economic life of the pre-revolutionary societies was keen on keeping its monopoly over the commanding heights in society while, in the meantime, benefitting from the services of those migrants who staffed the middle and lower echelons of the expanding state and military apparatuses. This class was not only pro-western in the political sense, but it adopted western life styles, norms and habits, to such an extent that its residential

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4 The cultural manifestations of this social upheaval were treated in more detail by the author in al Khafaji 1997: 4-17.
areas looked more like suburbs imported from Paris or London and transplanted inside the slums of the respective Middle East cities.

6.2 Disruptive Migration, Shifting Balances:

Although the vast majority of immigrants were landless and destitute peasants, the most articulate immigrants, who will shape the future of the Mashreq, came from different origins. These were the sons of small landowners, craftsmen from provincial towns, or well-to-do peasants, who were sent to the big cities -mostly the capital city- in order to pursue higher education, or find better jobs there. It is impossible to quantify the number of this category of migrants. For one thing, the available figures on internal migration detect those moving from one governorate to another. But many of those migrants actually moved from the hinterlands or provincial towns to the central city of the same governorate, hence their movement does not show as migration. Another reason for the impossibility of depicting these migrants is that we do not have a breakdown of the figures of migrants according to their social, ethnic or confessional background, which would allow us to make approximations on who migrated from where, and for which reasons. Nevertheless we can make some generalizations from various indirect sources. The fact that these immigrants have radically shaped the socio-political landscape of the region mainly (but not exclusively) due to their enrolment in state jobs- especially the armed forces- provides a way of analyzing their impact.

The data relating to the expansion of state employees before the 1950s are scanty and confusing, but one thing is beyond doubt, namely the unprecedented rise in the size of state employees and the changing role of the state. Although these two latter factors may look identical, numerical expansion and changing roles should be treated separately. Without the introduction and expansion of public education, a system supervised, run and financed by the state and based on a unified curriculum for an entire country, the fate of these immigrants would not have been much different from that of the previous waves of migrations, or of their contemporary landless immigrants who ended up unemployed or performing inferior jobs.

Yet an expanding state apparatus could not breed by itself the seeds of changing the political system without the existence or rise of new trends that had the potential to change the role of the state and its autonomy from the dominant classes. We will deal first with the first aspect in some detail before analyzing the socio-economic roots of revolutions and the forms that these revolutions took.

Some indirect indicators on the expansion of the Mashreq’s state apparatuses and armed forces are revealing in this respect. For example, the share of salaries in Egypt’s state budget rose from 17 percent in 1913 to 42 percent in the 1930s, which means that the number of employees at least doubled in a matter of two decades (Al Disouki 1975: 141). The ‘Guide to the Kingdom of Iraq’ mentions that the number of people depending on the government salaries and pensions for their living in the mid-1930s was 37,158; i.e. 1.2 percent of Iraq’s three-million population then, and approximately 5 percent of urban inhabitants (around 750,000) (Daleel 1936: 251). The number, it seems, includes the military and police forces. From 3,500 men in 1921, the Iraqi army grew to 12,000 in 1932 (Sluglett 1976: 260), around 50,000 in 1947 and 110,000 in 1957 (Hassan 1965: 78-9). Heydemann presents an estimate of the expansion of state employment in Syria that covers only the departments whose budgets were funded from the general budget and excludes large categories such as
those working on state-funded public works projects, the military, or special and auxiliary budgets. According to this estimate the number of employees depending on the general budget rose from 4,772 in 1939 to 10,144 in 1945 and 20,862 seven years later in 1952 (Heydemann 1990: 63). On the eve of the 1963 Ba’thist takeover in Syria, the country had a standing army of 65,000 men (Batatu 1999: 158). By the years of the change of the ancien regimes, civil servants and state sector employees had reached 325 thousand in Egypt (1952), 34 thousand in Syria (1958) and 58 thousand in Iraq (1958) (Batatu 1983: 13, Hilal n.d.: 315, Mahdi 1977: 31).

Where did the recruited military come from? Many authors have noted the general overrepresentation of minorities or underprivileged communities in the armed and civil services of the third world countries. A favorite explanation for this phenomenon are the deliberate policies of the colonial powers to rely on these minorities who lack a broad social base of support and therefore tend to identify and defend the colonial masters. Reynolds noted that:

“[T]he colonial authorities often encouraged immigration to fill intermediate positions between the top jobs, held by Europeans, and unskilled labor, which alone was considered suitable for the “natives”. This produced a three-tier racial division of labor, as in British East Africa or Burma, where the rulers were British, the traders, clerks, and skilled workers were mainly Indian, while the indigenous population were farmers and laborers. Throughout Southeast Asia the Chinese filled this intermediate role, and natives of the country were largely walled off from occupational advancement.”

Reynolds 1983: 957

In the Mashreq, the British and French did practice a policy of organizing armies from members of indigenous minorities for a while, but this policy did not bear fruits and did not last long. The British formed the Levies troops from Iraqi Assyrians, and the French instituted the Troupes Spéciales from the Alawis in Syria. However, both these did not exceed a few thousands in number and were disbanded in 1955 in Iraq, while the strength of their Syrian counterpart reached only seven thousand at the time of Syria’s independence in 1946 and was further curtailed to 2,500 men in 1948. Given that these troops existed alongside the national armed forces, enrolled a limited number of low-ranking soldiers, and were eventually disbanded, it is difficult to explain the preponderance of non-majority communities in the armed forces as a continuation of the old French/British policies of the 1920s and 1930s.

Many scholars have noted that since the establishment of centrally organized armed forces in the nineteenth century Ottoman Empire and well into the mid-twentieth century these forces were held in low esteem by the wealthy and the general

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1 Batatu gives the number of civilian state and public sector employees in 1960 at 33,979 (Batatu 1999: 160). But by that year, Syria had already experienced two years of economic nationalism and étatisation after its short-lived merger with Egypt in 1958 and the formation of the United Arab Republic form both countries.
2 In 1935, the Levies became entirely composed of Assyrians after Kurds and Arabs were encouraged to join the newly established Iraqi army. These Assyrians were not part of the Iraqi Assyrian community that lived in Kurdistan for thousands of years. They were refugees who fled form Turkish Kurdistan during WWI, when the Ottoman empire declared a holy Jihad that increased the tensions between Muslims and non-Muslims. Some 25,000 Assyrians fled to Persia. A tragic history of famine in Persia, the outbreak of the Bolshevik revolution, which deprived the Assyrians of an ally, and the resistance of Kurdish Aghas to let them return to their homes forced them to find refuge with the British troops that had already been in Iraq in 1918. For details, see al Rasheed 1998: 45-9.
populace at large (P. Khoury 1983: 46, 92). Upper class families rarely ventured to send a son to serve in the military. During the Ottoman period and even after gaining independence, many Mashreq countries instituted the *badal* (literally: substitute), the payment of a fixed amount of money in exchange for relieving a conscript from military service; a practice that consecrated the notion that military service was a burden rather than a privilege, and enabled the well-to-do to spare themselves the efforts, while laying it on the shoulders of the poor who could not afford to pay the *badal*.

The armed forces of the Arab Mashreq have therefore been mostly recruited from lower classes. The officer corps was mainly composed of those sons of lower classes who could afford to finish a few years of high schools and enroll in military academies because their families could not afford waiting for them to pass four to six years in the more 'respectable' higher education institutes (Ba’eri 1969: 317-21). Ba’eri provided ample evidence on the lower-middle class background of the armed corpses of Egypt and Iraq, which were ruled by landed oligarchies until the 1950s. Batatu explained how the Alawis of Syria, being among the most depressed sections of the country’s peasantry, were unable to pay the *badal*, and hence their overrepresentation in the Syrian armed forces (Batatu 1999: 342).

Although this factor undoubtedly accounts for the preponderance of Alawis in the armed forces, I would suggest that it is not sufficient. The reason for this is that compulsory conscription did not lead to advancement in the military corps, because it was a temporary service, while the officer corps in the Middle East was (and still is) based on voluntarily joining a ‘higher’ military academy. Thus the *badal* only spared people from the temporary compulsory service. This explains the preponderance of the underprivileged confessions/sects or regions in the lower ranks of the military, while they lacked a heavy representation in the officer corps. Contrary to a widespread impression, the Syrian Alawis in the officer corps were not as important numerically as the Sunnis prior to 1963 (Batatu 1999: 156). Yet they had a plurality among the common soldiers and a clear preponderance among the noncommissioned officers where they composed no fewer than 55 percent of that corps in 1955.

In Iraq, where discrimination was systematically practiced against enrolling Kurds and Shi’is in the officer corps, Shi’is from the southern poverty-stricken governorates of Nasiriyah and ‘Imara had a heavy presence in the noncommissioned officer corps and the police respectively. But even when poor families could collect the necessary financial amount to relieve their sons form service, they wouldn’t normally choose to do so, because serving in the civilian, military, or paramilitary state apparatuses was avoided only by those who had other means for social and economic upward mobility. For the poor sections of the Mashreq societies, especially during the period of stagnation during the 1930s and 1940s, these outlets provided excellent means for advancement for those who saw all other avenues blocked in their faces. Yet the evidence point out that it is not the ‘poor’ in general that have a tendency to staff the military and paramilitary apparatuses whenever they have the

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7 P. Khoury explains the Arabist attitude of the Damascene officers during the closing years of the Ottoman era by noting that these officers belonged mainly to the lower middle class and were mistrustful of the local, non-professional notables. Moreover the bureaucratic landowner class prevented its sons for several generations from entering the military service. Members of this class could use their influence with the state to exempt their sons from military conscription. The notables viewed military professions as more suitable to the lower classes. Khoury adds that the scanty available data on the biographies of the Arabist officers indicates that as a group they were of a socially lower status than the pro-Ottoman ones.

8 Further more, unlike other university students, cadets usually received a modest monthly payment.
occasion to do so. The appeal of these services to marginal and marginalized communities seems much greater than their appeal, say to a Damascene or Baghdadi poor. Several authors have argued that military enlistment can shape the boundaries and saliency of a group’s identity. Al Rasheed points out that:

“Pariahs such as socially and geographically isolated groups seem to be receptive to military recruitment which gives them the opportunity to establish a new status and role for themselves. Examples of these cases include the Kurds, Berbers, Cossacks and of course the most famous case of the Gurkhas. Military enlistment provides such peripheral groups in remote areas with a vehicle for gaining respect and legitimacy.”

Al Rasheed 1998: 49

The validity of this argument is evident in the case of the Middle East. But one should add that the appeal of the military service to peripheral groups also stems from the fact that unlike previously established communities who enjoyed a degree of autonomy and had mechanisms for self-defense, Alawis in Syria, and Assyrians in Iraq, as well as Circassians in Jordan who showed a similar tendency to join the military, lacked these privileges. The absence of other avenues for upward mobility, the legal and/or material deprivation of land ownership explains why such communities were not only attracted to enlist in the military/paramilitary forces, but also to the new job opportunities, which members of other communities were not keen on practicing, or did not have the will to learn their skills. Therefore, it is not only the colonial policy, but more important the above factors that explain why the majority of early oil workers, mechanics, car drivers, etc. hailed from such peripheral regions/communities in the Mashreq.

Al Khattab provided ample evidence on how the British selected members of three Sunni Arab tribes residing north of Baghdad to form the nucleus of the officer corps of the newly formed Iraqi armed forces in 1921. Members of al Jubour, al Bayyat, and al ‘Azza tribes formed some 25 percent of the officer corps of the Iraqi army in the 1920s (al Khattab 1979: 123). Colonel al Zaidi published a comprehensive list of the Iraqi and Turkish officers who joined the Iraqi armed forces after the defeat of the Ottoman empire in WWI: the number of officers who came directly from Turkey was 304, those who came from Syria via sea routes were 108, and those who came via land route from Syria were 91 in number. None of the senior officers (colonel and above) belonged to the majority Shi’ite confession of Iraq (Al Zaidi 1990: 433-43).

This formula of excluding members of the majority confession, as well as non-Arab ethnicities including those adhering to the privileged confession (such as the Kurds who are Sunni Muslims but non-Arabs) has been pursued decades after the formation of nationalist rule. A survey of classes 44 and 45 of the Military Academy (academic years 1964 and 1965) showed that only 20 percent of the accepted students were Shi’ite (56 percent of the population), 45 percent were from Mosul (Arab Sunnis), 15 percent from Ramadi (Arab Sunnis), 10 percent from the Sunni quarters of Baghdad, and only 10 percent were Kurds, Christians, Yezidis and Turkomans. In the Military staff academies, non-Sunnis were simply not allowed (al Zaidi 1990: 158-9).

In all but two Syrian governorates, Sunni Muslims represented the majority of the population. In al Sauwaida’, the Druze formed the majority of the population and in Latakia the Alawites constituted the majority. In this regard, Van Dam notes that:

“[M]embers of religious minorities showed a disproportionately strong representation in the Syrian Army and occupied politically and strategically
important military functions, [but] the most prominent factions in power before
the takeover by the Ba'th in 1963 were mostly led by Sunni officers."

Van Dam 1981: 41

We will see the ramifications and consequences of this disproportionate
representation later, but suffice it to note here that over, under, or simply ‘mis’
representation was not about sects, confessions or ethnicities. It was rather about
people originating from a common background, experiencing the same hardships,
sharing the same dreams regarding the prospects of migrating to the “cosmopolitan”
cities, and facing the same shunning, dehumanization, and exclusion by the elite of
the “cosmopolitan” city.

While it is true that the migrants who came to play prominent roles in the
political and economic life of the Mashreq shared much with other migrants, their
difference from the majority of the latter should also be stressed. Hence their political
acts and choices, though in many ways responding indirectly to the expectations of
the majority, were by no means representative of the choices and beliefs of the
majority. On the ‘destructive’ side, i.e. on defining the political target for attack, there
was a quasi-unanimity. One can safely assume that the monarchies and the dominant
landed aristocracies in Egypt and Iraq were despised by the majority of the populace
during their closing years.

The fragility of Syria’s post-independence regimes manifested itself in the
success of three coups d’état in less than a decade. One can argue that a system based
on the domination of a landed aristocracy and opulent merchants was quite alien to
the aspirations/expectations of the majority of the population in the post-independence
era. This alone, however, does not explain the incident of revolution. Social tension
could take other avenues, as is well known. Lebanon’s opulent mercantile-landowning
oligarchy alienated itself from wide sections of the population, yet no revolution
followed. Rather, a civil war erupted in 1958. We are, therefore, required to make
more precise approximations to the particular social settings.

Migrants and non-migrants alike were not keen on preserving the status quo in
these countries. But while many aspired to overthrow (or radically transform) these
regimes, not all had the ability to do so. Political change required much more than
discontent, which manifested itself in several street outrages in Cairo, Baghdad, and
Teheran, among other places in the Mashreq. It required the existence of a core that
had the capability to effect that change. And while those who succeeded in doing so
did express the bitterness of migrants and the alienated urban towards the upper
ruling classes, they had their distinctive worldviews, which distanced them from wide
sections of other migrants.

The rifts and violent clashes that characterized the early revolutionary periods
(a normal occurrence in practically all revolutionary changes) were clear indicators
that while all parties agreed on overthrowing the existing regimes, there was little
agreement on the social, economic, and cultural programs that should be
implemented, and most important on the type of political regimes that should replace
them. But before turning to the social and ideological formation of the new political
elites, perhaps we have to present a tentative explanation of why revolutionary
changes occurred in some Mashreq countries and not in others.

9 Once again, it is novels that give us so much insight on people’s aspirations. Fawwaz Haddad quite
succinctly shows how poor and low-income intelligentsia welcomed these coups without necessarily
knowing the political agenda of the putchists. They simply hated the old regimes (Fawwaz Haddad
6.3 Manufacturing Revolutions:

I have tried above to present the details that seem to provide a multi-causal explanation for the radical changes that swept the Mashreq in the 1950s and 1960s, and we should proceed now to link the various elements in a relatively coherent analytical body. But one remark seems very pertinent here regarding how one should characterize these changes.

A question that is often raised in the academic, or militant-polemic discussions is whether these changes, carried mainly through army officers in the form of coups d/'état, deserve to be called revolutions, and if so, whether we should distinguish them from 'real' revolutions, the French or Russian for example, as 'revolutions from above'. My view is that whether one justifies or denounces these movements, the fact is that they have radically eradicated the previously existing property systems based on big land ownership and merchant capital, totally displaced the ruling political classes, and introduced novel social, cultural and economic policies, norms and practices.

To emphasize the novelty of the new system does not imply at all that the buds of this system were not evolving and maturing under the previous regimes. On the contrary, these changes came to consecrate these rising trends and install the rising strata in power. Therefore, if by revolution we mean a radical change in the social system, then these changes qualify for the terminology *par excellence*. As for the form that these revolutions have taken, we should keep in mind that they always came following a period of rising social tensions and, in Iraq and Egypt, mass movements 'from below', so to speak. The 'Free Officers' movement in Egypt followed bloody mass demonstrations in 1946, clashes between the British forces and the Egyptian army in 1950-1951, the beginning of anti-British guerilla operations in the Suez Canal, and the riots of 1951 which instigated the famous 'Cairo fire' (Al Shafi'i 1957, Hamroush n.d.). The overthrow of the Iraqi monarchy in 1958 followed two mass uprisings in 1948 and 1952 and numerous local peasant revolts (Marr 1985: 106-13, Farouk-Sluglett and Sluglett 1987: 38-47). In this regard Fred Halliday and Maxine Molyneux note:

"Revolution from above is not so much an alternative to revolution from below as an extension or fulfillment of a mass movement from below, where the latter is, for a variety of reasons, unable to go beyond the stage of creating an atmosphere of national dissidence and to overthrow the established regime."

Quoted in Bromley 1994: 162

If we judge a revolution by the magnitude and intensity of the changes that it introduces to the cultural, social, political and economic spheres, then a comparison between the military-led coups and the Iranian revolution seems very pertinent here. Undoubtedly, the latter qualifies to be among the most spectacular popular revolutions in modern history, given the level and duration of the mass activities that were involved in the overthrow of the Shah's regime in 1979. For the world outside Iran, the latter's revolution might seem quite specific and incomparable to any other because of the Islamic ideology under which it was carried and the religious mantle of the regime.

However, the outcome of the revolution is strikingly similar to the outcome of the revolutionary changes that had taken place elsewhere in the Mashreq: a monolithic political system, an anti-imperialist and anti-western foreign policy and ideology, extending the role of the state in the cultural and economic life, and the pursuance of a
policy of economic nationalism. Mass popular involvement in carrying a revolution introduces specific elements and imposes additional demands on the new leadership (the French case, for example), but its differences from changes ‘from above’ should not be exaggerated.

With this in mind, we can proceed now with an attempt to ‘explain’ revolutions in the Mashreq. In order to do this, it may be helpful to see why did revolutions occur in some countries and not others. Revolutionary change did not take place in the entire Mashreq region or the Arab world. It began in Egypt, when a military coup overthrew the monarchy in 1952, and was followed by a similar Iraqi coup in 1958. Syria plunged into a series of conservative, Latin American-type military coups between 1949 and 1954, followed by a parliamentary republican regime, a three-year unity period with revolutionary Egypt, a coup that reinstated a conservative parliamentary republic for two years before entering the radical revolutionary period that brought the Ba’th Party to power since 1963. Yemen underwent a military coup in 1961 that overthrew the centuries-old medieval system under the rule of an Imam. Algeria installed its one-party rule after gaining independence from 130 years of French colonialism. Libya overthrew the Sinussi monarchial dynasty and installed a revolutionary regime in 1969. Sudan vacillated between periods of parliamentary democracy and military rule between its independence in 1956 and the prolonged military rule that came to power in 1989. Iran had its particular brand of a popular revolution that installed an Islamic revolution and overthrew the Pahlavi monarchy in 1979.

The three decades of revolutionary changes, however, have left several parts of the region immune to coups, despite the fact that these changes have left their strong imprints on the ‘conservative’ systems forcing them to adapt their functioning and discourse to the changing realities around them. Saudi Arabia, Jordan, the five Persian Gulf Emirates, and most notably Turkey and Morocco escaped this fate. Lebanon presents a special case. The country has been ruled by a parliamentary republican democracy since its independence, but I will argue below that its two civil wars of 1958, and most importantly of 1975-1990, partially fulfilled the same functions as the ones achieved by the Mashreq coups d’état. And finally, Turkey went through two successful coups in 1960 and 1980. But both these coups did not (and were not intended to) introduce radical changes in the country’s political system or to the composition of the leading elites. Rather, they reformulated the rules of the parliamentary game in accordance with the military’s demands before handing power back to civilian politicians.

A combination of developments, it seems, can account for the similarities and divergences of the patterns of the Mashreq’s paths. First, in all the Mashreq’s societies that underwent revolutionary changes a powerful class of big landowners had been in place for a long period, as was noted in the preceding chapters. This class extracted its wealth from the misery of a large mass of wretched peasants, many living in semi-serf conditions. This situation engendered extensive waves of peasant migration to the city centers where their lives were not much better off. This was the case of Egypt, Iran, Iraq, Syria and Lebanon.

By contrast, Jordan, the Arabian Peninsula and Turkey did not experience the domination of such a class; in the first cases because of the arid ecological conditions.

10 The cases of Morocco, Tunisia, Libya and Algeria evidently fall outside the scope of our study because they are part of what is conventionally known as the Maghreb. Enumerating these cases is only intended to give an idea on the scope and magnitude of the changes that swept the region on the one hand, and the cases that resisted that change on the other.
of the region, and in Turkey because the republican regime in 1923 inherited a land system based mainly on small and medium-sized land ownership and proceeded with a ‘modernization’ project that was heavily biased to the urban sectors. However, one can argue that in the case of Turkey, the nationalist, anti-western revolutionary change did actually take place some three decades before the other Mashreq countries. Kemal Atatürk’s coup in 1923 initiated a series of reforms including the nationalization of foreign owned companies, the adoption of five-year economic plans and state control of the major industries and financial institutions (Hershlag 1968: 90-2, Berberoglu 1980: 97-100).

Although the structure of land ownership may partially serve as a departing point for explaining the occurrence of revolutionary changes in the Mashreq, it leaves several questions unanswered. Why was the revolutionary change in Iran, which had an extremely exploitative landowning class, around two decades late compared to its other eastern neighbors? Why didn’t a revolutionary coup d’état take place in Lebanon, despite the fact that its land ownership system was similar to that of Iraq, Syria, and Egypt?

The pressures for reform in Iran began earlier than anywhere else in the Mashreq. In 1906, a popular revolt against the absolute monarch of the Qajar dynasty forced a short-lived reform on the Shah who reluctantly introduced a form of constitutional monarchy. In 1952, popular vote brought the legendary prime minister Dr. Mosaddegh to power. His constitutionally elected government took the unprecedented decision of nationalizing the multinational oil industry. The price he paid was a bloody CIA-engineered coup d’état in 1953. So, the yearning for reform was there in Iran. But the Shah, aware of these trends in his society, and alarmed by the radical change around his country in the late 1950s, initiated a program of mild land reform in 1961 and 1963 that was intended to forestall radical changes. In retrospect, one can see that this program only delayed revolution. As these reforms were unable to engage the emancipated labor force into any rewarding activities, major Iranian cities, especially Teheran, underwent the same ruralization process where sprawling shantytowns encroached upon the established urban orders, eventually suffocating them (Abrahamian 1991: 118).

Lebanon’s land system was no less oppressive than elsewhere in the Mashreq. Social tensions between peasants and landowners showed in several revolts and acts of protest. The absence of powerful group dedicated and able to change the system has to do with the other two factors that I propose to explain change in the Mashreq. One is the potential for the state to gain some relative autonomy vis-à-vis the major actors in society, and the other is the existence of an economically rising group who sees its ability to further development, and the translation of its economic rise on the social and political levels blocked by the existing elite. This rising group must, moreover, be capable of casting its aspirations in ideological terms that could appeal to the majority of the population and not only to its members. Obviously, the ability to cast particular interests as national ones is not only a matter of ideological manipulation by the rising group. In order to be viable, a socio-political change must produce benefits to social groups other than the would-be dominant one.

The Mashreq states that underwent revolutionary change had already begun intervening in the economy since at least WWII, with various degrees of success. The spectacular rise in the shares of governments’ oil revenues in Iran and Iraq since 1952 allowed the state in both countries to develop that autonomy after decades of dependence on external aid and/or taxing the land and commercial activities. The fees from the Suez Canal gave the state in Egypt a modest independent source of finance.
The Syrian state had less chances of autonomous development. However, when the country gained its independence from the French in 1946, the latter agreed to hand back the relatively large amounts of Syrian gold reserves, partly in cash, and partly by abandoning the French enterprises to the Syrian government as a form of payment.

The Lebanese state, by contrast, was an exception in this regard. Following an ultra-liberal economic policy, the state left a flourishing mercantile/banking activity intact and became ever more dependent on the revenues accruing from taxes on these and the agricultural activities. With Lebanon turning into the Switzerland of the Arab world, any revolutionary change via capturing the state would have produced negative effects even for those strata that may aspire to enrich themselves via capturing state power. The multi-confessional structure of Lebanese society made it impossible for any single group, including the armed forces, to impose radical changes on society and expect to be met with acquiescence.

To this anomaly one should add the second factor that hampered change in Lebanon in the way that the other Mashreq countries experienced. The Lebanese economy, just like the majority of other Mashreq countries, was expanding during the first post WWII decade. This implied the rise of new strata whose further development was blocked by the dominant oligarchy, and the persistence of poverty among wide sections of the population. This should have presented a golden opportunity for revolt, because it is the widely perceived boom, accompanied by stagnant living standards of a significant mass that ferments rebellion and not a general atmosphere of poverty or stagnation. Here too Lebanon differed from most of the Mashreq countries in at least two aspects. One is that the standards of living of the population in general were above those of the rest of the region. And despite the gross inequality in income distribution, the poor saw their living standards on the rise during the 1950s and 1960s, and unemployment rates were much lower than elsewhere in the region. The second is that Lebanon’s post independent constitutional compromises consecrated and perpetuated the Ottoman mechanisms of indirect rule and thus obstructed the rise of a civil society where the individual is connected to the state without any mediators.

Despite the modern façade of a parliamentary rule, a multi-party system, and a free press, unwritten rules dictated that the president must be a Maronite Christian, the prime minister a Sunni Muslim and the speaker of the parliament a Shi’ite Muslim. Hence, whereas the post-war social mobility in the Mashreq was gradually paving the road for the rise of individuality and citizenship, Lebanon preserved the formula by which members of the different sects would be represented in the state structures via ‘their’ notables. This formula was a recipe for peaceful coexistence among the various communities that compose the Lebanese society, but it also proved that in order to translate the changing balances among these communities, civil war was the means.

6.4 New leaders in Search of Constituencies:

Radical changes took place in countries that had been characterized by: 1) the domination of big landed aristocracies and mercantile classes; 2) an increasingly autonomous role of their states, and 3) the rise of social strata whose further advancement was blocked by the dominant landed and mercantile classes, and who

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11 A few months after the eruption of the 1975 civil war in Lebanon, the leader of the feeble Lebanese army, General Azz al Ahbab, carried a coup d’état in the hope of putting an end to the war. His coup, however, failed and the Lebanese army split along confessional lines.
could present their revolutionary cause in a way that appealed to wide masses of the oppressed.

Understanding the backgrounds of the immigrants who came to play the leading roles in the Mashreq is essential to understanding the ideological framework, the political practices and the socio-economic programs that they introduced to their respective societies and to explain how they imposed acquiescence on the majority of the population. It may be ironical that the changes, which were the direct product of the crises of systems dominated by the big landed aristocracy, were not carried by its direct victims.

Despite some differences in the backgrounds of the leaders of the nationalist regimes in Egypt, Syria and Iraq, two striking lines of similarity among them must be pointed out. The first is that none of them came from any of the major two or three cities in their respective countries. And the second is that virtually none of the new leaders, or their parents, had experienced direct subjugation to the oppressive machinery of big landed aristocracy. They either hailed from regions whose topography did not allow the rise of big estates, or belonged to the lesser notability of small landowners that did not suffer directly from semi-feudal exploitation and degradation.

Of the nineteen members that composed the military committee that was to play the leading role in Syria since 1966, none descended from sharecroppers or landless families. Ten of these members and four out of the five inner core of the committee descended from lower or middle class peasants (Batatu 1999: 145). Others were the sons of petty clerks or employees who experienced, in one way or another, the humiliating dominance of the French and British on their country's affairs. Egypt's leader Gamal Abdul Nasser was the son of a postal clerk. His deputy Abdul Hakim 'Amir came from a wealthy peasant family. The father of his successor and companion Anwar al Sadat was a clerk with the army. Zakariyya Muhiyildin, a long time strong man in Nasser's regime, came form a middle class family of landowners (Hamrous nd.: 70-98). The composition of Iraq's Revolution's Command Council, which is the body that governs the country since 1968, reflected the same pattern. Out of the fifteen members that sat in this body during its first decade in power, eight came from a rural background (peasants, petty agricultural entrepreneurs and petty landowners), and the fathers of four members were policemen, vendors, and petty tradesmen (Batatu 1978: 1090-91).

Some of these immigrants did not descend from peasant families. Their rural towns were the centers of crafts or services that were eclipsed by the introduction of new transport technologies and/or competition for cheaper and better products from the west or from other regional centers. In the nineteenth century 'Ana, a rural town on the upper western bank of the Euphrates in Iraq, was a center for the production of women gowns ('Aba) that was eclipsed by competition from French and Syrian products with the improvement in transport technologies. Tikrit, on the other hand, specialized in the production of kalaks, rafts that were used to transport goods from Mosul to Baghdad via the Tigris River. Once in Baghdad, the kalaks were dismantled.

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12 In a very telling interview with an American author who published a semi-official apology for the policies of the Iraqi regime, Saddam Hussein reminisced about his youth in Tikrit: "Though life was difficult, I never felt that a narrow class interest inhibited our personality from evolving. Feudal lords had no authority in our region. ... The feudal lord belonged to our tribe." (Interview with Christine Moss Helms, al Thowra [Baghdad daily] 28.12.1985)
and their precious wood was used as fuel because it was very difficult to navigate upstream in the Tigris. With the introduction of steam power, Tikrit began its decline. But using the kalaks continued until the 1940s, when new railroads linked Mosul to Baghdad and paved roads facilitated transport by cars. The depressed situation of Tikrit can be gauged from the fact that its population showed no increase in two decades from 'around 5000' in 1929 to 5770 in 1947 (Daleel 1936: 846 ff, al Aqeeli 1995: 60).

This background, common to most of the leaders of the nationalist revolutions of Egypt, Syria and Iraq, has been, along with other factors, instrumental in shaping the outlooks and social programs of the 'radical' leadership of the Mashreq region. But portraying the new Mashreq leadership in this way may give the impression that this analysis is an additional evidence to the widely held notion that political leadership in this part of the world has a free hand in molding passive societies, and that whoever manages to capture the state machinery can steer the course of events according to his wishes. An analysis of the courses of these revolutions will show that this is an unfounded opinion and that the final shape that the revolutionary regimes have taken was due, to a large degree, to the forceful pressures that these regimes had faced from social actors, who despite being unorganized and lacking the means of transmitting their demands, could make their aspirations and disappointment felt by the rulers.

6.5 Interregnum: Prelude to Rupture

In all the countries that underwent radical changes, a strikingly similar pattern has characterized the revolutionary processes and the composition and rifts within the new ruling groups- an aspect which has drawn very little attention by analysts despite its huge significance. The first leaderships of the revolutionary regimes were either predominantly urban, or had symbolic urban figures heading them. And in all these cases, there were figures who had played prominent roles in society and in the 'establishment' politics, or had occupied relatively prominent positions under the defunct regimes. Finally, in all these cases, the new leaders tried to give the impression that they were preserving some semblance of continuity with the constitutional norms of the ancien regimes, that were based on the formal separation of the executive, legislative and judiciary bodies.

Egypt's first leader was Brigadier General Muhammed Neguib, a prominent officer born to an officer father. The revolutionary regime overthrew the monarch, but not the monarchy. The officers worked under the formal leadership of a regent to the throne and a civilian government (which incorporated several 'free officers') headed by one of the monarchy's politicians. Only two years after the revolution was the monarchy declared dead, the republic instituted, and Neguib was put under house arrest.

Iraq's revolution immediately overthrew the monarchy and declared a republic. However, the leaders of the first republican regime (1958-1963) emphasized the 'interim' nature of their regime, whose role was to reform the political system before handing it back to civilian politicians who were supposed to compete for seats in a reformed, multi-party parliamentary system. A symbolic and powerless 'sovereignty council' was formed of prominent figures to fill the jobs of a head of state. And actual power resided with the cabinet and its premier General Qassim. Qassim himself was one of only sixteen individuals who held that rank at the time of the revolution - an indicator of his incorporation into the elite bureaucracy- and the
urban structure of his cabinets was very pronounced: 64 percent of the ministers were born in Baghdad, Basra, or Mosul. The comparable figures for the period 1963-1968 were 37 percent, and 25 percent for the first decade of the Ba'thist regime (1968-1977) (Tikriti 1976: 276, al Khafaji 2000: 262-5).

Syria presents an interesting case where the same party has been in power since 1963. One would therefore expect that no significant change has occurred in the structure of its leadership over the years. Yet, this is far from true. Two ‘internal’ coups (in 1966 and 1970) and numerous shuffles and splits fulfilled the ‘ruralization’ function. Although the Syrian Ba’th acquired a pronounced rural and provincial coloring since the 1950s, the party leaders were keen on preserving the traditions of appointing Sunnis from the major cities to the posts of president and prime minister until 1970. Batatu’s analysis of the Ba’th leadership concentrates on a period that begins six months after the assumption of power by that party.

However, Van Dam shows clearly that in the period between March 1963, when the Ba’th assumed power in that country, and 1966, when the ‘left wing’ ousted its rivals, 2 percent of the commands of the party were Sunni Damascenes, 8 percent were Sunnis from Aleppo, 10 percent Sunnis from Homs, and 10 percent Sunnis from Latakia (Van Dam 1981: Appendices, table 3). Thus members from al Bitar Damascene family, the notable Hamah family of al Attasi, or the Aleppo, or the Aleppo born Amin al Hafidh occupied these jobs during the first years of the Ba’thist revolution. By September 1963 descendents from the major five Syrian cities represented only 17.3 percent of the total individuals (and 24.5 percent of the total members) of the party’s leadership. These percentages dwindled further by February 1966 to 8.4 and 12.4 respectively in the four following years (see table).

Even the radical Islamic revolution in Iran did not depart from this pattern. The first president was a non-cleric, as well as the first prime minister who came from a political organization that adhered to the secular line of the 1952 deposed prime minister, Muhammad Musaddegh.

Several conclusions can be drawn from the above analysis. The first regards the impulse for changing the ancien regimes. It is clear that not only rural or descendents from rural towns were against these regimes, but a wide section of the urban population including some well-placed people. Without support form the latter, it would have been very difficult to achieve success in carrying political change, since urbanas could (and did) neutralize many influential and vacillating strata, and had access to the reigns of power.

Table - 6.2 -
Syrian Ba’th Regional Commands 1963-1970
by Place of Birth

|------------------------|-----------------------|-----------------------|-----------------------|

13 The urban/provincial/rural origins as major sources of tensions between various factions were consciously felt by the officers themselves before the Ba’th’s coming to power in 1963. Reminiscing on the shuffling of the officer corps in 1962, ex-chief of staff of the Syrian Army explicitly states that its essence was to fill the main jobs “by officers who harbored nothing but hatred and aversion to Damascus and its inhabitants.” (Zahr al-Din 1965: 22)
<table>
<thead>
<tr>
<th>Cities with populations of more than 50,000 in 1960 or more than 100,000 in 1970.</th>
<th>1960</th>
<th>1970</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Members</td>
<td>%</td>
</tr>
<tr>
<td>Villages</td>
<td>18</td>
<td>34.0</td>
</tr>
<tr>
<td>Lesser Towns</td>
<td>22</td>
<td>41.5</td>
</tr>
<tr>
<td>Latakia</td>
<td>5</td>
<td>9.5</td>
</tr>
<tr>
<td>Main Cities*</td>
<td>8</td>
<td>15.0</td>
</tr>
<tr>
<td>Damascus</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Aleppo</td>
<td>4</td>
<td>7.5</td>
</tr>
<tr>
<td>Hims</td>
<td>4</td>
<td>7.5</td>
</tr>
<tr>
<td>Hamah</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>No information</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>53</td>
<td>100.0</td>
</tr>
</tbody>
</table>

*A second conclusion regards the pace of change and the popular pressures that made further radicalization possible. It should not be surprising that promulgating and implementing the laws on land reform, a major step with which the radical regimes have been associated, took place during this ‘first stage’ in all the Mashreq’s revolutions. Ironically, these reforms unleashed pressures that were to undermine the political base of those who enacted them. The first- stage leaders did not intend to go much beyond curtailing the power of big landowners and punishing the old politicians. Radicalized masses of unemployed immigrants who had never been to the ballots or understood party politics, and peasants for whom the liberty of the press meant very little -if anything- could not understand the hesitation of their leaders to abolish all these practices. Many of them never heard of the names of those personalities that the leaders were hesitant to throw in prisons or even execute. Many of the new leaders either hailed from modestly propertyed classes or had at least some personal encounters with the merchants and industrialists whom the newcomers to the cities saw as major opponents. In sum, whereas the urban leaders viewed revolution as processes aimed at redressing a course and returning things to ‘normal’, others saw them as the beginning of paths towards an unexplored heaven, or as an insightful analyst of the French revolution aptly put it:

“Most revolutionary histories present themselves as linear: a passage in time from oldness to newness. But they can hardly avoid circularity. In its early usage, revolution was a metaphor drawn from astronomy, signifying the periodic turning of the sphere. It implied predictability, not unpredictability. "The World Turned Upside Down", as the popular anthem of the American Revolution was called, paradoxically implied an adjustment to its becoming right side up. Correspondingly, the men of 1776 (and still more the framers of the Constitution) were more concerned with preserving order than with perpetuating change. Some of the same nervousness was apparent in France in
the way the men of 1789 used the word. But in their case, its transformative rhetoric overwhelmed any apprehensive second thoughts. Curiously, those who hoped for limited change in 1789 were the most given to the hyperbole of the irreversible. And from that time on revolution would be a word of inauguration, not repetition.”

Schama 1989: 6-7

Clearly then, social tensions in the Mashreq societies left tremendous effects on the shape and content of political power. The first revolutionary regimes were rendered transitional by the large disenchanted masses that saw them as reformist and mild. The cleavages, it must be stressed were not between poor and rich as such. Generally speaking, the trade unions and urban workers tended to side with the ‘reformist’ regimes rather than with the more radical populism of the nationalist movements. And it is this dilemma that contributed to eclipse some of the rising political organizations and the rise of others.

The complex configuration of –active or passive– social actors during the revolutionary periods can be portrayed as a matrix of four blocks: the landowning and merchant classes, the middling and poor urbans, the destitute migrants, and the better-off migrants. As in any other schema, this matrix tends to simplify a more complicated reality as many nuances, subdivisions, conflicts within each block and sub-block interactions are not portrayed in it. The first block, landowners and merchants, was targeted by the three other as the source of the perceived societal and political maladies. Despite the overall animosity towards that first block, the urban poor and middling strata shared social norms, values and collective memories with the urban merchants in particular. The two migrant blocks shared values but no common interests, apart from doing away with the ancien regimes. Perhaps, it was this complex social configuration that allowed the rising migrants to assume the role of a bridge where the three blocks could find their common meeting points, through bloody conflicts and clashes to be sure.

In an atmosphere of severe competition, the radical political parties in the region adapted with varying degrees of success to the changing realities in the Mashreq countries. In the meantime, non-radical opposition parties that had been vocal during the pre-revolutionary era ceased to exist altogether. The Egyptian al Wafd, the Iraqi National Democratic Party and Independence Party, the Syrian National Party and the People’s Party, and the Iranian Partisans of Freedom Party welcomed the revolutionary changes, but they were not viewed favorably by those who would play the leading roles during the ‘second stage’ of the revolutions. The reasons are not hard to discern. These parties were mostly urban-based. Their leaderships were almost exclusively urban Their political practices revolved around parliamentary politics and a façade of pluralism. As the revolutions introduced new social actors to the political arena, these parties were seen at best as relics of the past that had played a positive role but have no reasons to exist since the demands put on their political programs have been fulfilled, and even surpassed by the revolutions.

However, it would be preposterous to assume that the relative success or failure of particular trends and organizations to adapt to the changing realities and to express the aspirations of the majority of the oppressed can be accounted for by the talents, skills or strategies adopted by their leaders. Social changes tended to reflect themselves in the composition, outlook and strategies of the radical organizations more or less in an inadvertent way. Given the clandestine or semi-clandestine nature of these organizations, the changes occurred though splits, expulsions and heated struggles within organizations. The particular problems facing each of the Mashreq’s
countries, and the ideological mantle under which each of these organizations operated imposed their constraints on the degree that each trend could adapt to changing needs and realities and determined to a large extent the trend that was more accommodated to express them more effectively.

Very few doubted the corruption of the old sociopolitical systems of their respective countries, but the way each section of the underprivileged classes viewed this corruption was different from others. Shared grounds could be found of course, provided that some other manifestations of the corrupt system were relegated to a secondary position. For example, the overrepresentation of Jews and Christians in the higher grades of the chambers of commerce and in the banking and real estate activities could be attributed to class divisions and the infiltration of agents of imperialism among Moslems and non Moslems alike, as the Marxists did. But any reference to these minorities as being non-authentic citizens would jeopardize the basis upon which these organizations were founded, namely that national liberation is a matter of class struggle rather than ethnic cleansing. Moreover, the communists of Iran, Syria and Iraq, among the most popular parties in the 1940s and 1950s in their respective countries, had a significant membership of underprivileged minorities for whom an ideology stressing equality among citizens irrespective of their sects, confessions or ethnicity was very appealing. The bulk of the membership of the Lebanese communist party was composed of Orthodox Christians and Shi’is, in addition to Armenians and a few Maronite Christians or Sunnis.

On the other hand, nationalist feelings, which ran high among all of the underprivileged (and even many privileged) strata, could easily be incorporated within chauvinistic semi-Nazi ideologies, which tended to play on the instincts of the poor by portraying the privileged merchants as alien conspirators plundering their countries hand in hand with the British and the French, not because of the social position that the former occupied, but because they belonged to sects/ethnicities whose loyalty to the nation was questionable. Until its merger with the Arab Socialist Party in 1952, a party that had much support among the Syrian peasantry because of its emphasis on the corruption of the landowners and the need for land reform, the Ba’th party showed very little, if any, sensitivity towards the oppressed social classes. All the members of the Ba’th Executive Bureau from its founding in 1945 to the party’s merger had their roots in Syria’s main cities and towns. Hence the absence of any reference to landlords or exploitation in the numerous writings of the founding father of the party (Batatu 1999: 136). In the 48 articles Ba’thist Constitution adopted in 1947 and composes the party’s general principles, the character of Arab socialism’s economic policy is described in a purely nationalist discourse. Article 26 states that “The Arab Ba’ath Party is socialist, believing that the economic wealth of the homeland belongs to the nation (Gottheil 1981: 247).

But how could the originally urban Ba’th succeed in mobilizing, or at least gaining the acquiescence of the migrants and declasse, while the communist failed? It seems that the ideological framework of ‘pure’ nationalism can only provide a partial answer. The success of nationalistic agitation naturally varied according to the concrete situation of each of the Mashreq societies. The dominance of western

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14 Naturally, I am describing the communist positions of the late 1940s and 1950s. These movements, composed of modestly educated but dedicated militants, relied mostly on French and British communist pamphlets very loyal to the Stalinist versions of Marxism. Later on, the theoretical ‘sophistication’ of the communist parties would deteriorate even more with the advent of Soviet publications and the expansion of cadre training courses for communists in the various institutions of the USSR and its allied countries.
interests was palpable in the entire Mashreq, naturally. Ownership of the Suez Canal, the oil industry in Iran, Iraq and the Gulf and Saudi Arabia, the humiliating occupation of Egypt by British troops in 1882 and their continuous presence there and in Iraq, and the 1953 CIA intervention to overthrow the democratically elected government of Iran, were daily reminders of that presence to the ordinary people. Long before the Ba'thists, the communists championed the causes of national liberation and were among the first to denounce the domination of foreign capital on national resources. But nationalism - or more accurately revolutionary nationalism - is not only a function of the domination of foreigners, otherwise we would have witnessed such nationalist explosions in Saudi Arabia and the Gulf emirates. It is an ideology that is best couched on the existence of oppression and misery on the one hand, and the rise of articulate groups who feel that their interests, which they may view as the interest of the whole nation, can be furthered by doing away with foreign domination. And these conditions were fully there in the countries that underwent revolutionary changes in the Mashreq.

Paradoxically, Syria, was the country in which foreign domination was least palpable. It had gained its full independence in 1946, and the French debts to the country were used to buy the foreign owned public utilities (electricity, trams, etc.) and turn them into Syrian state property. Trade activity was (and still is) in the hands of the powerful local Sunni merchants of Aleppo and Damascus. Nevertheless, foreign capital still held powerful positions in the economy, as the following table suggests.

Yet, it seems that the success of Ba'thists in Syria had less to do with nationalism than with its socially refurbished image and policies after the merger with the Arab Socialist Party, as the above cited figures on the high percentage of rural in its leadership, even in the early 1960s indicate. It seems, in fact, that unlike the Iraqi Ba'th, which preserved its insensitivity to social problems until the end of the 1960s, the Syrian Ba'th's "socialist" tone appealed more to the masses than its purely nationalistic one.

By contrast, a predominantly Shi'i Iranian population could easily target the opulence of the tiny Jewish and heterodox Baha'i communities as signs of animosity of whole communities (or faiths) to the national interests. The same could be said about Egypt, where Christian Egyptian merchants held a disproportionately high percentage of the trading activity (see table).

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15. It is noteworthy: that the 1952 revolution of Egypt skillfully adopted the slogan: "Raise your head my brother, you are your own master!", because since the end of the Pharaoh's era Egypt was never ruled by an Egyptian. The pre-revolutionary monarchs descended from Muhammed Ali, who was an Albanian Mamluk.

16. The 'purely' nationalist feelings in Syria should not be minimized. The Syrians may be the most pan-Arabis of any other nation in the region and the Palestinian tragedy weighed, perhaps, heavier on their conscience than on any other society in the region. Because historically Palestine was the southwestern strip of the Sham "Greater Syria". Yet it is the urban Damascene who upheld the pan-Arabist idea, and it is the absence of those in the leading bodies of the pan-Arabist Ba'th that deserve our attention here.

The Syrian Ba'th gradually alienated itself from its founding father, himself a Damascene nationalist for whom social struggles occupied a subordinate position in comparison to those hampering the 'Nation's strength' vis-a-vis the others. In 1966, the party officially split into two factions, a 'left-wing', which ruled Syria and ousted the founder, and a 'right-wing', which came to rule Iraq since 1968. Significantly, the right-wing party had already committed bloody massacres against the communists in Iraq, whereas the Syrian Ba'th, more oriented to social thinking, adopted a strategy of 'depopulizing' the communists by providing more achievements than the latter's promises. For details, see (Kienle 1990).
The paradox, however, lied in Iraq, where the majority of the population is Arab Shi’ite (around 55 percent) while political power has always resided with Arab Sunnis (around 20 percent of the population). Because of the traditional dominance of Sunnis on the state, urban Shi‘is, who had the means to pursue higher education, or had access to some resources directed their activities to trade and liberal professions. Until the mass exodus of the Jews following the creation of Israel, the latter dominated the trade and banking sectors, while the Shi‘ite merchants came second. The preponderance of Shi‘ite merchants became very evident after 1948, when the latter had a virtual monopoly on banking and commercial activities. Yet the most wretched peasants and migrants to the cities were also Shi‘ites from the southern governorates of Iraq, as well as the Kurds.

Table -6.3-  
Foreign Companies in Syria in 1952

<table>
<thead>
<tr>
<th>Nationality</th>
<th>No</th>
<th>Capital</th>
<th>Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lebanese</td>
<td>98</td>
<td>48,393,345</td>
<td>Lebanese Lira</td>
</tr>
<tr>
<td>British</td>
<td>27</td>
<td>54,020,600</td>
<td>Sterling Pound</td>
</tr>
<tr>
<td>French</td>
<td>26</td>
<td>4,739,960,50</td>
<td>French Francs</td>
</tr>
<tr>
<td>Palestinian</td>
<td>7</td>
<td>2,269,000</td>
<td>Palestinian Pounds</td>
</tr>
<tr>
<td>Palestinian</td>
<td>1</td>
<td>300,000</td>
<td>Lebanese Lira</td>
</tr>
<tr>
<td>Egyptian</td>
<td>7</td>
<td>815,550</td>
<td>Egyptian Pound</td>
</tr>
<tr>
<td>US</td>
<td>6</td>
<td>631,599,530</td>
<td>$ Dollar</td>
</tr>
<tr>
<td>Swiss</td>
<td>3</td>
<td>77,000,000</td>
<td>Swiss Franc</td>
</tr>
<tr>
<td>Jordanian</td>
<td>4</td>
<td>145,000</td>
<td>Jordanian Dinar</td>
</tr>
<tr>
<td>Iraqi</td>
<td>3</td>
<td>1,010,100</td>
<td>Iraqi Dinar</td>
</tr>
<tr>
<td>Belgian</td>
<td>2</td>
<td>653,333,300</td>
<td>Belgian Franc</td>
</tr>
<tr>
<td>Indian</td>
<td>2</td>
<td>105,000</td>
<td>Sterling Pound</td>
</tr>
<tr>
<td>Italian</td>
<td>2</td>
<td>5,062,825,50</td>
<td>Italian Lira</td>
</tr>
<tr>
<td>Dutch</td>
<td>1</td>
<td>1,000,000</td>
<td>Dutch Guilder</td>
</tr>
<tr>
<td>Panamanian</td>
<td>1</td>
<td>90,500</td>
<td>US $</td>
</tr>
<tr>
<td>Danish</td>
<td>1</td>
<td>?</td>
<td></td>
</tr>
<tr>
<td>Saudi</td>
<td>1</td>
<td>?</td>
<td></td>
</tr>
</tbody>
</table>

Source: Al Sibai‘i (no date: 361)
<table>
<thead>
<tr>
<th>Class</th>
<th>Total*</th>
<th>Western</th>
<th>Non-Iraqi Arabs</th>
<th>Iraqi</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Jewish</td>
</tr>
<tr>
<td>First</td>
<td>25</td>
<td>17</td>
<td>7</td>
<td>1</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: Muslim merchants’ figures includes some non-Egyptians (e.g. Moroccans). Christian Egyptians include Egyptian Copts, in addition to some Christians of Syrian origins. Foreigners include Western Europeans plus some Greeks, Jews, Italians, Armenians, etc. The compradors include those merchants registered under the category “commissioners”, which is of Turkish origin denoting trade agents.

Source: Davis 1983: 90.

Whereas Syrian minorities Ismar‘ilis and Alawis for example, harbored feelings of mistrust towards the predominantly Sunni elite, who besides dominating mercantile activity in the cities was their direct exploiter as peasants, such a rift was not so clear cut in Iraq. Shi‘ite as well as Sunni landlords exploited Shi‘ite peasants. Kurdish aghas were the masters of Kurdish peasants. The impoverished masses of migrant peasants, as well as the established urban workers, tended to view their misery more in terms of explicit class oppression than in sectarian or ethnic terms. This may partly explain the amazing success of the Iraqi communist party in gaining mass support until around the mid-1960s, whereas Ba‘thism was hardly a popular current in that country.

To put it differently, in all the countries that underwent revolutionary changes in the Mashreq, the most successful political trends were those that could create a sense of national unity in the face of western colonial powers and their local allies. Syria’s social divisions were mainly of religious/sectarian nature, and therefore an Arabist ideology appealing to the actual or perceived Arabness of the vast majority of the population irrespective of their confessions could fulfill that role. By contrast, Iraq’s divisions were mainly ethnic ones. An Arabist ideology alienated large sections of the population, while the communists managed to transcend the nationalist cleavages by emphasizing class unity, which had the potential to appeal to Shi‘is and Sunnis alike.
The receptiveness to each variant of the radical ideologies largely depended on the specific situation and common experience that a particular group of migrants faced, and the specific situation of each of the Mashreq societies. Syria and Lebanon were no less diverse societies than Iraq as we have seen above. But their diversity was confessional and not ethnic in the first place. True, Syria and Lebanon had their non-Arab citizens: Kurds, Armenians, Syriacs and Assyrians. But these composed tiny percentages of the population and Arabic was becoming the dominant, if not the sole, spoken language, in both countries.

Kurds in northeast Syria and Armenians in Damascus and Aleppo kept using their languages. But the Damascene Kurds, many of whom occupied high positions during the Ottoman era, melted in their Arab milieu and ceased using that language for generations. Armenians kept teaching their children their mother language and had their own schools, but their minority situation and living in Arabic speaking cities and not in exclusive enclaves of their own, made it impossible for them to demand recognition as a culturally ethnic identity.

This was not the situation in Iraq, where despite the Sunni-Shi'ite cleavage, a larger majority of the population belonged to non-heterodox Islam17. There were several other non-Muslim groups to be sure: Christians, Jews, Yazidis, Sabeans, as well as heterodox Muslim sects. But the biggest source of diversity was ethnic, the more so after the mass exodus of Jews. Although the Kurds are mostly Sunni Muslims, they could not identify with Sunni Arabs because, in addition to being persecuted by Sunni-dominated Arab regimes, the cementing element of the post-Ottoman Mashreq was nationality defined as synonymous with ethnicity. Another difference between Syria and Iraq lied in the fact that in the former there was a clear-cut majority for a single ethnic-religious group; Arab Sunnis constituted some 72 percent of the population. In Iraq, most of the Arabs were Shi’ite, but Arabs only constituted some 70 percent of the population. Sunni Muslims constituted more than 50 percent of the population, but only if we lump Arabs with Kurds together. The Kurds had their own distinct identity that kept them apart from Arabs, Shi’is and Sunnis alike. Therefore, while Ba’thism and pan-Arabist ideology in general appealed to non-Muslims in Syria because it upheld the concept of equality of all irrespective of their religion and sect, it was a time bomb for the Iraqi Kurds, Turkmans,

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17 Mainstream Islam falls within the following five sects: Hanafi, Maliki, Shafi'i, Hanbal and Shi’ite. These share the basic tenets of Islam and the interpretation of the Koran. Heterodox Muslims, whom many even do not consider as Muslims, compose such sects as Alawites, Druzes, Isma'ilis and Baha'is. On the differences and development of these heterodox sects, see among many others, Hishi 1985.
Chaldeans, Armenians and Assyrians, who formed distinct ethnic groups that preserved their cultural traits and languages.

These factors combined might explain the differences and the commonality in the trajectories of the Mashreq countries. Whereas the radical changes that swept the region since the 1950s can be attributed to the bursting off of the sclerotic social systems that had been in place since the end of WWI, notably their incapacity to cope with the waves of migration and urbanization and the crises of the agricultural structures, the forms that the radical changes took were not quite uniform. Improving economic conditions following WWII exposed and magnified social cleavages. Those strata that saw their fortunes on the rise due to WWII and its aftermath either could not enhance their positions any further, or had to acquiesce to playing subordinate social and political roles in a system where roles had been already defined and monopolized by a tiny aristocracy.

6.6 Transitional Revolutionaries:

The revolutionary developments since the end of the 1950s swept the old ruling classes away from the political scene. The ‘transitional’ revolutionaries followed suit after a few years as the huge pressures for radicalizing the course of revolutionary changes made it possible for rural and provincial town immigrants to take full control of the state apparatuses of the Mashreq. Theoretically, this should lead one to expect the establishment of more representative and therefore more democratic political systems since these immigrants formed the majority of the new urban spaces and had so much to share with the aspirations of the peasants. However, in all these cases the evidence shows that tyrannical leviathans under the rule of tiny cliques were the outcomes of these changes. And it is of utmost importance to attempt to understand this paradox.

The interaction of two sets of conditions may account for the outcome of the revolutionary changes in the Mashreq, one is the social configuration at the time of the revolutions and the other is the changing relationship between states and societies since the early 1950s. The mass migrations coupled with the virtual absence of expansion in the formal, organized urban sectors –the same phenomena that instigated change- had their necessary corollary; namely that the new regimes stood above atomized societies. The vast majority of the population was neither organized economically, nor politically. Their aspirations, pressures and disenchantment could be felt and transmitted in indirect ways, but they had no way of putting collective demands systematically. What little organized action could be carried out via radical parties and trade unions, repression and hostility towards collective acts by the pre-revolutionary, as well as revolutionary, regimes were able to isolate.

Obviously, suppression could not achieve these results were it not that organized action and organized sectors were turning more and more into isolated acts due to the atomization of the population. Whereas in the 1930s and 1940s a strike would have had a destabilizing effect on the ruling elites, and thereby on the political structures that were heavily linked to these elites, such acts no longer weighed as

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18 It is of particular significance here to mention that three months after the Egyptian revolution and immediately after the adoption of an agrarian reform act, two trade union leaders, al Khamisi and al Baqari were hanged because they led a strike in the factories of Kafr al Damm. A few months after the seizure of power by the Ba‘th party in Iraq in 1968, bloody attacks against a left-wing student public gathering in a park in Baghdad and a workers’ strike of the vegetable oil industry sent the same message.
heavily in the 1950s and especially after the revolutions. Not only the changing social configuration and the changing relationship between the new regimes and the dominant elites were the reasons behind that, but also the changing relationship between states, dominant classes and societies.

Until around the mid-1940s, Mashreq state leaders harbored ambivalent political attitudes towards their social base: the big landowners and merchants. These attitudes, very similar to those of European absolutisms, can be described as the desire to see the monarch and his/her retinue stronger than any single local power holder on the one hand, and the desire to keep local power holders in control of their subjects on the other hand. The first tendency is not difficult to understand obviously. It was the recipe for putting an end to separatist attempts at state building and thereby to enforce the acceptance of the fact that modern structures were there to stay. The new invention of air force, which the unfortunate European absolutisms lacked, proved to be a formidable means to suppress local revolts and demands for more autonomy for the local power holders and their subjects.19

On the other hand, the desire to keep local power holders in control of their subjects stemmed from the fact that the legitimacy of rulers and their state structures rested upon the allegiance of the functional chiefs of various communities to their authority. Chiefs of tribes, village notables, religious leaders, and merchants who played the role of notability in their respective suburbs or city quarters, were the means through which the population could be controlled and appeased. Parliamentary rule—a fraudulent one to be sure—served as a means to enforce indirect rule, rather than building modern centralized states. A glance at the above-cited tables on the distribution of parliamentary seats of the Mashreq should be sufficient to make the point that the ‘modern’ institutions were adapted to ‘premodern’ social conditions, and local chiefs were the intermediary layers between central state bureaucracy and the subjects.20

But the figures on the social backgrounds of the members of parliaments and cabinets in the last years of the ancien régime also give a partial indicator of the changing relationship between dominant classes and their constituencies. For despite the concerted efforts to rig the election and preserve the status quo, the rising number of independent professionals and personalities close to the progressive parties who could enter the parliaments of the Mashreq is a clear indicator of the detachment of growing numbers from their ‘traditional’ local leaders. The numerous street riots in the cities and peasant revolts and exodus from the countryside also testify to the fact that the drive towards direct rule was imminent and that the traditional chiefs lost their legitimacy in the eyes of their own subjects.

The system of indirect rule based on subjects whose interests and control were in the hands of their local notables was cracking down. The inability of those notables to efficiently challenge secular politics was a clear indicator. In sum, revolutions were

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19 A proud Winston Churchill would reminisce on the use of the RAF of chemical weapons to suppress the Sulaimiya Kurds’ revolt for independence in 1921. But the nascent ‘national’ Iraqi air force was first used to suppress the revolts of the Dwaniya peasants and lesser landlords who demanded more rights for the cultivators against big landlords (Sassoon 1987: 123).

20 A hasty reading of European history may take the above as evidence for the variance between the Mashreq and the former cases. But let us remember that the parliament was an institution that developed in the struggle between the nobility and the monarchs even in Europe. Commenting on the adoption of the Magna Carta in 1688, Wood notes that: “Constitutionalism has, in fact, historically often been aristocratic, even feudal, in its motivations; and while this does not disqualify it as an important contribution to the development of ‘limited’ and ‘responsible’ government, a certain caution should attend any effort to identify it with democracy” (Wood 1990: 83 fn.).
made possible by the fact that the dominant classes lost their ideological-political functions and the political institutions lost their pillars of societal control. Therefore, what is generally viewed as military coups ‘diverting’ the ‘normal’ functioning of societies, should be seen the other way around. Where the old dominant classes preserved their social functions and therefore ideological legitimation, a military coup would either antagonize these classes and thus face tribal riots and urban unrest that would eventually force an end to the coup, or would have to act in accordance with interests of those dominant classes, thus ending up with the reproduction of the ancien regime.

Lacking moral/ideological legitimation and a social function to fulfill, dominant classes would normally turn to the other aspect of control—physical coercion via the armed forces. Yet the expansion of the armed forces under the pre-revolutionary regimes, whose intention was obviously the strengthening of these regimes, led to the opposite effects. The relationship between defendants and defended, so to speak, was peculiar however. Where an institution of a standing armed force existed in pre-revolutionary Europe, these were mostly recruited from the lesser nobility and privileged classes. This was not the case in the Mashreq, as we have seen above. The defendants of public order and the political system had simply no stake in doing so. With the exception of handfulls of superior commanders who hailed from upper class families and/or were incorporated within the ruling elites, the majority of officers, let alone the noncommissioned officers and soldiers, were alienated from the top elite by virtue of their regional descent, social status, and/or living patterns.

The European case that most resembles the Mashreq in this respect was France where the expansion of the standing army under the monarchy was carried through the massive incorporation of the plebeians within its ranks. The classical and insightful study of Alexis de Tocqueville emphasized this factor as a major source that undermined the position of the dominant aristocracy (de Tocqueville 1865: part 2, chap. 1).22

On a societal level, state authorities, deprived of their independent means of ideological legitimation, were facing atomized populations even before the revolutions took place. In fact, this atomization was a symptom of the crisis that the revolutions were supposed to address. This situation provided the preconditions for asserting the supremacy of the state as a regulator of social activity without the mediation of local leaders. The backgrounds of the new revolutionary leaders, almost all owing their rise to occupying jobs in the state apparatus and particularly the armed force, was an additional reason for fetishizing the state and its capabilities to ‘produce’ progress. But this fetishism only evolved gradually as the state leaders discovered the lack of organized and effective resistance by the atomized population to their acts.

21 The quick decline in the ability of the ‘old classes’ to control and legitimate, in contrast to their social power during the previous decades, may account for the failure of coups, or their inability to establish military regimes before. Reza Pahlavi’s coup in 1925 put an end to the rule of the Qajar dynasty, but he was proclaimed shah and his main pillar of power were the still influential big landlords. Thus he ended up with a monarchy that was similar to the ones in Egypt and Iraq. The 1936 military coup in Iraq, the first ever to occur in an Arab country, ended up months later without achieving any change. The series of coups in the late 1940s and early 1950s in Syria ended up with the return of parliamentary rule and the old merchant-land owning notables.

22 Goran Therborn comments that this was not because the mobs entered the state apparatus in the first place, but because their entry increased the isolation of the ruling aristocracy from its local base; thus turning into parasitic court nobility (Therborn 1978: 51).
With the exception of land reforms, the transitional revolutionaries had no plans to enact serious changes in the socio-economic spheres. Land reforms had an objective of putting a ceiling on the size of land owned by a single individual or family, and distributing the confiscated land to landless peasants. Their enthusiastic calls for industrialization and the encouragement of national industry were translated into enacting legislation that gave more exemptions and bonuses to local private industrialists and taxing imported goods. Hence, no statism was preconceived by the urban and transitional revolutionaries who undoubtedly shared the illusion that a class of national industrialists could be dissociated from the merchant and landed classes in order to launch the modernization programs. But the political changes and land reforms were more than sufficient to send an alarming message to the many members of the dominant classes who moved, or moved their liquid assets to the west, Lebanon and other neighboring countries.

The social consequences of these developments were obviously favorable to the rise of new juntas who were not constrained in their actions by organized lower classes, or powerful dominant classes. But these consequences would not have been sufficient to ensure stability if the state had not acquired the potential for a relative financial autonomy from the dominant classes. Whereas the social and political influence of the old dominant classes had been eroded, their economic influence could not have been curtailed and the revolutionary regimes would have succumbed into chaos without this financial autonomy. The Mashreq states were able to achieve this thanks to two developments. One was a new arrangement between the international oil consortium that controlled its oil production and the host governments to raise their shares of the oil revenues to fifty percent, thus causing spectacular hikes in the governments’ incomes. And the second was post-WWII international economic boom and the cold war competition between the superpowers to gain influence in the Middle East and their generosity to hand grants, aid, and easy loans to their prospective allies. To this should be added the rise of the national liberation tide which made the nationalization of western interests in the region one of the possibilities for governments under pressure to find sources of revenues.

Due to all these combined forces, oil revenues in Iran rose from 11 percent of the central government’s total revenues in 1954 to 42 percent in 1960 (see table). In Egypt, the public sector’s contribution to the GDP rose from 94.8 million Egyptian pounds in 1950 to 257.4 millions in 1958 thanks mainly to the nationalization of the Suez Canal in 1956. Iraq’s oil revenues jumped from 6.7 million sterling pounds in 1950 to 51.3 in 1953 (Owen and Pamuk 1999: 260). Although the Syrian state lacked the natural resources or utilities that could bring her significant revenues, certain indicators show that its resources were expanding in the decade leading to revolutionary changes. The state’s share in gross capital formation rose from an annual average of 43 million Syrian pounds in the period 1952-1954 to 109 millions during the period 1955-1958 and 171 millions during 1961-1964. In proportional terms the share of public investment rose from 18 percent in 1950-1955 to 41.3 percent in 1965 (Hilan n.d.: 155). The strategic location of Syria during the height of the cold war era allowed it to reap benefits from the superpowers and later from the regional wealthy neighbors.

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24 Throughout the late 1940s and the 1950s, the region was drawn into the race to form pro-western, anti-Soviet pacts. Turkey, Syria’s powerful neighbor to the north joined the NATO. In 1955, the Baghdad Pact was established. This alliance (later known as the CENTO after the Iraqi revolution and
Lebanon presents a case where big landed and merchants aristocracy dominated the social, economic and political scene just like in the other Mashreq countries. The same symptoms of discontent, migrations and inability to absorb the unemployed into remunerating activities led to several social outbursts. However, the state could never evolve into an autonomous body, and the system of indirect rule was nowhere more pronounced than here. Parliamentary seats were (and still are) assigned to sects, whose deputies are expected to play the role of mediators between their constituencies and the state apparatus.

<table>
<thead>
<tr>
<th>Table – 6.6 -</th>
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</thead>
<tbody>
<tr>
<td><strong>Iran: Sources of Central Government Revenues (%)</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Oil Revenues</td>
</tr>
<tr>
<td>Duties and Customs</td>
</tr>
<tr>
<td>Direct taxes</td>
</tr>
<tr>
<td>Other Domestic Revenues</td>
</tr>
<tr>
<td>Foreign Donations</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Source: Mahadavy 1970: 455

<table>
<thead>
<tr>
<th>Table – 6.7 -</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Iraq: Sources of State Revenue</strong></td>
</tr>
<tr>
<td>(Selected years, thousands of dinars)</td>
</tr>
<tr>
<td>Year</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>1927</td>
</tr>
<tr>
<td>1932</td>
</tr>
<tr>
<td>1939</td>
</tr>
<tr>
<td>1951</td>
</tr>
<tr>
<td>1952</td>
</tr>
<tr>
<td>1953</td>
</tr>
<tr>
<td>1958</td>
</tr>
</tbody>
</table>

* The land and animal taxes were until 1931 directly levied, and after that date became indirect consumption imposts.

Iraq’s withdrawal) was formed of the UK, Turkey, Iran, Iraq and Pakistan. The US had an observer membership in the pact. The Iraqi monarchy was heavily involved in coup attempts in Syria in order to draw the country to the pact. And a sandwiched Syria looked for revolutionary Egypt and the Soviet camp for aid, eventually entering into a short-lived unity with the former to form the United Arab Republic under the leadership of Nasser. For more details, see Seale 1965.
Throughout the 1960s and early 1970s, a process of rise among descendents from the hitherto marginalized provinces was under way. The Shi is, the most numerous of sects, improved their socio-economic conditions, benefited from transfers from relatives and family members who engaged in lucrative trade activities in west Africa. Sunnis from the southern city of Saida (Sidon), and Maronites from the northern regions of Zgharta and Ilhden were also on the rise, thanks to similar transfers from the oil-rich Arab countries for the Sunnis and from Africa for the second. Although the rifts took the form of whole sects demanding fairer say in the politics of their country, there was another, no less volatile one: that between the rising strata of each sect and its “assigned” representatives. The starkest example is the budding of new Shi'i political organizations since the mid-1970s: Amal first, followed by Hezbollah.

The civil war was to partially fulfill the ‘tasks’ of the Mashreq’s coups d’etat: forcing new leaders for the various sects into the body politics and opening the way for social mobility for the newcomers. Thus the monopoly of the role of the speaker of parliament by the two big Shi'i landowning families, the Hamadas and al As'ads, was abruptly ended and Amal’s leaders occupied that role, while Hezbollah’s deputies made their regular presence in the parliament. As for the Sunni leadership, the traditional families that occupied the post of prime minister hailed from the traditional aristocracy of Beirut or Tripoli, or had established themselves so long in Beirut, that they lost touch with towns of origin and were considered Beirutis, like the Sulh family that originally came from Sidon. The outcome of the civil war was the eclipse of these families to the advantage of the nouveaux-riches from Sidon, like the post-civil war prime minister Rafiq al Hariri.

The fact that the Lebanese economy and society had been geared to banking, trade and transit activities meant that the state could never develop a huge executive body or an extensive armed force that would deplete the resources of the main sectors. While a military coup was almost impossible in Lebanon’s case, a popular social revolution was equally difficult given the non-rise of a trans-sectarian hegemonic class that could pose its demands as those of the whole nation. Whenever these demands were raised and social tensions rose high, the country could easily slide into a civil conflict.

Lebanon’s specific situation is very instructive as a contrast to the developments in the rest of the Mashreq. Despite the violent fifteen-year long civil war between 1975 and 1990, the country had to keep a façade of a parliamentary rule and a multi-party system, a separation of authorities, free press, a fixed term for the president, and the system of indirect rule. The change, as we have seen, was confined to the rise of new communal leaders from modest, and mainly provincial, backgrounds to partially or totally replace the old aristocratic leaders. A façade of a representative system, which assumes that citizens are identified in sectarian terms, has perpetuated the institution of indirect rule.

Commentators on Lebanon and the Middle East have mostly viewed these Shi'ite movements through the prism of their anti-Israeli operations. However, Amal (literally meaning hope in Arabic) was established in the mid-1970s under the name of Harakat al Mahroumin: the Movement of the Deprived. At that time, the radical Lebanese Shi'ites were mainly under the influence of the Lebanese Communist Party.
By contrast, a more autonomous state could do away with the whole concept of representation to the advantage of direct rule in the rest of the Mashreq. But in order that such a unique center for political activity and decision-making could survive, several conditions needed to be met. We already mentioned the rise in the financial capacity of the state, the collapse of the legitimacy of the old classes and the atomization of the population as three essential conditions. The armed forces, despite their distorted ethnic and sectarian composition, could present or imagine themselves as the only national institution that can act on behalf of the ‘nation’. By cutting the roots of upper landed aristocracy, the revolutionary leaders could claim that they removed the most formidable obstacle to achieving social and economic equality.

Yet the ‘transitional’ revolutionaries, those of predominantly urban composition, could not go very far in their claims and perceptions, because they themselves were associated, in one way or another, with the affluent or well-to-do urban merchants, bankers, real estate agents and industrialists and were thus seen by the radicalized population as half-hearted reformists. What prompted their imminent demise was not only the narrowing of their social base as they achieved their preliminary programs, but also the fact that they were desperately divided among themselves. Shared common goals could not conceal the differences in outlook of people hailing from different cities and therefore different backgrounds, interests and ambitions.

Paradoxical as it may seem, the first revolutionaries were victims of their own success. As the peasants were liberated from their age-old dependence on the landlords, agricultural classes lost what little influence they had on policymaking because of the further atomization of small peasants and the rise in the economic weight of urban activities. Although peasants lost their influence, their descendants and relatives in the cities gained weight thanks to their numerical preponderance and their ability to formulate common political perceptions that revolved around the creation of strong states that have the capability of coercing opponents. This was not the case with urban revolutionaries. Their common urban backgrounds could not conceal the fact that they descended from different class positions that definitely shaped their views and outlooks.

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**Table 6.8 - The Transformation of Egypt’s Agrarian Structure**

<table>
<thead>
<tr>
<th>Size of holding</th>
<th>Before the 1952 Land Reform Law</th>
<th>1961</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Holdings</td>
<td>Total Area</td>
</tr>
<tr>
<td></td>
<td>No. (1000s)</td>
<td>%</td>
</tr>
<tr>
<td>Small: Less than 5 feddans</td>
<td>2642</td>
<td>94.3</td>
</tr>
<tr>
<td>Medium: 5- less than 10 feddans</td>
<td>79</td>
<td>2.8</td>
</tr>
<tr>
<td>10- less than 20 feddans</td>
<td>47</td>
<td>1.7</td>
</tr>
</tbody>
</table>
**Table 6.9**
The Transformation of Syria’s Agrarian Structure

<table>
<thead>
<tr>
<th>Size of Holding (Hectares)</th>
<th>Pre-Reform</th>
<th>Post-Reform</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% Population</td>
<td>% Owned Land Surface</td>
</tr>
<tr>
<td>Large (100+)</td>
<td>10</td>
<td>50.0</td>
</tr>
<tr>
<td>Medium (10-100)</td>
<td>9.0</td>
<td>37.0</td>
</tr>
<tr>
<td>Small (-10)</td>
<td>30.0</td>
<td>13.0</td>
</tr>
<tr>
<td>Landless</td>
<td>60.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Source: Hinnebusch 1989: 110

**Table 6.10**
The Transformation of Iraq’s Agrarian Structure

<table>
<thead>
<tr>
<th>Size of Holding (Donums)</th>
<th>Prior to Land Reform law</th>
<th>1972</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Landholders</td>
<td>Area</td>
</tr>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td>Less than 10</td>
<td>1135 85</td>
<td>44.8 5</td>
</tr>
<tr>
<td>10 - less than 100</td>
<td>1009 33</td>
<td>39.8 5</td>
</tr>
<tr>
<td>100 - less than 500</td>
<td>3150 8</td>
<td>12.4 4</td>
</tr>
<tr>
<td>500 - less than 1000</td>
<td>2916 1.15</td>
<td>1992431</td>
</tr>
<tr>
<td>1000 - less than 2000</td>
<td>1832 0.72</td>
<td>2560190</td>
</tr>
</tbody>
</table>

Source: Abdul Fadhil 1988: 87
Whereas many urbanites saw these divergences as normal and natural, officers and intellectuals of rural and provincial descent saw this as a return to the ‘corrupt’ party system that threatened the unity of the nation. This explains why the transitional revolutionaries promised to go back to a ‘healthy’ multi-party system once corruption was uprooted, while their successors shelved this promise aside and used a discourse emphasizing the leading or unique party. And in all the Mashreq revolutions there came that tense moment of rupture between those who saw that the revolution had achieved its corrective task and wanted a return to some kind of a constitutional rule, and those who saw that social and economic reforms must take priority and that ‘a hungry people does not care for democracy’.

6.7 Conclusion:

Up till now, much of the writings on the revolutionary changes in the 1950s-1970s Mashreq tends to portray them as ‘accidental’ events that could or could not have happened depending on the whims and aspirations of some military officers who moved their troops and captured the reigns of power in their respective countries. Before these changes, the typical narrative goes, society was running on its due course, a ‘bourgeoisie, which was nothing but the precapitalist mercantile bloc as I argued in the first two chapters, was in control of the state and the working classes, which were no more than tiny urban islands, were acting according to the (vulgar) textbook formulae of class struggle.

On the other hand, of course, there is the official ‘explanation’ presented by the ideologues of the revolutionary regimes, according to which history had been stagnant and waiting for the revolutions to usher in a new dawn. Without falling into the trap of determinism, I have tried to show above that coups d’état do not explain change. They themselves need to be explained in terms of social contradictions and configurations, otherwise we wouldn’t be able to understand how and why similar coups ended up as palace events, when the legitimacy of the socio-political system has not been seriously undermined in the eyes of its subjects, while others were able to initiate radical socio-economic and political changes.26

In order to explain this irony of revolutions coming to rid the people of non-democratic regimes and ending up in establishing tightly controlled tyrannies, one needs to go beyond the essentialist stereotypes on despotic vs. democratic cultures, or the subjective wills/inclinations of leaders whose preferences are assumed to be capable of reorienting societal choices. The question that should be asked is not whether these rulers had dictatorial attitudes or not, for in any revolutionary change such leaders must be among the main players. Rather one should ask about the circumstances that made these would-be dictators take the lead and a majority of the

26 If one may draw an analogy with the working of a capitalist economy, then revolutions may be resembled to economic crises: a posteriori signals that indicate the existence of serious, non-remediable disturbances in the system. And just as economic crises entail the destruction of some society’s assets in order to redress disturbances, revolutions carry the same destructive ‘tasks’.
population acquiesces to dictatorships. And it is here that apathy towards city life comes to the forefront. While urban revolutionaries saw their ‘destructive’ mission accomplished by cutting the roots of big landed aristocracies, with whom they shared no common interests or sympathies, the more articulate and active sections of the Mashreq population were looking for bettering off their conditions in the cities. The scenes of inequality, lavishness and affluence lied side by side with those of misery.

I have tried to show above that the revolutionary leaders’ backgrounds, hailing from oppressed sects or regions, was instrumental in shaping their ways of perceiving class divisions in their own societies, and their ‘solutions’ to harmonize their societies and bring social justice. Those rulers may not have, and did not in many cases, harbor a priori religious prejudices, but were driven to view the dominant and wealthy merchants, bankers and affluent strata as hostile people belonging to privileged sects or regions. Attempts at ‘redressing’ inequality inevitably turned into suspicion against established urbans, especially those sharing confession with the dominant strata.

As the revolutions achieved the goals that were welcomed by the majority of the population, fissures within the revolutionary camp surfaced as the eternal question of the outcome of the revolutions would reveal the narrowing of the common denominator between people hailing from different social structures and having different concerns. Revolutions ended up being monopolized by leaders who could not trust but their kinsmen or personal friends to the top jobs, as ideological ties proved to be insufficient for the formulation of concerted, concrete and detailed practical policies.

What made this outcome possible was not the power struggle in the top, but the atomization of the Mashreq societies, the increasing capacity of the state to play a dominant role in the economy, and a host of other factors that made nationalism, statism and development look like identical/ non-competitive objectives. And to this topic we should turn now.
Chapter 7

Atomization, Centralization and Nationalism

7.1 The End of Localism?

The profound local and regional effects of revolutionary changes in the Mashreq are well captured in the following passage by James Gelvin:

"The Free Officers' revolt in Egypt (1952) and the successive coups in Syria (1963, 1966) and Iraq (1963, 1968) not only laid the groundwork for a further penetration of society by the governments of those three states, but also redefined the legitimising norms for governments throughout the region—even for the governments of states, such as Lebanon and Jordan, that did not undergo revolutionary change. While many of the programmes (centralised economic planning, Pan-Arabism, etc.) embraced by the revolutionary regimes of the 1950s and 1960s failed ignominiously and were soon abandoned by their successors...these regimes permanently strengthened the authority of the state not only by crushing alternative 'centres of power' but by augmenting the welfare policies initiated by their predecessors."

Gelvin 1999: 84

The drive to centralizing public space took unprecedented dimensions under the nationalist regimes in the Mashreq. One way of explaining this crucial consequence of the change is to ascribe it to the policy actions of the new rulers. Centralizing public—and private—life, however, did not only correspond with the interests of the revolutionary ruling classes, nor was it initiated by them. The rising autonomous potential of the states that underwent revolutionary changes began under the ancien regimes, as we have seen above. This has taken the form of tremendous pressures on governments to take direct measures to rid their societies of poverty, unemployment, and the extremely unequal distribution of wealth. Although the pre-revolutionary regimes did launch some public programs in that direction, they could not go far in this direction, because they were strongly tied to established interests who had a stake in preserving the status quo. And it was here that the revolutionary regimes, benefiting from the waning social and ideological standing of the old dominant classes, came to push the drive to centralization to its end.

As the majority of the urban and newly urbanized populations of the Mashreq were experiencing various kinds of discrimination because of their geographical origins, sectarian or ethnic belonging, they had a stake in doing away with all forms of subnational hierarchization. And it is here, as we will see, that the interests of the new ruling classes in homogenizing the population converged with the longing of the oppressed to be recognized as equal citizens. The homogenization process was seen as the sine qua non for the emergence of true citizenship, and the move towards direct rule, where the state would be in the service of all citizens irrespective of their primordial descent. In this respect, Marx' description of the processes underlying the French revolution seems very applicable to the Mashreq's case:

"The task of the first French revolution was to destroy all separate local,
territorial, urban and provincial powers in order to create the civil unity of the nation. It had to carry further the centralization that the absolute monarchy had begun, but at the same time it had to develop the extent, the attributes and the number of underlings of the governmental power.”

Marx, 1977: 71

No where was the process of homogenization/equalization of the population more evident than in the spheres of culture/education and political indoctrination. During the pre-revolutionary periods, the state did have a monopoly over audiovisual means of communication and media: telephone and telegram networks, and radio and TV stations¹. This monopoly was partly a product of the economic structure of the communication/media production in many parts of the world until around the 1960s. Outside the US, these spheres were either non-profitable or had a very low return on capital. In the Mashreq, as well as in the third world in general, the fixed overhead requirements for establishing private media/communication networks were simply untenable. Yet, this monopoly by the state of audiovisual media/communication means did not have the wide-ranging impact that it exercised following the revolutions. One reason for this lied in the fact that the object poverty and ignorance of the vast majority of the population kept them insulated from these means. The second reason was that the educated urban masses could rely on the information transmitted by the private written media, foreign broadcasting stations and the information disseminated by the opposition parties and organizations.

During the ‘first phase’ of the Mashreq’s revolutions --when the urban coloring of the leading figures predominated-- a semblance of continuity with the practices of the old regimes was preserved. Yet it was during the second phase, when the concept of national unity prevailed over democracy, diversity and pluralism that the earnest drive towards cultural homogenization began. For the first time, the state began to produce and impose its own “politics”, i.e. an explicit political ideology which citizens were expected to adopt, and extend it to the remotest regions. Where the revolutionary leadership was not bound by a political party, as in Egypt, a unique political party was established after the triumph of the new leadership and all other parties banned. Where an already existing political party assumed power, as in Syria and Iraq, that party was officially declared a ‘leading’ party, and all other parties were either banned or put under severe restrictions. As the leadership of the state and society was officially assigned to the ‘leading party’, any critique of that party was punishable as an attack against the state itself.

But the process of extending the tentacles of the state into all aspects of social life was to go much further. For the first time, the state had its own trade unions, peasant associations, student, women and youth unions and children clubs; all declared the only legal ones. The total rupture with past cultural practices went through a process enabling the state apparatus to gain supremacy over all the other social actors in society. The press and mass media were nationalized, ministries of information were created and a total blackout was forced on the past. History was sharply divided into the pre-revolutionary period, the history of corruption, and that of the post revolutionary periods. Or to put it differently, time and history were stagnant waiting for the revolutions to enshrine the new era.

In the meantime, school curricula were thoroughly revised to indoctrinate students with a new official version of their history. And where allowed, private schools were put under strict supervision to conform to the official narratives. Thus,

¹ TV was still a little known invention when the Arab Mashreq revolutions took place. Only Iraq had a public TV station since 1954. Egypt and Syria introduced the TV only in 1960.
several generations of youth, those who entered schools since the late 1950s, were heavily indoctrinated with official versions of their countries' modern history.

According to these versions, produced by the ministries of culture, information or education in Egypt, Syria, Iraq, Libya, Algeria and Yemen, the revolutionary era under which people lived was the product of a relentless struggle waged by the nationalist (pan-Arab in the first four countries) vanguards against corrupt regimes that had been installed by the colonial powers in the post WWI epoch. Relying on their agents and a policy of divide and rule, these colonialists weakened the Nation and perpetuated its backwardness and dependency. Now that the revolutions have triumphed, the “natural” course of things, that is unity of the people, must take absolute precedence over divisive policies, construction over opposition, critique and destruction, and action should take precedence over academic debates and political polemics. The state, more precisely: the current ruling regimes, was to become the embodiment of the nation. Or, as Zubaida aptly observes:

"Once the new states are established, their very existence promotes the genesis of new ‘imaginaire’ of the nation: common education systems incorporating the symbols of static power as nation; education feeding into employment markets for the most part dominated by the state; national networks of communication and transport; military conscription facilitating the interaction of youths, mostly from the poorer rural classes, with widely different regional and cultural backgrounds."

Zubaida 1989: 148

In tandem with the perfection of the instruments of consent creation, those of coercion and enforcing conformity were given a tremendous boost by the new regimes. The once despised job of political police became a prestigious position under the revolutionary regimes. Extra-judicial persecution, ‘revolutionary’ courts that were entitled not to abide by the ordinary procedures, and various forms of torture, kidnapping and assassination of opponents were widely practiced. Thus despite the widely held impression that the revolutionary regimes in the Mashreq (with the exception of Iran) were military, the single most influential job in the first two decades after the revolutions was not that of a careerist military, but of the intelligence officer. In fact, in a country like Iraq, which built the largest Arab army during the 1980s, the irony was that the regime was ruled by civilians- mostly drawn from militant party activists- who perfected a police state machinery run by people with no military backgrounds. Iran’s much feared security apparatus was similarly composed of dedicated revolutionary civilians. Although the Egyptian and Syrian intelligence were mainly drawn from the military, the intelligence ‘community’ eventually differentiated itself from the lower status careerist military and represented an interest group of its own.

Paradoxical as it may look, these supposedly military regimes were the ones that had finally put an end to the hitherto recurrent phenomenon of military coups in the Mashreq. A combination of populist policies of extreme nationalism, the imposition of direct rule and the subjugation of the armed forces to direct political control assisted by the long arms of the intelligence have finally put an end to the coherence of the army institution and to its ability to politically act in unison. The vast expansion of the armed forces under the revolutionary regimes and drawing its members from disparate social backgrounds worked in such a way as to undermine its role as an elite minority that could act ‘on behalf of the nation’.

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Table 7.1: Coup D'état in the Arab World 1935-1987

<table>
<thead>
<tr>
<th>Period</th>
<th>Successful Coup</th>
<th>Foiled Coup</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1935-1940</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>1941-1950</td>
<td>4</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>1951-1960</td>
<td>12</td>
<td>6</td>
<td>18</td>
</tr>
<tr>
<td>1961-1970</td>
<td>20</td>
<td>18</td>
<td>28</td>
</tr>
<tr>
<td>1971-1980</td>
<td>5</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>1981-1987</td>
<td>4</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>47</td>
<td>31</td>
<td>78</td>
</tr>
</tbody>
</table>

Source: Al Naqeeb 1991: 110

The effects of heavy political indoctrination of the armed forces on the efficiency of the Mashreq military have been rightly pointed out by many. However, from a sociological point of view this indoctrination was a powerful means of subjugating the military by the political leaders, military or not. First, it created a semblance of common cause that bound the military and the leading politicians, who stood now to epitomize the ‘Nation’, thus making any attempt at overthrowing the political regimes an act of betrayal to the nation. Second, they legitimized the incursion of non-military political commissars into the armed forces, thus allowing closer supervision and preemptive strikes against any subversive group or element. Third, they demolished the traditional military hierarchy as political allegiance to the ‘revolution’ came to replace the military rank as a source of influence within the military. Thus a general or a colonel could no longer rely on his prestigious rank to order his troops to storm the presidential palace without facing the serious risk of disobedience by his politicized subordinates.

But how could the state impose its supremacy and introduce so many novel institutions and practices within a time span of no more than one decade?

Anti-colonialist and anti-imperialist sentiments played an extremely powerful role in cementing a sense of identity among the vast majority of the populations of the Mashreq. In this region, colonialism was not only a legacy of the past, as was the case of say, India. Several parts of the Arab world: Algeria, South Yemen, as well as the Gulf Emirates were still under the formal control of the British and the French by the end of the 1950s. The creation of Israel in 1948 was widely seen as a Western conspiracy to weaken and divide the Arab world. Even in the formally independent states in Iran and the Arab world, western- mainly British- troops and bases were stationed, and Western diktats were obeyed by the ruling regimes. Despite declaring neutrality in WWII, Iran was invaded by the British and Soviet troops. The invading British forces deposed Reza Shah and appointed his son to the throne. No more than eight years after the end of WWII, the US overthrew the elected prime minister, Dr. Mosaddegh, because he nationalized the western oil companies (Ghods, 1989: 132). Egypt and Iraq, which were formally independent monarchies, had British troops stationed on their territory. Hence, it was relatively easy to mobilize the populations of these countries around the theme of combating western influence and domination, which was seen as the main source of the maladies of the Mashreq societies.

While anti-colonialism and anti-imperialism played a crucial role in cementing unity among the populations of the Mashreq, they did not always lead to the dominance of nationalist ideologies among the population, as the cases of multi-ethnic
Iran and the mainly binational Iraq show. In order to understand how statism prevailed in the Mashreq, we need to distinguish between nationalism as an ideology based on the belief of belonging to a common collective identity of language, culture and history on the one hand and anti-colonialism on the other. The last could be predicated on a nationalist antagonism to the domination of another nation, tribalism based on hostility towards foreigners, Islamism based on animosity with non-believers or followers of another religion, as well as on a host of other ideologies and practices, on the other.

The power of anti-colonialism lied exactly in its ability to articulate all forms of hostility to the colonial and ex-colonial powers and to relegate or postpone the explosion of contradictions between each of these forms of anti-colonialism. Once the anti-colonial struggles succeeded in bringing nationalist regimes to power, statism prevailed by indoctrinating that the reasons for western dominance were mainly due to the weakness of the states of the region, their military inferiority vis a vis the west, and the presence of pro-western agents among the local populations. All that was needed to overcome backwardness then was to build strong states and armed forces, unify the population around patriotic leaders, and ban and persecute agents of imperialism.

In this respect, the institution of military conscription, already existent since the pre-revolutionary era, was transformed into an additional means to homogenize the male population and cast a semblance of equality among all. Exemption from that service in exchange for monetary payment was either abolished or extremely curtailed. As the idea of full sovereignty and independence of the Mashreq countries occupied center stage in mobilizing the populations of the region, statist ideologies managed to transform the transition to direct rule into a system of ruthless dictatorship by showing the incompatibility of preserving national unity, independence and sovereignty on the one hand, and political democracy on the other. The state was called on to play the exclusive role of the guardian of the nation’s interests. Any call for power sharing and pluralism would be tantamount to splitting the indivisible nation and weakening its guardian, which can only serve the enemies of the nation. This discourse strikingly echoes Alexis de Tocqueville’s description of the major intellectual trends preceding the French revolution:

“[T]he nation was to be composed of individuals almost exactly alike and unconditionally equal. In this undiscriminated mass was to reside, theoretically, the sovereign power, yet it was to be carefully deprived of any means of controlling or even supervising the activities of its own government. For above it was a single authority, its mandatory, which was entitled to do anything and everything in its name without consulting it. This authority could not be controlled by public opinion since public opinion had no means of making itself heard; the State was a law unto itself and nothing short of a revolution could break its tyranny. De jure it was a subordinate agent, de facto, a master.”

2 The dilemma of nationalism in the Arab world is a vast topic that needs to be dealt with in a separate work. But it may be necessary to mention here that nationalism has almost always been equated with Arab nationalism. This raised a lot of tensions throughout the twentieth century, because one of the basic tenets of Arab nationalist ideology is that all Arab countries are artificial creatures of the colonial powers who planned the partition of the otherwise naturally united nation in order to weaken and control it. In practice, this meant that it was inadmissible, even unpatriotic, to fight for Syria’s or Iraqi independence, for example, under the banner of Syrian or Iraqi nationalism. A country’s independence was seen as a temporary stage towards the fulfillment of the objective of Arab unity. A second, no less intricate dilemma, lied in the fact that this way of maneuvering history excluded beforehand relatively large minorities of non-Arabs from having a say in shaping the destinies of their nations.

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However, the pretensions of these regimes to be the embodiments of patriotism, anti-colonialism, and the sole agents for development and strength would not have been feasible without concrete improvement in the standards and conditions of living among the population. And here the revolutionary regimes made significant progress for at least a decade. Between 1960 and 1992, life expectancy rose from 46.2 years to 60.9 years in Egypt, from 48.5 to 65.7 in Iraq, and from 49.8 to 66.4 in Syria. The comparable figures for the whole developing countries were 46.2 and 63.0 years respectively. In the same period real per capita GDP according to the US $ purchasing power went from $ 557 to $ 3600 in Egypt, and from $ 1787 to $ 5220 in Syria, compared with a rise from $ 950 to $ 2730 for the whole developing world. Between 1970 and 1992 literacy rates among adults rose from 35 percent to 50 percent in Egypt, from 34 percent to 62 percent in Iraq and from 40 percent to 67 percent in Syria in comparison to a rise from 46 percent to 69 percent in the developing world (UNDP 1994: 132-7).

Thus, consent could be achieved through the socially ‘democratizing’ measures following the revolutions. Extending social and economic benefits and opportunities to wider sections of the populations of the Mashreq ushered in a two-way process that imposed conformity and reinforced the regimes’ grip on the population on one hand, while bringing additional benefits for those groups that showed more loyalty and obedience on the other. Building a network of roads and the electrification of the countryside undoubtedly brought huge improvements in the living conditions of the peasants, as could be gauged from the indicators on the drop in infant mortality rates, or the rise in life expectancy. In the meantime, these improvements put even the remotest areas within the reach of the armed forces, the intelligence apparatus, and the government’s political institutions. Public TV, a powerful propaganda machine whose audience was mostly confined to the dwellers of the major cities, became available in coffee shops and local headquarters of the state’s ‘mass organizations’ in the provincial towns and villages.

But perhaps the most socially and economically ‘democratizing’ aspect of the revolutionary regimes lied in the radical change that they introduced in the modes of wealth and power acquisition and distribution. The post-WWII social mobility could not totally undermine the system of inherited class positions. Wealthy classes preserved their dominance over state power. Members of these classes formed almost closed castes through their joint partnerships and ventures, intermarriages, and exclusive social clubs and residential quarters. The Mashreq revolutions threw all that asunder. First, the power of anti-colonialism made it relatively easy for the revolutionary elites to show that national wealth had been appropriated by the western concerns operating within the Mashreq countries, thus depriving nationals from improving their lot. This was not an unfounded claim, given the fact that oil industry,

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3 This statement should not be understood as an evaluation of the revolutionary regimes’ social and economic polices, nor as saying that under different political regimes the outcome would have necessarily been less positive. As we will see later, and as has been shown by the present author, the whole region made positive strides especially since the dramatic rise in oil prices. Given the tremendous revenues that most governments in the region reaped from that rise, their performance was far from optimal. Moreover, many revolutionary regimes fared much worse in the various indicators of human development than their conservative counterparts (al Khafaji 2000 b).

4 This indicator could not be computed for Iraq because of the drastic decline and fluctuations of its income due to the Gulf War. However the spectacular rise in the per capita GDP until 1980, when the Iran-Iraq war began, is widely acknowledged.
the Suez Canal, as well as many other highly profitable sectors were owned by western corporations. The calls for non-renewal of the Canal’s concession and the nationalization of oil had much appeal in the Mashreq’s years before the revolutions (Allawi 1967, Hassan 1968, Davis 1984).

The versions of economic nationalism that began in the 1920s and 1930s as a strategy by the wealthy urbans to preserve and extend private market-based, oligopolistic privilege and to acquire more power and wealth turned by the 1950s into a weapon in the hands of newly rising strata that not only opposed foreign exploitation of national wealth, but also the established notables whom they saw as profiting from the dominance of foreign concerns in the economy (Owen 1981b, Davis 1984: 127, Vitalis 1994: 229-30).

Thus nationalizing western controlled concerns was only one aspect of the economic nationalism applied by revolutionary regimes of the Mashreq. The other aspect—which we will deal with in more detail later—had its direct impact on the formation of new affluent strata. Although many wealthy urbans preserved their fortunes and may have increased them after the revolutionary changes, they no longer occupied the dominant positions in the economy and society of the Mashreq societies.

Access to wealth and power was no longer contingent on the social origins of individuals, but became a function of their closeness to the state. Loose as the concept of ‘closeness to the state’ may look, it took various forms at various points in time. In the beginning, it meant that the individuals could be rewarded for playing active roles in the struggle to achieve the goals of the revolutions. Later on, closeness was defined as membership of the ruling political party, and naturally the rewards would be proportional to the individual’s rank in the political hierarchy. In a later stage, when membership of the Mashreq’s ruling parties became too large and the cake was too small to feed all members, affiliation with the strategic posts of the regimes: intelligence, senior military, etc. turned to be the criterion for closeness to the state. And throughout these variations, family relations always played a crucial role in the distribution of wealth among the favorites.

As a sufficient ‘gestation period’ passed, a process of lineage reproduction of class positions, similar to the old one where descendants of the revolutionary leaders began to inherit their class positions from their ‘notable families’, could be easily noticed. For despite all their egalitarian and socialist pretensions, the revolutionary regimes created a large class of affluent and super-affluent individuals. After no more than a decade of applying revolutionary economic policies, expressions like “fat cats” and “parasitic bourgeoisie” began to surface in the media. But during the first years of the revolutionary era, access to wealth and power looked like a ‘democratic’ process contingent upon an individual’s attributes. Through their everyday experience, people used to see their humble friends or neighbors swiftly climbing the ladders of wealth and power. These nouveaux- riches may have surpassed the old deposed classes in affluence and the range of luxuries that they enjoy. But it is exactly the fact that these nouveaux- riches descended from social origins ‘resembling ours’ that perpetuated that illusion of the existence of a free-for-all social system.

7.2 Bourgeois Transformation and Capitalist Development;
When describing the pattern of changes that took place in the Mashreq, I deliberately inserted quotations describing similar changes which the French society has gone through under the impact of the revolution. These changes are mainly related to the imposition of direct rule and centralizing the state machinery on the one hand, and the redefinition of nationalism and identity on the other. Indeed, the similarity between the transformative processes of the Mashreq and France (and other parts of western Europe) seems striking in some respects. However, to imagine that this pattern was ‘copied’ in a predetermined way would be too simplistic because each of these revolutions took its own course. This course, I have tried to show above, was carried by leaders whose cultural and social backgrounds could not have allowed them to form adequate knowledge of how other revolutions evolved or devolved. Moreover, the Mashreq revolutions- as most other revolutions- progressed in their transformative processes through conflicts, internal feuds that ousted many of their key engineers, and under unforeseen social upheavals. Thus, even if one adopts the highly unrealistic assumption that the revolutionaries had a priori visions of the precise outcome that they were trying to establish, the actual outcome could not have been the actual fulfillment of these visions.

The question then is what accounts for these similarities? In other words, is the passage to modernity associated, in one way or another, with homogenization? Is homogenization associated in one way or another with nationalism? And is nationalism associated, in one way or another, with centralization and the imposition of direct rule?

But first we need to distinguish between two processes: the rise to modernity, or bourgeois transformations on the one hand, and capitalist development on the other. These two processes are so closely interlocked in our minds that an immediate (and seemingly valid) objection may be raised to our attempt at comparison. If we equate the rise to modernity with capitalist transformation, then the diametrically opposed outcomes of revolutionary transformations in Europe and the Mashreq should stand as clear testimony to the futility of any such comparison.

The process of bourgeois transformation, or the passage to modernity, entails the dismantling of institutions based on ‘primordial’ relations, the political structures based on ‘naturally’ appointed leaders on local and/or national levels, the theoretical establishment of equality among individual members of a given society, the prevalence of urban economic activities over the rural ones, and the establishment of the state as the major arbiter among individuals and local groups. According to this definition, bourgeois transformation is more of a ‘destructive’ process than a constructive one. One can even conclude that bourgeois transformation is the legal and political consecration of social and economic processes that had already been in the making before the triumph of the revolutions, and not the initiation of new processes.

Thus land reforms, the rise of a radically new stratum of political leaders, the extension and redefinition of military conscription, etc. are the political consequences of already ongoing social processes, as well as initiators of a new wave of social processes. Obviously, there is nothing in this definition that implies the replacement of ‘naturally’ appointed leaders by democratically elected ones, or that requires the transformation of ‘theoretical’ equality into a real equality. The subsequent perennial struggles to achieve gender inequality and equality between members of ethnic/confessional minorities and the majority in democratic societies are just two examples of the huge gap separating the proclamation of human rights and putting them into practice. This last point is particularly important in underlying the fact that
triggering a bourgeois transformative process does not guarantee its outcome, and certainly not its success.

But what are the criteria for the success in this respect? Two sets come to mind here: one is that the majority of the population of a given society come to embrace the norms defined above as their ‘naturally’ accepted norms. Thus, after a period of social upheaval following the revolutions, the period in which people lament the passage of the ‘good old times’ and the replacement of the noble races by laymen and women (the revolutionaries), success follows if and when the rules of modernity are not contested by any major section of society. Forcing these rules, it goes without saying, may be done with the harshest of means, especially during the early transformative periods. But a perpetual reliance on such means signifies that modernity or bourgeois transformation has not taken deep roots and therefore its success is not guaranteed.

A second and more significant criterion for the success of this transformation is closely related to the first and has to do with the capitalist transformation of society. This criterion is satisfied when a society has undergone the initial stages of bourgeois transformation, which only sanctify the basic rights and duties of subjects/would-be citizens. This second criterion is met when institutionalized and organized pressures from powerful sections within society, especially those that have suffered from the cycles of modernization, can no longer mobilize people for the restoration of the illusionary/imagined days of cavalry and knighthood, the days when ‘spirituality was more important than material gains’. Neither is this criterion met when an (impossible) satisfaction of all societal sectors by the bourgeois transformations does away with forms of opposition. Rather, successful transformation is achieved when opposition revolves around consolidating the gains that the suffering masses have made and for expanding, extending and deepening these achievements. This is because this form of struggle implies that the oppressed strata have already acknowledged the superiority of the existing social system, the social and material gains that they can make under it, and the opportunities that this system opens for them to expand on their gains.

But as this statement implies, this criterion can only be met when modern organizational structures; that is, individualized institutions, institutions that appeal to the individual and his/her subjective choice, have taken firm roots in a society. And the rise of these institutions was, and is, contingent upon the rise of a new constructive mechanism that provides members of a society with the means to enter into a socio-economic association that these members perceive of as superior to the one that had been demolished by the revolutions.

This constructive and alternative mechanism is nothing but industrialization. And a legitimate question now is ‘what is the difference between bourgeois transformation and capitalist industrialization, since the former led to the latter’? The answer is that when the French revolution made its first glorious strides, one could hardly call the French society a capitalist one. But the plebeians, the atomized city dwellers were the major revolutionary force that effected and influenced the change. And why were these called plebeians, sans culottes and citizens? Because no inclusive category could account for them. They were members of a huge –mostly floating and amorphous- mass that was declassed but not yet ‘classed’. The French revolution was bourgeois because it expressed and sanctioned the transformative processes that we defined above as bourgeois. But there was nothing in these processes that destined the change to lead to a capitalist transformation of society.
True, the leading revolutionaries, and many intellectuals, politicians and ordinary people had their own ideas about the need for change. Moreover, change was associated with the concepts of progress, welfare and justice. This applies to the west, as well as the Mashreq where “al Nahdha = renaissance” ideas were in the air since the late 1800s (Hourani 1960). But revolt and progress could hardly be identifiable with industrialization and capitalism in eighteenth century Europe or late nineteenth century Mashreq. Suffice it to recall the Physiocrats’ call for revival through the reinvigoration of the ‘only’ productive sector: agriculture.

My contention is that the ‘Western’ bourgeoisie has achieved industrialization, progress and modernization not out of any preconceived plan, since no class in history has ever acted collectively and/or in unison. Interlocked in a specific form of social struggles domestically, regionally and internationally, the western European bourgeoisie’s struggles against merchants, landowners and monarchies could mobilize a rising provincial petty bourgeoisie, urban workers, the gentry, petty urban interests, and most important the masses of unemployed and anti-establishment plebeians to produce the unintended outcome: an industrialized and hegemonic Europe.

Under different circumstances, there is nothing that guarantees that such struggles would lead to the same outcome. Perhaps the best reminder that our tendency to identify the bourgeoisie with all the honorary credentials pertaining to modernism: creativity, tolerance, open mindedness, democracy, etc., is no more than an illusion is to keep in mind how the ‘modernist’ artists of the time viewed that class, Honoré de Balzac being the outstanding example, naturally. For those artists who lived its rise, the bourgeoisie looked as a vulgar class, lacking creativity and imagination, fanatic and zealous, despotic and non-tolerant.

We can conclude, thus, that the rise to modernity is a necessary, but certainly not a sufficient, condition for a successful capitalist transformation in a given society. Put differently, bourgeois transformations never take firm root in a given society without a successful passage to capitalism, whereby the political, ideological and economic mechanisms of capitalist relations of production define the behavior and actions of the majority of the population. Nevertheless, one can distinguish a society that has already passed the processes of bourgeois transformation without undergoing a capitalist transformation from societies that haven’t gone to any of the two transformations.

Perhaps the best way to make this distinction is to look at the origins of economic nationalism in Europe and their divergent outcomes. The reason for this is that nationalism has almost always been the binding ideological force that provided legitimization to modernization processes, but the concrete manifestations and contents of nationalist ideologies were (and today are) extremely divergent. The divergences had much to do with the particular social settings of countries involved in the passage to modernity. The metamorphosis that nationalist ideologies underwent in different societies were also strongly associated with the success or failure in moving from bourgeois atomization to capitalist stratification.

7.3 The Making of Economic Nationalism:

Whether the passage to modernity ended up in a successful industrialization of a given country or not, it seems that in most West European cases some form of economic nationalism was articulated within the dominant ideology (or ideologies) under which the passage was effected. Economic nationalism can naturally cover an extremely wide range of policies and concepts, but all these policies share one
objective: putting a country's wealth under the control of its nationals. This aspect of nationalism in the third world in general, and the Mashreq in particular, has been blurred by the cold war atmosphere whereby nationalization of foreign owned assets outside Europe was identified with socialism.

Yoichi Itagachi defines nationalism as a set of policies and institutions aimed at forming an integrated and autonomous national economy (Itagachi 1973: 223). The author specifies that by 'forming' a national economy, he means the mobilization and allocation of social and economic resources for growth and welfare. According to him, it makes no qualitative difference whether nationalism involves the transfer of foreign assets into private hands or to the state. For the author, nationalization is a major step towards the formation of an economy capable of autonomous decision-making and integration. Hence, the essence of nationalization does not mainly lie in transforming property to the state but to domestic ownership (Ibid. 219-31).

Historically, the embryos of economic nationalism accompanied the policies of the enlightened absolutisms of Europe. Mercantilism was the well-known embodiment of this strategy.

"Mercantilism is usually described as an externally oriented policy through which states tried to create inflows of bullion (specie or metallic money)."

Schwartz 1994: 11

But before the industrial revolution, and well into it in most parts of the world, attempts at maximizing a country's earnings from external trade did not entail a spur in industrial production, nor the creation of a national market. As late as 1835, France produced or imported about 173 million tons of goods, of which only 15 million moved by some form of water transport. Of the total, about 127 million tons, or 75 percent were consumed at the place of production. The remaining 46 million tons were consumed an average of 37 miles away, indicating that only about 13 percent of production was consumed more than 20 miles from its production site (Ibid. 13).

This state of affairs meant that achieving the goal of maximizing foreign earnings would pass through the empowerment of merchants to control prices and impose various kinds of monopoly over the production of certain items - a situation that is diametrically opposed to the conditions favoring capitalist take-off. The irony is that empowering merchants engaged in external trade (and plunder) triggered the nationalist sentiments against them in most of Europe, because the early merchants were almost always foreigners. Thus the primary target, the victims and winners from a policy of nationalism were the merchants, because, as we will see, the long-distance trade and domestic trade were two entirely different activities involving two entirely different categories of merchants.

Was the foreignness of merchants incidental, or did it reflect an inherent characteristic of precapitalist societies? We need to address this issue before proceeding to an analysis of how this situation was inverted on the eve of the bourgeois transformation.

In societies whose main source of wealth is the immobile land, identity and control of land are inseparable. Natives are those who happen to be on the land for some permanent period of time, or who could lay their hands on land by force and oust the defenseless inhabitants. Sticking to land and being able to defend it is the main criterion for defining a 'native' in the long run. As for nomads, whose main source of wealth is mobile, identity is defined by blood kinship. And by implication, foreigners are those who do not belong to one's blood line.
Claude Meillassoux (1978 a & b) traced the effects of trade on an agricultural community based on a tribal system whose internal differentiation has not gone beyond a distinction between seniors and juniors. He noted that the first contacts made by such a community with ‘foreigners’ take place as the latter are seen to have something of value to offer. These foreigners may be no more than a neighboring tribe producing iron for example. Because iron is so precious, a monopoly on exchanging it is imposed by the seniors who begin to ask for more prestations from the juniors and include an increasing number of previously worthless goods into the category of elite goods. These new goods are the ones demanded by the traders in exchange for their iron. But how does the local community deal with the merchants, or the trading community?

“The introduction of iron into a self-sustaining society set off within it a hostile reaction towards those who introduce it. When the society itself does not exploit the ore, the foreign merchant offering iron will not be trusted. In order to neutralise the disintegrating effects which he bears with him the merchant will be prevented from becoming integrated into the society and particularly from entering into marriage relationships of the conventional types.”

Meillassoux 1978: 152 (italics added)

Chihaa (1908) described a similar relationship between merchants, chiefs and tribe members in southern Iraq in the early twentieth century, as we noted in the last chapter. Therefore the drive towards controlling the sources of wealth by members of a community is not “natural”. In fact, the opposite was true under precapitalism, where trade and usury were despised activities. Customs and religious beliefs were invoked to sanction good people’s aversion to them. However, because it was realized that the community, be it a tribe, a local urban enclave, or a demesne, needed these activities, foreigners or some ‘inferior’ native group must assume them.

This division of labor may seem as providing the members of the non-dominant ethnicities or confessions with the means to participate in the social and economic life of a society. But we should bear in mind that the major, or even the only, source of wealth generation in these societies was land and/or animal breeding. Therefore when trading activities were introduced, it was impossible to foresee the fortunes that the merchants would reap from them.

This process has often led to the initiation of another one; infeudation or proto-forms of it, when seniors or chiefs of tribes were confronted with the opportunities open to them through exchange. A semi-communal system of appropriation, where the chiefs are only slightly distinguishable from the rest of community, is now in midst of struggle to acquire the means for exchange with the foreigners, and thus to acquire the precious foreign goods. Yet the chiefs, who had been earlier entrusted with carrying such transactions, would do their utmost to ensure that more and more exchangeable material is produced by the ordinary subjects and to put their hands on the exchanged goods, first on behalf of the community, then as a private property. The chiefs would introduce new levies, or increase already existing

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1 Many historians have emphasized the role of long-distance trade in the flourishing of the old Islamic empires (for example, Gibb and Bowen 1971, and al Dour 1984) This kind of trade, however, was radically different from domestic trade and it hardly touched the lives of communities outside the major cities which provided the necessary skills for the production of the goods which were demanded by foreign markets.

2 European history, as well as anthropology, provide us with a host of examples on such items that chiefs, lords, and rulers monopolize and put severe restriction on their free circulation among ordinary subjects. Salt, red feathers, iron, sulfur, and naturally gunpowder ranked among the precious tradable goods at different times and places (Godclier 1966, 1978).
ones (dowries for example) in order to squeeze as much as possible from the ordinary tribesmen, while the latter’s attempts to circumvent the exactions would mark the beginnings of social struggle within the community. It is in this complex historical process that labor acquires value and land is gradually turned into a means of private wealth.

However, even in non-self-sustaining and more complex precapitalist societies, the exclusion of merchants and the depiction of trade as an alien, even despised, profession is a well-known fact, perhaps best exemplified by Shakespeare’s Merchant of Venice. The early merchants in all of the European countries were almost always ‘foreigners’.

“In England the earliest establishment of German traders seems to have been an order of monks, “long engaged alternately in commerce and in warfare” who came in ships to Billingsgate and secured royal patronage”.

G. Walford 1881 quoted by Dobb, 1946: 79

“Norwich owed much of its position to Danish influence, and to the settlement of Scandinavian traders there at an early date and to its position in the path of commercial intercourse with northern Europe. Pirenne’s explanation would seem also to fit the development of London (where it is said that German merchants had establishments in the reign of Ethelred)... The same would largely apply to continental towns such as Paris... and Geneva, to cities on the Rhine like Cologne, which quite early had a colony of alien merchants”.

Dobb, 1946: 76

Balázs and Niederhauser described a similar and broader pattern for the countries of Central and Eastern Europe where the bourgeoisie, and not only the merchants, belonged to some foreign community:

 “[T]he bourgeoisie was essentially German, and to a lesser extent Czech, Polish, Hungarian and Italian .... There existed an urban bourgeoisie that was very heterogeneous, not only as regards its language and religion, but by its relationship with the state, which could not be described along the lines of the French and Belgian relationship... All over the region, this bourgeoisie was characterized by its lack of social homogeneity and integration. What political action would one expect from these citizens who have just changed their homelands and came to take new roots, like the Huguenots in Prussia, the Czechs and Moravians in Vienna, and the Germans in Galicia? This even applies to the Jewish bourgeoisie, which has been there for a long time... but it persisted as a less tolerated element, with a limited and humiliating status, just like all those who had a faith radically different from the official religion. In 1744, they were expelled from the Czech territory, and in 1772 from an already disintegrating Poland.”

Balázs and Niederhauser 1985: 59-61

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7 In the post Meiji Japan, merchants were mostly followers of the distinct brand of Shintu Buddhism. See, Ehrlich 1984: 43-6.

8 The authors clearly share the misconception that the bourgeoisie that combated the ancien regimes in Western Europe belonged to the merchants and the established urban strata. This is evident from the way they contrast the passiveness of the Central and Eastern European bourgeoisie with the assumed combative characters of the West European bourgeoisie: “For it did not enter into polemics with the state, nor did it combat it economically or ideologically. It was not a matter of a Third Estate aiming at replacing the feudal class in the government and doing away with the existing regime” (Ibid. 59). This characterization closely echoes the widespread notions regarding the third world bourgeoisie, which we critiqued above. See the chapter on “The Logic of precapitalist formations”.

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That trade was initially treated as an unethical undertaking, not worthy of ‘respected men’ in pre-capitalist formations and thus, that merchants were subjected to mechanisms of social exclusion have been well noticed and documented by a variety of authors. But can we draw any unequivocal conclusions from the drive to indigenize trade that transformed it into an ‘internal’ activity? 

Although the drive to indigenize trade seems to be a universal trend in those countries that subsequently underwent a process of industrialization, it took place at very different points in the histories of these countries. The mere fact that indigenization preceded industrialization is not sufficient to draw a conclusion. In other words, while most of the industrialized countries had indigenized trade in earlier periods, not all countries that indigenized trade managed to industrialize in a subsequent stage. In England for example, this process took place in the fifteenth century, long before the industrial revolution and more than a century before the Glorious Revolution. In the Habsburg Empire indigenization of trade was carried out in the eighteenth century. Yet even before we can talk about economic nationalism in the strict sense, a proto-nationalism had been at play since at least the twelfth century when cities tried - successfully in many cases - to thwart off competition from merchants of other cities.

To the objection that this is not a comparable case because it did not involve competition between merchants of ‘different nations’, we should keep in mind that there was nothing that could prevent this drive by a given city to encircle its hinterland and turning into a nation at a later stage. One can argue that a city’s annexation of its hinterland, which often occurred in Italy, the Netherlands, and Germany did not lead to the rise of viable nations because of the absence of the conditions for the creation of a protected home market.

“On the Continent the tendency of wealthy burgher republics to dominate and exploit rural hinterland was much more developed. Italian communes, German imperialities and Dutch and Swiss towns growing in this way into small principalities. We find Ulm and Florence, e.g., forcing all the cattle in the neighbouring districts to be brought into the city and Cologne in the twelfth century barring Flemish merchants from access to the upper Rhine. We find Venice in the thirteenth century prohibiting Raguse from dealing direct with the cities of the north Adriatic (unless this was for the purpose of importing foodstuffs to Venice) forcing Ravenna to abandon all direct imports from across the sea and even from north Italy and Ancona, and preventing Aqulieja from exporting goods to the inland territory which Venice considered as her special reserve. Genoa prevented French merchants. ...Vienna was powerful enough to prevent merchants from Swabia, Regensburg and Passau from travelling down the Danube with their goods to Hungary and to compel them to offer their merchandise for sale to citizens of Vienna. ...in the fourteenth century Cracow sought to prevent merchants of Torun from trading with Hungary....while Lvov tried to monopolize trade with the “Tartar lands” to the east. ...Later in the seventeenth century the Russian merchant guilds were powerful enough to prevent English merchants generally from trading further south than Archangel.

Obviously, trade was not the only despised or ‘unethical’ profession that precapitalist formations could not dispense with, but we are singling it out because trade and merchants played a crucial role in transforming -or blocking the transformation of-those formations. Other such communities that performed despised -but required- jobs and were therefore confined to the margins of societies include the gypsies who performed entertainment activities, as well as those engaged in producing/circulating narcotics and alcohol in Muslim societies, sewage cleaning, etc.
and Persian merchants from coming north of Astrakhan. ... Thereby they kept the monopoly of trade between northern Europe and Persia and in particular the highly prized silk trade, in their own hands."

However, these early measures were not quite identical with mercantilist policies. They did highlight a tendency to prevent the spoils of trade from flowing to ‘foreign lands’, foreign land in this case being a rival city. But those merchants who fiercely fought competition did not attempt at ‘nationalizing’ trade, i.e. putting it in the hands of national merchants, because they themselves were part of a ‘transnational’ network based on family connections. Thanks to these networks immigrant, non-indigenous and Jewish merchants were in a strong position vis-à-vis their potential debtors, and when threatened, could easily move their liquid assets abroad thus causing serious shortages in the host country. But the dominance of these groups of merchants on a country’s finance and trade ran exactly in the opposite direction of the mercantilist policies whose aim was to minimize its imports and maximize its exports as much as possible. These merchant chains, however, had the interests and the capacity to move their bullion, currencies and precious metals from one place to another in pursuit of higher profits.

The above description should make it plain that the adoption of mercantilist policies by absolutist monarchies was not a matter of mere policymaking. No matter how uneasy was the relationship between kings, princes and barons on the one hand, and merchants on the other, both parties were interlocked in a relationship of mutual dependence. Only when an alternative stratum of local merchants or financiers could accumulate sufficient resources, enter into severe competition with the established ‘transnational’ merchants, and afford to offer alternative source of finance to the kings that a mercantilist policy became possible. This possibility was not only a material one, it also meant that an ideological garment, casting the interests of the newly emerging merchants-financiers as a call for curbing the privileges of ‘aliens’ in the interest of the ‘nation’, had become possible.

Nationalist ideologies are all the more required in this context because they are the only means to legitimate the contradictory demands of the rising merchants. On the one hand, these demands were ‘democratic’ because they entailed equal access by ‘all’ to the various trading activities and an end to the political privileges that had enabled the established merchants to impose their monopoly. On the other, they were no less monopolistic as they called upon the state to intervene on behalf of nationals, to the point of committing the national navies to battles to defend the trading interests of national merchants. Thus, in England:

"[W]ith the growing support of the Crown in the fifteenth and sixteenth centuries (a support which grew with the ability of English cloth merchants to rival their enemies in loans and bribery) ... the competitive position of the English cloth traders was progressively strengthened while at the same time the privileges of the foreigners in England were terminated.”

Dobb 1963: 113

In 1609 King James I reserved all English fishing grounds to English ships in an effort to displace Dutch fishing fleets. Oliver Cromwell’s Navigation Acts in 1651, which restricted all English trade to English ships, created a demand for new ships (Schwartz 1994: 39).

In the Habsburg empire:

"Under the orders of Marie-Therese, merchants originating from the Balkan, who were subjects of the Ottoman Empire, were ordered either to establish
themselves permanently in the cities of her monarchy, or leave the country, a policy that served the interests of the bourgeoisie."

Balázs and Niederhauser: 66

The second problem regarding the relationship between economic nationalism and the rise of capitalism is closely associated with the first one, and may be seen as its direct opposite, namely that the attempts at indigenizing trade were carried by a host of European countries during the late Middle Ages and early modern times. Yet it would be a gross simplification to overlook the fact that not all, in fact not even the majority, of countries that indigenized their trade were able to embark on a successive industrialization path.

The last example from eighteenth century Austro-Hungary is quite revealing, not only because the empire was far from being capitalist or even close to becoming one, but also because it was a typical Absolutist state that never acted on behalf of its bourgeoisie, or cared to satisfy their interests. This is where the third problem that has a direct bearing on the question of capitalism in the Middle East arises, namely that absolutist states, which by no means had the capability of foreseeing capitalism in the horizon, unleashed processes aimed at maximizing the state’s revenues and enhancing their positions vis-à-vis their competitor states in Europe.

Whether these attempts and policies were conducive to the rise of capitalism or not depended on factors that were far from designed or anticipated by the rulers themselves. One main reason for that lies in the fact that abstract notions like ‘trade’ and ‘indigenization of trade’ can have various connotations and consequences depending on what composes the trade of a country or a region in a given period of time. For it is one thing to indigenize trade and replace foreign merchants with local ones when trade is confined to luxuries, and it is another when merchants cater for the supply of local needs. In the first case, a change in the structure of the merchant class will not alter their socio-economic orientation, while in the other, we are dealing with agents of cementing a domestic market. In the latter case, therefore, by cutting foreign merchants from their channels of transferring wealth across countries, thanks to their kinship relations and trans-territorial alliances, and putting wealth in the hands of local merchants, a precondition is set for industrialists to try and fulfill the demands of a protected market.

Karl Polanyi emphasized this distinction between local trade and long-distance trade as two entirely different types of activity. For him, it was the former that nationalized economic life, while the latter strove to keep it localized. Moreover, it was the mercantilist state that played a decisive role in the creation of the national market.

“Internal trade in Western Europe was actually created by the intervention of the state. Right up to the time of the Commercial Revolution what may appear to us as national trade was not national, but municipal. The Hanse were not German merchants; they were a corporation of trading oligarchs, hailing from a number of North Sea and Baltic towns. Far from ‘nationalizing’ German economic life, the Hanse deliberately cut off the hinterland from trade. The trade of Antwerp or Hamburg, Venice or Lyons, was in no way Dutch or German, Italian or French. London was no exception: it was as little “English” as Lübeck was “German”.”

Polanyi 1944: 63

The last remark applies well to the Mashreq merchants who controlled the region’s long distance trade prior to the revolutionary changes. Describing the merchant community of Baghdad in the eighteenth and nineteenth centuries, Giblar
notes that it was mostly composed of Jews who established an extensive network that covered the Far East, India and the UK by the nineteenth century:

"Trading with countries to the east of Iraq involved the establishment of Jewish merchant communities in the important urban centers in Southeast Asia. The Jewish merchant communities of Bombay and Calcutta, Hong Kong and Shanghai were especially prominent. The Sassoons, Gabbais, Ezrâ (Bahar), Yehuda and Benjamin families became renowned for the scale of their business activities and their status in these cities. They controlled a considerable part of the trade in textiles, indigo and opium among Iraq, Iran, India and China... It is not surprising that after the First World War these merchant families transferred their administrative and financial headquarters to London and other business centers in Western Europe. At the same time, some of these and other families developed wide-ranging banking activities. In this sphere the Sassoon family... and the Khedoury family were the most prominent."

Gilbar 1992: 61

Thus the market that we widely regard as a self-regulating machine is in fact the product of deliberate action. Yet this is not to say that the state acted in an arbitrary fashion. As sufficient social pressures and interests mount, political action follows. It was the interests of the rising capitalist who opposed the monopolistic burghers, "which forced the territorial state to the fore as the instrument of the 'nationalization' of the market and the creator of internal commerce" (Ibid. 65).

"Deliberate action of the state in the fifteenth and sixteenth centuries foisted the mercantile system on the fiercely protectionist towns and principalities. Mercantilism destroyed the outworn particularism of local and intermunicipal trading by breaking down the barriers separating these two types of non-competitive commerce and thus clearing the way for a national market which increasingly ignored the distinction between town and countryside as well as that between the various towns and provinces."

Polanyi 1944: 65

Such a nuanced comprehension of the role of economic nationalism is almost entirely absent in the dependency/world systems traditions. In defining the specific processes that gave rise to the "core areas", Immanuel Wallerstein singles out the fact that "international and local commerce" was put "in the hands of an indigenous bourgeoisie" (Wallerstein 1979: 34). In the late Middle Ages, England "was a colony of Europe... Her trade was heavily in the hands of Italian and Hanseatic merchants."

But "In the fifteenth century, England undertook with partial success, the indigenization of her commercial network. The Italian and Hanseates were circumscribed, if not yet entirely eliminated."

Wallerstein 1979: 45

Wallerstein's statement suggests that it was not a maturing indigenous merchant class that forced the King to drastically curtail the privileges extended to non-indigenous merchants, but a state bureaucracy that decided that it was in its interests to expel foreign merchants. It suggests that rulers and merchants were thinking in nationalist terms even at such an early time. Yet this is far from specifying why and how did this move strengthen the English state. The ideological discourse is made clearer as Wallerstein contrasts this development with Poland, a classical case for a European country that could not develop a capitalist economy, or was peripheralized, to use a dependency/world systems notion. But when dealing with Poland, instead of using such abstract words like 'England', Wallerstein singles out a
particular social class that was responsible for the predominance of foreign merchants. The Polish aristocrats who needed to trade their products needed technical personnel. For this role, they employed non-Poles - Jews, Germans, Armenians... Obviously a non-Polish bourgeoisie offered no political threat to the Polish aristocracy.

Wallerstein 1979: 40

To sum up. The nationalistic moment, if one might call it so, is not a once-and-for all 'stage' whose beginning and specific contours can be clearly defined. Competing social groups can always make recourse to demonizing their rivals by showing that they are aliens to their societies. Yet, one would ridicule the appeal of nationalism if it were to be confined to this aspect. A historical moment characterized by the drive of more than one social group, especially groups that are not directly competing with the perceived foreigners, to put the resources of the community in the hands of indigenous elements, arrives when we can talk of nationalism as a mood capturing the feelings of wide sections of a given society. In this way we can distinguish nationalism from say, the attempts by thirteenth century patricians to impose their monopoly on their respective cities and their hinterlands. But the rise of nationalism is not only a matter of interests or ambitions. Or, more accurately, these interests and ambitions are predicated upon a more powerful precondition: communication and transport technology. Without the ability to link disparate regions, no awareness of common identity can rise, and no agitation, no matter how effective, can bear fruit.

But if communication technology provides a decisive basis for linking regions and communities within one state, the politics of homogenization actively pursued by various ruling groups was the lever that made the 'formation' of nations possible. Homogenization emphasized, as is well-known, nationalizing religion by transforming it into a national institution, as well as the imposition of a unified language, or dialect. But the economic aspect of nationalism implied the adoption of a unified system of measures. The perfection of coercive technology in the form of artillery in the case of early modern Europe and airforce in the case of the third world had provided a most powerful means for rulers to subjugate those regions and communities that attempted to preserve their autonomy.

Thus if we hold to our distinction between the passage to modernity and capitalist transformation of a given society, it could be said that the processes of homogenization, nationalism, and imposing supremacy of the state over the particularized agents within society pertain to bourgeois transformation, rather than to capitalist transformation. Bourgeois transformation has always the tendency to relapse if, after a relatively extended period, capitalist transformation does not follow.

The reasons for the above conclusion lie in the basic definitions of the two transformative processes. As the precapitalist structures disintegrate and lose their legitimate functions in the eyes of the majority, or the most articulate sections of a given society, revolutionary regimes do not face organized classes but atomized individuals, who have already shed their past particularistic allegiances and are only bound together by sharing their misery and the high expectations from the new era. And it is this situation that allows the state to assert its supremacy over other social actors by presenting itself as the representative of equal individuals who are expected to put their faith and services at the state's disposal.

Yet if industrialization does not follow after the revolutionary period and no institutionalized and modern class configurations arise thereof, state institutions themselves would degenerate into hotbeds for breeding deformed modes of
particularism. In the absence of institutional struggles and checks on the state, which raised the hopes of standing at equal distance from all the citizens, various state institutions, leaders and bodies would inevitably recourse to patrimonialism, nepotism and clientalism as means of gaining followers from their regions of descent, or from their ethnic, tribal, confessional or even ideological fellow men and women.

7.4 Nationalism and Modernity:

If the above distinction between the passage to modernity on the one hand, and capitalist industrialization on the other is valid, then we can proceed to show that the similarities in the processes of bourgeois transformation both in the Mashreq and Western Europe are not accidental, nor are they mere models, strategies, or options that some subsequent revolutionaries found attractive and decided to adopt and apply on their societies.

It is now widely acknowledged that states played crucial roles in facilitating the transition to modernity, while they themselves were transformed in the course of this transition. However, this general conclusion can give rise to several interpretations on how exactly does the state do that, and whom exactly do we refer to when talking about the state. The following passage is a typical functionalist approach which simply assumes that state action would be forthcoming as long as it is "needed", without attempting to investigate the availability of the conditions that make this action possible.

"...state action was obviously necessary when the initial, fundamental task was to create a new nation (as in Italy and Germany), to standardise such basic arrangements as currency, taxes, weights and measures (as in revolutionary France); or to modernise the institutions of an existing traditional society (as in Prussia in the early years of the nineteenth century). And although such activity was not necessarily seen as a means of industrialisation, the consequent effect (in terms of political security, national cohesion, institutional uniformity and predictability) on markets and other economic institutions was, in fact, likely to be favourable to growth."

Supple 1980: 309

The problem with such abstract phrases as "the task was", is that they do not specify for whom was that a task, and who had an interest in it. They simply rely on the wisdom of hindsight, in the sense that virtually no one today disputes the importance of getting "advanced". But at the time of industrialization, as in today’s third world, unification of the market and the creation of solid and centralized state institutions were by no means steps that responded to the interests or the liking of substantial sections of European societies. Calls to preserve "our social fabric", "our authentic" Hindu, Confucian, Asian or Islamic values, to glorify "our moral superiority", to denounce "corrupt material civilization", etc. respond to some interests within various societies, irrespective of the conscious, or unconscious motivations of the ideological proponents.

In the same vein, calls to catch up with the advanced nations, to introduce modern institutions and arrangements would not only reflect "imported" or global effects. Domestic groups, strata, classes and/or communities would try to push their agendas, the success of which depends on the local social structure and configuration. The important point to make here is that the ideological legitimization of a certain agenda may or may not be borrowed, but the main facilitating or hindering factor is
the existence (or absence) of domestic interests that would try to find ideological legitimation to push for their agenda. If a success story is there to be cited from "foreign" cases, then it would be more advantageous to the proponents of a certain call, but the latter is not so much the crucial element, as it is the outcome of social conflict that will decide the winner.

Other authors simply assign high capabilities or farsightedness to rulers or states who discovered that homogenization is a more efficient and cheaper mean of controlling their populations than the precapitalist, hierarchized social structures. The roots of this type of interpretation of mercantilism, as an endeavor by a willing government to promote economic growth and nation-building, can be traced to the classic study of Gustav Schmoller, the founder of the German historical school (Schmoller 1884). A contemporary example of such an interpretation is presented by Charles Tilly:

"In one of their more self-conscious attempts to engineer state power, rulers frequently sought to homogenize their populations in the course of installing direct rule. From a ruler’s point of view, a linguistically, religiously, and ideologically homogenous population presented the risk of a common front against royal demands, homogenization made a policy of divide and rule more costly. But homogeneity had many compensating advantages: within a homogenous population, ordinary people were more likely to identify with their rulers, communication could run more efficiently, and an administrative innovation that worked in one segment was likely to work elsewhere as well. People who sensed a common origin, furthermore, were more likely to unite against external threats."

Tilly 1990: 106-7

Both functionalist and voluntaristic approaches overlook three complex sets of conditions that are required for the successful transition to direct rule nationalism homogenization. The first is a technical set that makes it possible. By technical, I mean that the ‘microeconomies’, and therefore ‘micro-communities’ hardly had any regular and systematic contacts and interconnections with each other because the available communication/ transport techniques made it impossible for them to forge more dynamic relationships with each other even if they wanted to do so. The second set of conditions is the socio-economic one that makes homogenization and direct rule desirable, or more fulfilling to the interests of at least one powerful group that has the potential to impose its hegemony. Finally, a third set is political and consists of a balance of power that makes homogenization functional. This means that it is not sufficient to have a rising dominant class that has an interest in ‘nationalizing’ the public space. A substantial or influential section of the population must also see such a breakthrough as legitimate.

Even when the modern railway systems were introduced to many areas, many societies based on tribes or castes fiercely resisted attempts by their ‘modernizing’

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10 Although Herman Schwartz’s analysis does take the technical and socio-economic conditions into account, some of his statements regarding the roots of mercantilism are no less voluntaristic than those of Tilly. For example:

"Because of the difficulties involved in extracting resources from agriculture, most states pursued a policy known as mercantilism. ...Actually mercantilism’s external policy was a means to an internal end: the creation of a homogenous internal legal space, dominated by central authority." Schwartz 1994: 11

"Mercantilism’s internal impulse was the king’s effort to remove barriers to the internal movement of goods imposed by nobility ...and to make noble wealth taxable by homogenizing the legal status of all of the king’s subjects.” Ibid.: 21
leaders to unify the markets and introduce central and direct rule because the social systems that legitimated inequality were still functional. Conversely, pre-bourgeois ruling classes had no stake in homogenizing their subjects, given the fact that homogenization entails establishing the concepts of equality and citizenship. These concepts run contrary to the legitimating principles of pre-bourgeois social systems and political mechanisms, which are based upon inventing some natural differences among the various components of a given society. Without these differences ruling dynasties, big landowners and wealthy merchants would have no ideological basis to legitimate their privileged positions. This last conclusion should be an additional reminder that ideology and modes of consciousness cannot be automatically derived from/reduced to economic or technical forces.

From the seventeenth and throughout the nineteenth centuries these sets of conditions conducive to the rise of new conceptions of state and society were gradually evolving practically everywhere in west and north Europe. Many regions in central, south and east Europe were strongly influenced by these developments. Thus Prussia/Germany in central Europe, Italy and Greece in the south, and Bulgaria in eastern Europe took shape as modern states by the second half of the nineteenth century. In a schematic way, one can state that the concept of nationalism as a binding tie among members of a society that share a common identity was the first cornerstone in this great transformation. Yet, nationalism, as is well known, is a very amorphous and slippery concept that an infinitely wide-and sometimes conflicting-variety of schools of thought can fit under it. A recent surge in interest in this subject has produced many valuable contributions (B. Anderson 1991, Gellner 1983, Hobsbawm 1990, Hroch 1993, and Meadwell 1999, among others). Drawing upon these (and other) contributions, the following discussion attempts to explore one particular aspect of nationalism; namely its affinity with the processes of homogenization of the populations of various societies, and therefore with the rise of what we consider today as modern state structures. The affinity between nationalism and homogenization is not quite difficult to discern. Yet, the precise relationship between the latter and the transition to direct rule and democratization becomes a much more complex issue, once the actual practices of such nationalist ideologies as Nazism and Fascism in Europe, and Ba'thism and Nasserism in the Mashreq are (necessarily) introduced to our analysis.

Let’s look for a working definition of homogenization. It is a process that entails the passage from the politics and social structuring based on intrinsic and primordial differences between rulers and ruled, and between the various groups composing a society to that of primordial identity and similarity. A ruler or artisan is no longer expected to be such because of his/her religious, ethnic, regional or tribal affiliation. A common -mainly linguistic, cultural and/or historical- trait is invented/constructed for the majority of communities that live within a single geographical space. All members of that community are proclaimed to have equal rights and privileges in contrast to those who do not share these proclaimed common traits. The mere fact that linguistic, ethnic, and common historical heritage become the elements that cement relationship, or rather that define relationship, means that a great potential for social mobility among the population of a given territory has arisen. Individuals who were coerced to specialize in certain jobs -privileged or not- have from now on the formal ability to choose. We have outlined above the technological, socio-economic and political preconditions needed to redefine the meaning of functions. But exactly how and why could nationalism play that role?
Although mercantilist policies may have contributed to the rise of the sense of nationhood through their protectionist obsession, the structures of the mercantilist ‘enlightened absolutisms’ did not allow for nationalistic xenophobia, as we shall see below. Therefore, although one can date the beginnings of the modern state to the mercantilist and absolutist era, the same cannot be said about the rise of nationalism as the regulating concept of the jurisdiction and authority of the modern state.

Undoubtedly, the 1714 Treaty of Utrecht, which established for the first time the principle that each country has ‘natural frontiers’ was a decisive change from the previous practices whereby a state’s frontiers could extend to as much territory as it could lay hands on and defend. Yet the newly established natural frontiers had a long way to go before they could turn into ethnic frontiers. By the end of the eighteenth century, a line of fortresses was established, separating France from Germany, and marking the first attempt at creating a linear frontier between the two countries.

“During the French Revolution and the Napoleonic era, two concurrent developments took place: the internal reorganization of France’s domestic boundaries (the départements) on rational lines, and the mapping out of France’s external frontiers. This was finally followed in 1848, with the emergence of the “ethnic frontier”. Whereas prior to the nineteenth century, ethnicity had never been significant in frontier-making, the rise of “linguistic identity” reshaped the European frontiers as nothing else before. Ethnic identity and language became the principles which undergirded the emergence of the nation-state in late nineteenth-century Europe and, for that reason, became the all-consuming passion of the period after the First World War.”

Fattah 1997: 17

As can be deduced from the above, and from historical evidence, applying the principle of equality among citizens belonging to the same cultural, linguistic and ethnic group required waging ferocious struggles against the wishes of ruling dynasties. To state, as Charles Tilly does, that rulers found the principle of homogenization and direct rule less costly and more effective in controlling the population is to overlook the fact that during the closing days of the old regimes non-local monarchial dynasties were either viewed with hostility or had to undergo radical changes in their traditions, ceremonies and relationships with their subjects. In the course of these struggles to impose direct rule, homogenization and the supremacy of the state over other societal forms of representation, only a few ruling classes could survive, while the majority were swept away and replaced by new ones.

However, by the mid-nineteenth century, nationalism itself, as well as other ideologies, were undergoing huge changes because Europe was approaching the era of mass politics and (almost) universal suffrage. Politicians who hoped to win votes had to adopt discourses and slogans that could appeal to their wider constituencies. The relationship between the rise of national political structures and homogenization on the one hand, and direct rule and democracy one the other is much more problematic. The question here is whether democracy follows from nationalism, since nationalism lays the ground for formal and legal equality between members of a designed community. But if that was the case, then how could the most atrocious and undemocratic regimes of modernity legitimize their rule by nationalism?

Michael Mann has argued that, far from being an aberration, a ‘primitive’ practice that constitutes a total rupture with modernity and democratic state structures, ethnic cleansing- even genocide- can be regarded as ‘the dark side of democracy’ (Mann 1999: 19). First, he argues that “class struggle and its institutionalization- far more than an essentialist respect for individual human rights- have restrained most
liberal democracies from cleansing atrocities ‘within’ their core citizen body. Nonetheless, liberal democracies have committed massive cleansing, sometimes amounting to genocide - in colonial contexts where large social groups were defined as lying outside ‘the people’” (Ibid. 23).

But even regarding ethnic cleansing of ‘the core citizen body’, Mann presents a persuasive argument that liberal democracies did experience some ‘milder’ forms of cleansing. He distinguishes two types of societies and therefore two types of nationalism in the age of modernity. Nationalism in the liberal states, which only dominated in the northwestern parts of Europe, was a stratified one. In these liberal states “though capitalism is not in itself particularly benign, the class resistance it generates tends to produce liberal conciliation” (Ibid. 24). And “until the twentieth century, most dominant ethnic and even religious groups … expected to assimilate the ‘other’. This might involve some institutional coercion, especially to suppress minority languages. But ‘the other’ was not forced out, less butchered. It was allowed to become British, French or German” (Ibid. 25).

In these societies, based on a concept of ‘stratified people’, only ‘moderate’ forms of cleansing were practiced regarding the core citizen body. By contrast, in the center, east and southeast of Europe, several essential differences were the main causes for the dominance of organic rather than liberal conceptions of the nation-state. “These quickly led to a dominant dark side and ultimately led to fascism” (Ibid. 27). Yet in both cases, Mann shows that modern forms of ethnic cleansing are the direct products of the rise of mass politics based on the concept of the nation and national self-rule. The difference lying mainly in who a society comes to define as composing the people and who are the aliens that are not entitled to the same rights and privileges of the people.

I think that Mann’s valuable contribution, especially the distinction between ‘stratified’ and ‘organic’ nationalism, can provide a basis for our understanding of why did the Mashreq nationalisms lead to despotic forms of rule. The particular reasons for the rise of ‘organic’ forms of nationalism in East and Southeast Europe can be put into the wider context of our above-discussed difference between bourgeois transformation and capitalist industrialization.

Where homogenization was carried in an atmosphere of capitalist economic expansion and industrialization, the parties contending for power, as well as the classes and strata engaged in struggles to wrestle as many rights as they could, had a stake in preserving stability and the, more or less, smooth functioning of the social system. By contrast, where transition to direct rule occurred without industrialization or capitalist expansion, the pre-bourgeois forms of social constellation had not yet totally dissolved and struggles for domination took inevitably the form of inter-ethnic, inter-regional, or inter-confessional forms. This is why authoritarian statism, according to Mann, appeared as a result of an organic conception of people and state: a conception stipulating that people was one and indivisible, united, integral and in which class conflict and sectional interests were not to be compromised but transcended through an agent named the state (Mann 1999: 27-8).

Put differently, where a rising social class, in this case the industrial bourgeoisie, has already asserted its dominance in society, an ideological consensus that binds the major social groups defines the limits and scope of their internal struggles. This ideological consensus is nothing but a (mythical) perception of national interest. Homogenization in this case is the process of implicitly asserting the superiority of the culture, language/dialect, or confession of the dominant class without necessarily banning the cultures, languages/dialects, or confessions of the
dominated. Examples of this form of homogenization are the stereotyping of the Hackney dialect in England, Italian and African-American cultures in the US, etc.

Organic nationalism, on the other hand, is a form of social struggle to decide who will become the dominant class within a given social formation. Whereas a British or a WASP coloring has already defined the culture and practices of the dominant classes of the UK and the US respectively, and newcomers to the ruling classes had to emulate these practices and cultures in order to fit within them, dominant cultures had to be defined in societies where hegemony has not been established yet. The hegemony of an expanding industrial class has been established through its ability to bring incremental, but steady, increases in the welfare of the population and in the meantime, incorporate individuals from the non-dominant culture into its ranks.

Organic nationalisms appear when the preconditions for a bourgeois transformation are ripe: a crisis of the precapitalist legitimacy and the atomization of the erstwhile primordially bound individuals. But as has been reiterated above, capitalism and capitalist industrialization are not the automatic consequence of the disintegration of pre-bourgeois structures. Hence the struggle for dominance in the emerging social formation is colored by the already existing forms of loyalty and cohesion: family and kinship ties, and/or regional, ethnic or confessional ties. But a second and more important reason for the rise of organic nationalism in this case is that the struggle revolves exactly on the composition of the dominant groups.

While bourgeois transformations open up new opportunities for social mobility, they do not by themselves define who will benefit most from this upward mobility. We have seen above that an infinitely disparate array of discontented and oppressed groups are normally mobilized in the fight to produce these transformations. And that is exactly what makes the particular brand of unitary discourse, which each group adopts and tries to impose, a highly charged and contentious one because each of these discourses implies the prospective dominance of a different group that can implement its claims of unifying society around its particular brand of homogenization.

Hence, while bourgeois revolutions are carried under the banners of equality of citizens, the content of this equality and the definition of who is a citizen are by no means given or are predetermined in an a priori fashion. Settlement of these issues is reached through social struggles that may take bloody and lengthy forms. But it is the outcome of these struggles that will eventually define the specific content of Frenchness, Britishness, etc., as well as defining the terms of acquiescence within a given society.

In this process of defining the cultural traits of the core group, state power has proven to be a most formidable means of asserting and imposing the supremacy of that group. The transition from indirect rule to direct rule, accompanied with the expansion of the state, virtually all over Western Europe in the nineteenth century, produced a wave of changes, not only in the state-society structures, but also in the economy and the ideological perceptions of people of who is a foreigner and who is not, the rights of nationals and the limited rights of foreigners, the responsibilities of the states towards their citizens, but not towards foreigners etc. In sum, “life homogenized within states and heterogenized among states” (Tilly 1990: 116). But how exactly did this process occur, and why?

“As direct rule expanded throughout Europe, the welfare, culture, and daily routines of ordinary Europeans came to depend as never before on which state they happened to reside in. Internally, states undertook to impose
national military service, and much more. Externally, they began to control movements across frontiers... to *treat foreigners as distinctive kinds of people deserving limited rights and close surveillance.*

Tilly 1990: 106-7, 116-17

However, state power should not be seen as an arbitrary means in the hands of whoever happens to rule. Rather, capturing state power and preserving authority over a reasonable period of time is itself a function of the existing balance of power among the contending social groups. In Western Europe, the unitary and unifying discourse was based upon a peculiar mix of religion and ethnicity. Whether Catholicism or Protestantism prevailed in a given society, the first task of most modernizing European states was to sever the transnational links of members of the same religion and creating a national State Church, normally headed by the state’s sovereign, a process which brought the kings/or princes of England, Scotland, Sweden, Norway, Denmark, Northern Germany and Bohemia to head their respective national churches and disrupt the links with the Vatican. Although the ethnic issue was not explicitly raised in the context of Europe’s transition to modernity, at least not until the triumph of the French revolution, the imposition of a ‘national’ language in school curricula and in official transactions was one means of marginalizing non-dominant ethnicities and assigning them, at best, subordinate roles in society. In other cases, most notably the British colonization of Ireland, the subjugation of a nation could easily take the form of persecuting the followers of Catholicism.

In the Mashreq, unitary and homogenizing discourses have proven to raise no less explosive issues than their European predecessors. Despite much apparent dissimilarity, Arab nationalist and Islamist (as well as communist) discourses stand on the same basic grounds: a tenacious effort to ‘prove’ that the majority of a given society’s population share the same ‘natural’ traits that must, by definition, become the defining norms and rules that govern that society and determine the composition of its core political leadership. The nationalist variant of homogenization triumphed in Egypt, Syria and Iraq, while the Islamist variant triumphed in Iran. Whereas the Islamic variant only emphasized the homogenizing aspect of religion, the nationalist one had a composite criterion whereby Arabism and Islam were amalgamated. After several heated debates on whether the constitutions of the nationalist regimes should treat Islam as a *major* source of legislation or the source of legislation, nationalist regimes opted for the latter and added articles that Islam is the official religion of the state. However, even the Islamist variant of homogenization contained a subtle nationalist element. A strict imposition of Sunni Islam in Afghanistan meant in practice that the Persian speaking Hazara Mongols and the mountain Tajiks community would be persecuted or marginalized because they follow

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11 Contrary to the widely held belief, secularism in France was only imposed during the Third Republic in 1905. The position of the French Revolution was far from being hostile to religion. When the French Republic was proclaimed in 1792, a fierce conflict around the Religion of Reason erupted within the revolutionary camp. The Jacobins, led by Robespierre, called the secular followers of the Religion of Reason “agents” of foreign enemies and “immoralist”, before sending them to the guillotine in 1794. Robespierre’s famous saying was that “atheism is aristocratic” (See. Kieman 1965: 35-6, Strayer 1970: 15-16, Lucas 1973: 84-125, Badie and Birnbaum 1979: chapter 3). Hence, it would be more accurate to describe the French Revolution’s attempt as a continuation of the process, which the fourteenth-seventeenth European wars had launched, namely the unification of religion and nationhood, or more precisely: nationalizing religion.
the Shi’ite brand of Islam. Similarly, Iranian Kurds, who are mostly Sunni Muslims, would not stand on equal footing with the Persian Shi’ites (Yousaf 1992 43-7).

Several conclusions can be drawn from this comparative account of the attempt at homogenizing life in Europe and the Mashreq:

1. The transition to modernity has almost always been accompanied by the imposition of some semblance of ideological unity within a given society. Religion, nationalism, culture and language, and ethnicity were among the most influential instruments in imposing unity.

2. This semblance of ideological unity is made possible by the rise of some technical and socio-economic conditions that make the transition to direct rule possible. However, the terms and norms upon which the new ‘national’ formation would be bound are not given a priori. Although the binding nationalist ideology always draws upon elements that have been active in the collective memory of a given people, the concrete form that a nationalist ideology takes is an arena of struggle among various social groups that contend for hegemony over the new formation.

3. Social groups that eventually succeed in their bid for political power will eventually strive to cast their own perceptions as those of the entire society or of the majority. A process of homogenization of the members of society according to these supposedly common traits follows from these attempts. Historically, this has inevitably led to applying varying forms of coercion against non-conforming or resisting communities and individuals.

4. Since homogenization entails emphasizing certain cultural traits: linguistic, religious, or ethnic, by ranking them as the sole or major binding elements of a given social formation and relegating other sub-national binding elements to a secondary position, or even persecuting those who adhere to them, it is inevitable that a particular community or communities would appear as the core group within the newly formed nation. This core group, often the one from which the new leaders hail, is the one whom the unifying ideological criteria apply most.

5. The unifying ideology and its emphasis on particular cultural elements within the given social formation would serve as a legitimating principle for the rise and dominance of a new ruling class. This point is of utmost importance in understanding the interplay between ideological perceptions and socio-economic interests in making modern social classes and will be dealt with in more detail later. However, a few words are due here.

6. The rise of a new socio-economic system means, by definition, the laying of the basis of new modes of wealth formation and appropriation, and by implication, new basis for membership of a given social class. Yet, while the impersonal historical conditions define the range of potential mechanisms for power and wealth appropriation, they do not define who is going to occupy the dominant social and economic positions within a given formation. The outcomes of political struggles around the particular ideological content of nationalism are in the meantime struggles over who of the contending groups will emerge as ‘naturally’ endowed to epitomize national unity and thus play a leading role in the new era.

7. The embryos of the dominant modern classes therefore are no less primordially formed than their predecessors, in the sense that their
coherence draws upon collegial, regional, family, religious, cultural, ideological or ethnic ties. Obviously, the embryo of a dominant modern class does not comprise all the members of the core cultural group, but is mainly drawn from its ranks. This means that it tends to incorporate individuals from outside that core group.

8. The contradiction which the national state embodies lies in the fact that this state arises from the declared aim of putting an end to the inherited privileges upon which the ancien regimes were based, while in the meantime it confines power and wealth to those individuals who are defined as members of the nation. However, even at this primitive stage, national states represent a huge step forwards. Theoretically at least, the concepts of equal citizenship, and the consecration of the individual lay the grounds for further struggles that would ensure that unlike the pre-bourgeois dominant classes, modern dominant classes, as well as other social positions, are not closed castes. Gramsci put this point quite succinctly:

"The revolution which the bourgeois class has brought into the conception of law, and hence into the function of the State, consists especially in the will to conform... The previous ruling classes were essentially conservative in the sense that they did not tend to construct an organic passage from the other classes into their own, i.e. to enlarge their class sphere "technically" and ideologically: their conception was that of a closed caste. The bourgeois class poses itself as an organism in continuous movement, capable of absorbing the entire society, assimilating it to its own cultural and economic level. The entire function of the State has been transformed, the State has become an "educator", etc."

Gramsci 1971:260

9. The contradiction between the national state as yet another historical category that has the potential to develop into a system of primordially based hierarchy, and the national state as a system that preaches the freedom of the individual citizen to move along the social ladder according to his (and later her) ability is resolved through the mechanisms of capitalist expansion on the one hand, and the social struggles that are engendered by this expansion on the other. The tension between Michael Mann's 'organic vs stratified nationalism' might be explained by these processes too.

10. Where capitalist expansion and its concomitant social stratification succeed, the dominant class from within the core group of the nation acquires additional legitimacy in the eyes of the population because of its perceived ability to bring additional welfare to society. Rising welfare and expansion pose thus the double possibility of non-core group members joining the dominant class on the one hand, and incorporating them within the dominant cultural discourse of the hegemonic class on the other. But this is far from a mere manipulative policy by the dominant group. Capitalist expansion empowers the dominated classes because of their necessary role in ensuring the harmonious working of the system. These classes will strive to acquire privileges and rights commensurate with their roles. And among the most valued rights is recognizing their cultures as equal to those of the dominant groups.
11. Hence, organic nationalism and stratified nationalism are not two diametrically opposed historical options or traits of different societies. In the meantime, they are not necessarily consecutive ‘stages’, where one form of nationalism is destined to give way to another. They are not diametrically opposed versions in that they reflect the different historical instances when national state structures are established. Nationalism preceding industrialization inevitably tends to show symptoms of organic trends, i.e. emphasis on the collective rather than the individual interests and a tendency to physically persecute non-conformers with the ‘national principles’. The classical examples for stratified nationalism that are supposed to produce mainly assimilating, rather than physically coercive, homogenizing effects are very telling in this respect. Western European societies that are taken to be typical examples of liberal nationalisms are, as is well known, Britain and Holland.

During the sixteenth and seventeenth centuries, when Protestant countries were persecuting Roman Catholics, the Amsterdam authorities allowed the Catholics to worship in peace- provided that their churches weren’t identifiable as such from the street. Shulkerken (hidden churches) were built all over town (Kieman 1965, Strayer 1970). England’s ‘mild’ nationalism was comparable to Holland’s. The eastern part of Ireland that became a Norman (British) colony in 1175 was subjected to a wave of Protestant invaders, who came as colonizers, only following Britain’s bourgeois transformation during the seventeenth century (Overy 2001: 118). A Catholic revolt was brutally crushed under Cromwell. Intolerance towards Scottish nationalism reached its height in 1745 when the Jacobites revolted for a second time. The British parliament retaliated by banning the kilt, along with plaid, trews and tartans, which were considered symbols of Scottish traditions (Trevor-Roper)\(^\text{12}\). The English “Bill of Rights” adopted following the overthrow of King James II (1689) guaranteed freedom of opinion only for the Protestants. John Locke (1632 - 1704) excluded from his call for tolerance Catholics and atheists. England, in fact, only approved religious tolerance towards Catholics in 1829, towards the Jews in 1842 and towards atheists in 1888\(^\text{13}\).

However, the best example of authoritarian bourgeois transformation is revolutionary France. Having preserved its united political structures for centuries, and carrying its revolution under libertarian slogans, France has rarely been studied as a case of extreme attempts by the revolutionary state to homogenize its population. We have noted in the preceding chapters that unlike England, the struggles of French peasants against landlords have left much of the land in the hands of small and free peasantry. This state of affairs contributed to keep French agriculture relatively backward and the majority of the population fragmented and atomized when the revolution erupted. Thus despite the existence of a central state, it was only several decades after the revolution that a national market began to take shape. This can be


\(^{13}\) In France, the overarching concern of Voltaire and Rousseaux, the two thinkers whose intellectual influence on the course of the French revolution was unparalleled, was homogenizing the nation rather than tolerance. Rousseaux proposed the adoption of a ‘civil religion’ whose papacy would be in the hands of the head of the state. The latter could outlaw other beliefs, because “freedom of the individual can be imposed by force”. Voltaire, on the other hand, did not conceal his admiration of Louis XIV whose homogenizing efforts led him to oppress the Protestants (Furet 1981; Cranston 1984, 1989).
gauged from two indicators pertaining to the regional variations in grain prices and urbanization.

"France built roughly the same number of miles of canals as the smaller Britain during the 1800s. The weakness of the transportation system and the lack of a unified national market can be seen in the regional differences in grain prices. In 1800 wheat prices varied as much as 400 percent in different regions; in 1817 by 200 percent; and as late as 1847 by 70 percent. Without cheap transport to bring food to the cities, urbanization also lagged behind Britain's. In 1806 only 7 percent of the population lived in towns over 2,000; and by 1846 only 25 percent. In Britain over half the population lived in towns by 1851."

Schwartz 1994: 96

The French political system under the absolutist state reflected the heterogeneous and atomized social structure. An extremely powerful executive could stand above society because of the lack of organized powerful contending classes. Richelieu destroyed the fortified palaces, thus ruling out any attempt for autonomy. In the meantime he established a standing army in 1726, a process that had already begun since mid seventeenth century, when the state nationalized the army and took the responsibility of paying for its members. The armed forces of Louis XIV stood at 300,000 men. By the beginning of the seventeenth century, France collected four more times the taxes that England could collect. And for the first time in European history, the state established in 1761 "La Gazette de France" as its mouthpiece censorship was imposed on private papers (Cole 1939, Gruder 1968, Downing 1992).

A society kept under strict control of the state revolted in 1789, but the revolution only exposed its fragmentation and lack of coherence. Rather than a pan-French bourgeoisie acting in unison against pan-French first and second estates, the revolution was in many respects carried along regional and/or confessional 'vertical' lines. In the struggle for the republican cause, cities were tipped against the countryside and western and southern France resisted the revolutionary northern and eastern parts. The Vendée revolt, which represented one of the most dramatic counterrevolutionary episodes, was not an isolated episode. The guerilla resistance to the revolution- engulfe d wide regions in the western parts of France. In the meantime, the federalist revolt controlled important urban centers such as Caen and Nantes in the west, Bordeaux in the southwest, Toulouse, Toulon, Nimes and Marseilles in the south, and Lyons in the south. The monarchist/republican antagonism pitted Protestants against Catholics in Nimes and elsewhere (Furet and Ouzof 1988, Johnson 1989: 33-40, Overy 2001: 202-4).

Additional evidence on the regional cleavages comes from the data on the number of the revolution's victims in different regions. Douglas Johnson estimated the number of the Vendée victims at eighty thousand and the total victims in the entire western region of France at two hundred thousands (Johnson 1989: 37). Donald Greer compiled a comprehensive list of executions carried under the reign of Terror of the French revolution according to the departments where these executions had been carried. He found that with the exception of two departments (the Seine and Pas-de-Calais), every department that suffered more than two hundred executions was located in the south and southwestern regions of France. The total number of those executed during that period of the revolution alone well surpassed 15,000 (Greer 1935: 147). Such was the regional/confessional cleavage that the respected French historian Secher described the history of the revolution as a history of civil wars.

Thus while the transition to direct rule in general was accompanied with the extension, expansion and deepening of the state's intervention in everyday life, the
most pervasive (and brutal) intervention occurred where ‘organic’ nationalism was at play. Charles Tilly notes that:

“With the installation of direct rule came the creation of systems of surveillance and reporting that made local and regional administrators responsible for prediction and prevention of movements that would threaten state power or the welfare of its chief clients. National police forces penetrated local communities. Political and criminal police made common cause in preparing dossiers, listening posts, routine reports, and periodic surveys of any persons, organizations, or events that were likely to trouble “public order”. The long disarmament of the civilian population culminated in tight containment of militants and malcontents.”

Tilly 1990: 115, also 110

Although the institution of the political police in France already had a long history when the revolution began, the year 1794 brought noticeable changes in its role. Chernyak quotes Fredrick Engels’ remark that “Frenchmen of the eighteenth century spoke, not of civilized, but of policed nations”, and comments:

“However, contemporaries thought this growth in police powers before 1789 was nothing compared with the weight it gained in the post-revolutionary years. In the bitter clashes of the revolutionary years its role increased many times over... It was up to the political police to get or, rather, to invent “evidence” of the guilt of the accused. It was its task to arrest people, conduct preliminary investigations together with the Revolutionary Tribunal, and call witnesses (or, rather, false witnesses), it also planted its agents in prison cells and did a lot of similar “dirty work”.”

Chernyak 1990: 72-3

7.5 Conclusion: Stratified Nationalism and Civil Society:

In depicting the profound societal changes brought about by the passage to modernity, this chapter has emphasized the expansion of oppressive and pervasive functions of the state during this era. Emphasizing these aspects is a reminder that the modern liberal and democratic state structures that we tend to identify with modernity are not necessary products of this transformation. The changes that the Mashreq revolutions have effected in their societies are no exception to this universal trend in the sense that they have legally and politically consecrated the demise of the various forms of pre-bourgeois forms of property relations and forms of association among individuals. If state violence was (and is) carried on a higher level than the levels of violence that other European societies have experienced during their passage to modernity, it is not because of the difference in the nature of these revolutionary changes, but in the abject failure of the Mashreq’s revolution to develop an alternative consensual mechanism that can bind individuals together, or in other words because the transformative processes could not lead to the rise of a civil society.

We may be reproached that throughout this chapter the concept of “civil society” has been conspicuously absent despite the fact that the rise of the individual, the creation of a public sphere and the formation of a new constellation of social forces outside the state are all related to this concept. Why did we choose to analyze the struggles accompanying the passage to modernity in terms of ‘stratified’ versus ‘organic’ nationalism, instead of carrying it in terms of civil society and its ability to effect social changes?
The reason for this is that contrary to the standard and widely popularized definitions of the concept, where civil society is reduced to the non-state associations, we hold to the position that the crucial element in the formation of civil society is the rise of the formal concept of the free individual. Yet the rise of the free individual and the consecration of formal equality among members of a given nation are the products of severe struggles which while precede and prepare the ground for the bourgeois transformation of societies, will only materialize over longer periods. A collective ‘private’ association which subjects, not individuals, have to join because of their birth marks—religious, ethnic, or tribal—belongs thus to a radically different form of social organization, because the concept of free choice of an individual is absent here.

The historical conditions for the rise of the formally free associations of individuals are only met after the atomized individuals have entered into new social interdependent relations, and these relations are nothing but the capitalist relations. Hegel traced the origins of this social setting in a capturing paragraph of his Philosophy of Rights:

“In the course of the actual attainment of selfish ends,... there is formed a system of complete interdependence, wherein the livelihood, happiness and legal status of one man is interwoven with the livelihood, happiness and rights of all.”

Hegel 1942: paragraph 183

For the first time in history individualization and socialization go hand in hand, in the sense that the need for a wider scope of interaction between humans, the rise of the technical potential for effecting this wider interaction is not accompanied by the unwillful association of communities via their notables or chiefs, but by the willing individual.

But how is this ‘actual attainment of selfish needs’ formed? It is through the atomization of the population turned into individuals, who then, and only then, can choose to become members of associations. This individual member, according to Hegel:

“needs no external marks beyond his own membership as evidence of his skill and his regular income and subsistence, i.e. as evidence that he is somebody. It is also recognized that he belongs to a whole which is itself an organ of the entire society and that he is actively concerned in promoting the comparatively disinterested end of this whole.”

Hegel 1942: paragraph 253

Like Hegel, Marx traced the historical development of civil society to the bourgeois revolutions which tore asunder the social bonds that previously forced individuals, and he makes the frequent metaphor of individuals cutting the ‘umbilical chord’ which tied them to a primordial group (Marx 1973: 83-4). However, he added to this his well-known analysis the conditions of alienation of individuals under capitalism.

In this sense, civil society is not an ahistorical product. It only develops following the rise of a new independent and specialized sphere of politics practiced by the state on the one hand, and a new specialized sphere of economics carried via the

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14 Another reason for this deliberate omission lies partially in the popularized fashion with which this concept is being currently used in much of the literature. Its forceful resurgence since the 1980s has locked it in an ideologically charged context that tends to erode much of its analytical value.

15 Obviously people do go to church today because their parents tell them to do so, but at least the formal right to renounce this is granted to an individual in a fully bourgeois society.
market. This process is only perfected when capitalism dominates over a social formation and produces its mystificatory ideological representations.

Under the penalty of schematizing a complex series of social processes, one can state that revolutions, just like economic crises under capitalism, are *a posteriori* destructive signals that tend to rectify deeply disturbed social balances. However, while the destructive functions of these signals could be achieved relatively easily, the constructive functions are much more difficult to achieve. This is because the latter functions are contingent upon the existence of a particular constellation of class relations, which can allow for the rise of a capitalist socio-economic system. And it is here that Michael Mann’s distinction between organic nationalism and stratified nationalism gains particular value.

Revolutions occur in the aftermath of social crises which sap the legitimacy of the existing social relations: the subjected classes, as well as others, openly question their validity and propose concrete alternatives. However, the specific forms that the disintegration of precapitalist structures take are never given in advance. They are the product of the social struggles that led to their disintegration. Hence, social struggles that ended up with the preponderance of small peasant property in agriculture, produce a radically different variant of passage to modernity from those where a class of gentry, or capitalist farmers have taken the lead in the new social configuration. In the first case, France and the Mashreq notably, a non-differentiated mass of individuals is the unseen force behind the rulers’ attempts at modernization. It is unseen because it is non-differentiated and therefore its influence is not direct or institutionalized. In the second case, as in Britain, not only Cromwell’s ‘model army’ was composed mainly of members of the gentry, thus making their interests directly felt, but also a history of relative balance between the upper classes since the 1215 Magna Carta has driven its ‘bourgeois’ revolution in the direction of constitutionalism.

While these differences in the constellation of social power play a decisive role in the subsequent passage to modernity, they further shape state-society relationship, or at least the relationship between the state and the dominant classes, because they define the limits and extent of state autonomy, the power of the state to tax its citizens and state intervention in socio-economic affairs. The state in the

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16 In a highly militant article, Ellen Meiksins Wood rightly attacks liberal scholarship on civil society, which views history as a process of progressive individualization generally associated with the evolution of private property and the state responding by creating new political institutions. However, her argument turns into an unfounded piece of ideological polemic when she claims that the 1688 English revolution and the establishment of constitutional rule were “advances in the power of landed aristocracy” (Wood, 1990: 68). And that “it was the disintegration and anarchy of Western Europe that produced civil society”.

Such views take social struggles and concessions as a one-track path that is engineered by a particular class who always succeeds in producing the planned results, without taking account of the fact that new constitutional arrangements establish rules that open new arenas for the struggle of laboring classes. In the meantime, disintegration and anarchy have, more often than not, tended to produce fascism and banditry rather than civil society.

Unfortunately, many left-wing scholars in their attempt to discredit capitalism, criticize what Marx considered its revolutionizing role, rather than pointing the way to its inherent reactionary, oppressive and exploitative mechanisms.

Neera Chandhoke, for example, turns Marx’s conception of civil society as a deplorable process, when she claims that the bourgeois revolution, according to Marx, “has deprived the individual of access to the means of production. It has made man dependent upon those who do possess such access” (Chandhoke 1995: 140). Such a statement, and others about the bourgeois revolution cutting men from “the bonds of natural community” fails to show that under precapitalist relations, and thanks to the “bonds of natural community”, man himself was either a slave or a serf.
atomized case tends to produce organic forms of nationalism because it is the sole, or major, actor on behalf of an undifferentiated and unorganized 'nation'. Building a consensus, a discourse around which the majority and/or major actors unite passes through suppressing discontent and opposition. However, the organic discourse cannot perpetuate a social system in the long run. It is here that the socio-economic mechanisms come into play. If the passage to modernity ushers in a passage to successful capitalist development, which spreads the benefits of expansion to an expanding array of the population, then stratification will follow and with it, a revised version of the legitimating principle of nationalism will evolve. By contrast, the failure to reach such an outcome, as in the Mashreq, could delegitimize modernity all together. A highly autonomous state can act as a patron for longer periods of time, but in the absence of an operational capitalist mechanism, society will eventually lapse into atomization once the strains on the state force it to withdraw from the economic scene, as will be shown in the next chapters.

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17 This statement should not be confused with the liberal glorification of capitalism as a teleological process that inevitably evolves through a gradual individuation to some final historical moment of ultimate liberty and equality - according to Francis Fukuyama's famous thesis (Fukuyama 1989 and 1991). My point is that a successful industrialization implies the creation of a circuit of interrelated social interests which has the potential of empowering the working classes, who through their struggles can force concessions on the dominant classes. However, this may not apply to all phases of capitalist expansion. As long as labor is a scarce commodity - normally through the first expansive phases of capitalism - its social power can be immense. However, as capitalism moves towards less labor-intensive processes (the case of the advanced capitalist societies of today) the social power of traditional labor unions and working class parties no longer play a crucial role. A second, and more important, objection, to the liberal thesis is that it confuses two distinct issues. The first is that one can rightly state from a purely historical and comparative point view, that capitalism has provided more political and social rights to the individual than any preceding social system, once again not out of innate logic within the capitalist system, but because of the particular forms that social struggles take under it. But one needs an entirely different argument in order to prove the second distinct issue: namely that humanity will not be able to move into superior forms of social and political organization. Only by proving that capitalism is the ideal form can one make the illogical claim that what has not happened yet will not/cannot happen in the future.

18 One may object to the above on the grounds that the state in the Mashreq has acquired its autonomy mainly because of its control over oil revenues. While this is undoubtedly true, let's remember that oil revenues only give the state its autonomy because the size of the economy is relatively small. In a more sophisticated economy, the existence of a vibrant and large-scale private activity and the higher standards of living would curtail the autonomy of a state whose annual oil revenue is about US $20 billions.

Note in passing that even the state's ownership of oil fields is not divorced from the specific class structure of a given society. The power of the British nobility was behind the adoption of the res ferae nature principle in the English common law, which stipulates that the owner of an estate can take a beast that crosses into his land. The power of private estate owners in eighteenth and nineteenth century US translated this into the 'rule of capture' in American Law. According to this rule, not only "immobile" minerals lying beneath the surface of one's land are his/her property, but also whatever strays onto one's property from a neighbor's land. This applies naturally to oil. On this point, see: O'Connor 1955: 45.
Chapter 8

The Political Economy of State Capitalism

Almost fifty years have passed since the establishment of the étatist regimes in the Mashreq. The Kemalist experience of interventionism is almost seventy-five years old. And this work has tried to show that the main processes that led to the collapse of the ancien regimes and the rise of statist ones are basically the same as those which the present-day industrialized countries had undergone during their passage to modernity. A valid- and obvious – question that should be addressed then is why haven’t these countries developed social, political, economic and cultural structures and practices comparable to those that Western Europe had established half a century after embarking on their modernization projects? After all, France in the 1840s and Germany in the 1910s were undergoing rapid economic growth, democratization of their political systems were going apace, their civil societies were firmly couched on the principles of individuality and their socio-cultural and political practices were mainly conducted under the banners of modern ideologies.

In this chapter I will try to address this question by analyzing the dynamics of state capitalism in the third world in general and the Middle East in particular. Because this system flourished in many parts of the third world during the cold war era, there were very few attempts at understanding the exact working of étatism: its conditions, contradictions and the causes of its breakdown. The cold war era did present a favorable atmosphere for the rise and consolidation of these regimes for two reasons: one is that it was mostly an era of world economic prosperity (the 1950s and 1960s in particular) which allowed for greater demand for third world products and services. Second, the competition between the two erstwhile conflicting and relatively prosperous camps allowed the transfer of large amounts of easy financial flows to the underdeveloped countries.

It would be erroneous, however, to deduce from the above that the state capitalist regimes were the simple products of an exogenous situation. Two arguments can be advanced to substantiate this claim. One is that although state interventionism was made possible by the greater availability of resources to governments in this era, not all third world countries embarked on a state capitalist path. Second, although the drive to statism was facilitated by the overall international atmosphere, the rise and collapse of these regimes in each particular case was never an automatic reflection of that atmosphere. Turkey’s interventionist programs began long before the cold war. Ironically, its switching to liberalization coincided with the beginning of the cold war (Okyar 1975,

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1 Moreover, contemporary cases of successful industrialization, notably South Korea and Taiwan, began from lower levels of development than the Mashreq and achieved their modernization in less than half a century.

2 We should single out the works of two Polish economists who dedicated much of their work to the dynamics of state-led economies. These are Oscar Lange (1970) and Michael Kalecki (1972).
Berberoglu 1979). The life cycle of Egypt’s state capitalism began around 1956 and ended during the heyday of the Soviet power and the cold war in 1971 (Ghunaim 1986).

I will argue that one cannot understand the present socio-economic configuration of the Middle East by merely pointing out to the international factors that influenced the domestic and regional paths of evolution/devolution. I would especially want to emphasize the fact that neither the rise of state capitalist structures has been the product of “the successes of the Soviet model” as was habitually assumed in the 1960s and 1970s, nor is its demise the product of the trend toward liberalization that has swept the world since the 1980s. These factors did indeed facilitate the policy choices of third world leaders. Yet, I will try to show that the social forces that motivated states to play an intensive role in the economy of the Middle East are similar to those that put many of today’s industrialized countries on this path.

8.1 A Model of State Capitalism:

Using simplified mathematical relations, I will show why third world state capitalisms were inherently unstable regimes, or transitional by nature. A system is said to be stable if it can systematically reproduce the relationships between its component elements over time. Thus the stability of a system does not necessitate the stability of its components, but the relative stability of the relationships between and among its structures and components. State capitalism, however, has an inherent tendency to divert resources to private hands (which is not necessarily capital in the strict sense of the word), and therefore it paves the road for economic liberalization irrespective of the intentions of its political leaders.

As in any model, we will only deal with the essential and basic relationships that distinguish state capitalism from other types of statist, precapitalist, or capitalist systems. The underlying assumption is that the studied system maximizes its potential for efficient functioning. Hence, we will consider the widely associated phenomena of cronyism, nepotism and corruption as distorting or ‘non-essential’ elements, although one can argue convincingly that these phenomena are the direct consequences of the existence of a large and unaccountable state bureaucracy that disposes of a substantial sum of a nation’s wealth. The aim is to show that even under ‘ideal’ conditions, these regimes are inherently unstable and that those ‘distorting’ factors, which many consider as the major causes for the breakdown of the ‘socialist’ project, act only as accelerators of already existing trends.

As a working definition for state capitalist regimes, let’s define them as those third world countries that adopt a policy aimed at expanding state ownership of the major means of production and finance via nationalizing foreign and domestic private institutions, without in the meantime targeting the principle of private ownership per se. In this system, the state owns and controls what it considers ‘strategic sectors’ in the economy; mainly banking and insurance, public transport and telecommunications.

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3 The manifestations of these ‘distorting’ phenomena and their implications for the formation of dominant classes in the Mashreq will be studied in more detail in the next chapter.
foreign trade, the biggest and most vital industrial establishments and extractive industry. The guiding principles behind these policies are almost always some variant of non-Marxist, nationalist socialism: Arab socialism, African socialism, etc. This definition excludes the ex-socialist countries, which aimed at abolishing private activity altogether. It also excludes these third world regimes whose reform policies did not go beyond the implementation of agrarian reforms and/or which increased the share of the state sector by using their resources to establish state-run projects.

According to this definition, less than twenty countries in the third world have had a state capitalist regime at one point or another between the 1950s and the 1980s. Soviet terminology labeled these countries ‘non-capitalist’ or ‘socialist oriented’. By the mid-1970s, the countries that fitted within this category and the years in which they embarked on their state capitalist path were: Egypt 1956 - 1960, Guinea 1960, Burma 1961, Algeria 1962, Syria 1963, Tanzania 1961 -1967, The Republic of Congo (Brazzaville) 1969, Democratic (South) Yemen 1969, Somalia 1969, and Iraq 1970 - 1972. Later on Benin, Guinea Bissau, Mozambique and Angola would qualify to enter this club (Ulyanovsky and Pavlov 1973, Ulyanovsky 1974 and Solodovnikov and Bogoslavsky 1975).

This type of ‘mixed economy’ differed from the advanced capitalist welfare state in that state ownership of the means of production was not only confined to services or losing projects but it aimed at turning the state into the largest entrepreneur in the economy, running what was supposed to be profit reaping projects, while it differed from the ‘socialist’ model in that it did allow private economic activity in agriculture, manufacturing, construction and transport, retail (and sometimes wholesale) trade, tourism, and services. Moreover, the leaders of these regimes have always asserted that this combination of a mixed economy was to be the permanent and optimal system for their countries, assuring efficiency, social justice and development.

8.1.1 Basic Hypotheses:

We can now proceed to illustrate the mixed economy as composed of only two sectors⁴: private and state-owned. Each one of these two sectors has a production cycle, revenues and costs. The relationship between these two sectors (which we can temporarily think of as two establishments) can take one of the following three forms:

1) The state sector increases its rate of capital accumulation via taxing the private sector, and/or by increasing the productivity of its units. This increased accumulation is achieved on the expense of the private sector, since taxes will be levied on the profits of the latter. Thus, assuming an equal capital/ output ratio in both sectors, the state sector will tend to increase its share in the country’s GDP with time.

⁴ I am deliberately using the terms ‘state sector’ and ‘public sector’ interchangeably because the latter contains an ideological connotation, which implies that the state necessarily represents public interests and therefore that state projects are run on behalf of the people.
2) The private sector, benefiting from state subsidies and income transfers to it, increases its rate of accumulation, thus increasing its share of the GDP over time.

3) Each sector receives external resources (taxes for the state and subsidies for the private sector) that are equal to the revenues transferred from it. The net amount of external resource flows will be zero and both sectors only depend on their relative efficiency in order to increase their shares in the GDP.

In the following paragraphs, I will try to examine the feasibility of the third form of relationship, in order to see whether the state capitalist system can preserve its state of equilibrium in the medium term, as it is clear that only in the third case, one can assume that this system’s difficulties emanate from external factors. In keeping up with the actual record of such regimes, we will not consider cases where governments rely periodically or suddenly on extra-economic measures in order to alter the relationship between the two sectors, for the experiences of state capitalist regimes show that they launch their nationalization/confiscation programs at one or two stages only.

The state sector has two outlets for disposing of its revenues, investments and public expenditure (consumption). Thus:

\[ Y_g = C_g + K_g \]  

where:

\[ Y_g \] = Total Government Income

\[ C_g \] = Total Public Expenditure

\[ K_g \] = Annual net public investment

Statistically, we can show that \( C_g \) is an exogenous variable; i.e. it is not determined by the other variables in equation (1). Actually, government consumption (non-investment budget) tends to expand over time, and in the case of third world countries, governments tend to satisfy the consumptive needs first (salaries, subsidies), leaving the residue to investment purposes (within constraints that will be discussed below). In line with the findings of several authors (Thorn 1967:19-55, Reynolds 1971:550), government consumption will be treated as a function of first: the size of the population, since the services required from the state, as well as the size of the administrative apparatus has to do with this factor; second, the size of the urban population because it has been empirically shown that this section of the population consumes a larger proportion of the public services; third, the level of unemployment since the state is generally regarded as responsible for finding jobs or providing some financial support for them; and fourth, the national income of the country. Therefore:

\[ C_g = f(N, N_u, N_e, Y_o) \]

\[ N = \text{Size of the population} \]

\[ N_u = \text{Size of the urban population} \]

\[ N_e = \text{Number of Unemployed} \]

\[ Y_o = \text{National Income} \]

The above mentioned variables seem to present a better explanation for the determinants of government consumption than those relations which link the latter to the consumption of the previous year, an ‘explanation’ that we find in the Wharton model for
the US economy (Friedman et al. 1975) and adopted by others (for example, Heller 1975: 429-446). It is true that, from a pure statistical point of view, the time-series equation can give better results because policy makers base their planning on last year's budgets, but this is far from presenting an explanation of the level of consumption.

We have chosen the consumption, and not the investment expenditure of the state as the determining variable because governments have always tended to satisfy their consumption needs first, a fact that explains the perpetual rise in the 'ordinary budget' over time, while investment could decrease or increase according to the state's available revenues in a given year. Only in exceptional cases do governments lower consumption expenditure. This is the reason why no explicit explanatory equation is needed for the government's investment expenditure, for we will treat this variable as a mere residual from equation (1).

Since we are dealing here with \( K_g \): i.e. the net additions to the capital stock or net investments without considering the investment expenditure that is required to account for depreciation in the capital stock of the public sector, then one can stipulate that there is a minimum required amount of investment, say to keep the level of capital stock at its present state. Let us assume that \( K_s \) must be a positive value. Therefore, when such exceptional conditions arise when the government's revenues cannot meet the demands for the ordinary rise in its consumption budget in addition to this minimum investment, it will have to borrow.

8.1.2 State Investment and Revenues:

We can proceed now to breakdown state investment into its component parts to see how each of these affects the relationship between the two sectors. We have noted above that unlike the ex-socialist countries, state capitalist systems allowed private activities- even encouraged them- with varying degrees. Thus part of public investment will be directed to spheres from which only the private sector would benefit. For example, while agriculture has remained predominantly in private hands, only the state was capable of investing in the construction of dams, canals and major irrigation projects. This portion, which we will denote \( K_a \) is a net deduction from the state sector's potential for capital accumulation.

A second component represents the necessary investments required for the functioning of the services provided by the consumption budget; e.g. hospitals, schools, government offices...etc. This portion we will denote by \( K_s \). Although this part is provided for from the government development (investment) budgets, functionally it is part of the consumption process, as it does not yield returns. Therefore, we will call this component and the government consumption together, \( C_g \): government consumption is the wide sense. Thus:

\[
C_g = C_g + K_s \quad (3)
\]

The third and last component of net government investment is that directed at yielding returns exclusively for the state sector itself. These sectors should not be seen as identical to the materially productive investment as they include storage and transport facilities, in addition to manufacturing, power and water production, etc....We will
denote this last component by $K_m$. So the definition equation of the government investment is:

$$K_e K_i K_a K_m$$

What are the sources of government revenue? They come from two channels:

1) The earnings from the state-owned projects, which for the sake of simplicity will be called ‘productive projects’: $Y_m$. This will be defined by the following equation:

$$Y_m = (Y_m / K_m) K_m r_m K_m$$

(Note: the dot is a multiplication sign)

Where $Y_m / K_m = $ the output-capital coefficient of the productive public sector, which will be denoted by $r_m$ as in equation (5).

2) The second source of revenues for the state sector is the net flow of direct and indirect taxes levied from the private sector minus the opposite flow of subsidies from the state to the private sector. Here, we will not deal with the taxes levied on the state sector itself because they are only transfers within the same ‘accumulation fund’; i.e. that of the public sector itself. Thus the amount that could be levied from the private sector is obviously a function of the latter’s income such that it has to be a positive ratio. By denoting the private sector’s income $Y_p$, and the respective tax ratios of the private and state sector $g_1$ and $g_2$, the total government income from taxes $T$ will be:

$$T = g_1 Y_p + g_2 Y_m$$

where: $0 \leq g_1, g_2 \leq 1$

The total government’s revenue $Y_e$ is:

$$Y_e = Y_m Y_t g_1 Y_p$$

By substitution in equations (5) and (6), we get:

$$Y_e = r_m K_m g_1 Y_p$$

### 8.1.3 Private Sector’s Income:

The private sector confines its activities to profit rendering branches. Hence our classification of its activities will be based on the degree of their response to, or dependence on the state sector. We will, therefore, distinguish three components of the private sector. The first, mainly in agriculture, derives its income from investments carried by the state, in addition to its own investments. Therefore:

$$Y_a = r_a (K_a K_{pa})$$

Where:

$Y_a = $ Private sector’s profits from these branches

$K_{pa} = $ The capital stock of the private sector in these branches

$r_a = $ productivity of capital (output/capital ratio) in these branches

Note here that we used the capital stock and not the net investments, because the yield is not a function of, say, last year’s investments, but of the availability of dams built over several past years, and so on.

The second component of the private sector is those branches dependent solely on its own investments. Thus:

$$Y_f = r_f K_f$$

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The third and last component is that income derived directly from activities done for the state sector. The starkest example (in Egypt and Iraq mainly) is the construction contracts sector, which was responsible for state, as well as private, construction. Distinguishing these dynamic types of private activities (which also include catering, transport, crafts and industries that satisfy government’s demand) is of particular importance for the understanding of the life cycle of state capitalism, because although the cost of their capital and labor inputs are derived from their own resources, they have a highly elastic supply of their services. Hence they can easily respond to any change in the demand of the state or the private sector due to rising investment levels.

This means that accumulation in this sector is directly proportional to any growth in the role and size of the state sector. This should show very clearly the difference between state capitalist regimes and the ex-socialist model where the growth of capitalism in the former is complementary with the growth of the state sector, while in the latter the relationship is inverse. As the state sector is a buyer of fixed capital, each of its investment units must contribute a certain proportion to the income of the private contracts’ sector. Assuming a perfect elasticity of supply of this sector’s services and products, its income will be a linear function of investments by both the state and the private sector (including house building). But since our model is not concerned with income transfers within each of the private or state sector, we will only define the inter-sectoral transfers, which will take the following form:

\[ Y_k = k K \]  

(10)

\[ Y_k = \text{net private sector’s income from activities performed for the state sector} \]

\[ k = \text{ratio (coefficient) of private sector’s earnings from each monetary unit of state’s expenditure/investment} \]

Now we can formulate the total income of the private sector as follows:

\[ Y_P = Y_0 + Y_k \]  

(11)

and the private disposable income \( Y_P^* \) (taxes deducted):

\[ Y_P^* = (Y_0 + Y_k + Y_f) \]  

(11a)

8.1.4 Intersectoral Interaction:

We have seen that each of the state and private sectors does not function in isolation of each other. There are flows of resources in both directions: flows from the state in the form of subsidies, investment that yields income to the private sector and purchasing products and services from the private sector, while the opposite flows are mainly in the form of taxes on the private sector.

With this in mind and trying to keep as close as possible to the actual performance of state capitalism as defined above, two possible sets of expenditure relation between the two sectors will not be considered below. First, that state sector investments generate incomes exclusively to the private sector (the British, American models of industrialization). Second, that investment by the state sector generates revenues only to that sector (the theoretical concept of socialist models as perceived by Preobrazhensky) (Preobrazhensky 1965). On the revenues side we can discard two other possibilities. One, that the state sector relies entirely on the private sector for financing its investment. Two, that the state depends exclusively on its own resources for investment, since in our model
(and actually), we have assumed that part of the private sector’s income is paid to the state as taxes.

We can proceed now to answer the following question: can the state capitalist formation be inherently stable? According to our model state capitalism is a formation in which the state sector’s activities add to the accumulation fund of the private sector, bring revenues to the state itself while state revenues depend on both the private and state sectors. Thus the mathematical conditions for its stability is when the total net flows from the state sector to the private sector is zero; i.e. when it can regain the flows of resources by inflows from the private sector. Note that this condition does not necessary imply a leading role for the state sector, because that would require creating a disequilibrium situation in which the state receives more resources than it hands out. The stability condition is simply an equilibrium between the two sectors where the subsequent development of each will depend solely on the relative efficiency of each in generating a process of enlarged reproduction within.

We can determine the resources that the private sector reaps from the state by substituting equations (8), (9) and (10) in equation (11):

\[ Y_p = r_e(K_a K_{Pa}) k K_g r_i K_i \]

Since \( K_a \) represents all the capital stock which the state has invested over time plus the net new investment, which we will denote by \( a K_g \), then the total capital in this sector (agriculture being the main example) is:

\[ K_a = K_{Pa} a K_g \]

Let’s call the last two terms in the equation \( K_i \), then:

\[ K_a = K_{Pa} a K_g K_i \]

Now the private sector’s revenues will be determined by the following equation:

\[ Y_p = r_e(a K_g K_i) k K_g r_i K_i \]

Now the marginal gain for the private sector derived from the investing one monetary unit by the state is:

\[ Y_p/k K_g a K_i \]

This means that under ceterus paribus conditions, the private sector reaps incomes that are directly proportional to the marginal revenues of the contracts sector from state investments and also proportional to the yield of state investments in sectors like agriculture.

8.1.5 Taxes:

For the sake of simplifying our analysis, let’s assume that the taxes imposed on the private sector are homogenous; i.e. that the same ratios of taxes to income (\( g_i \)) are imposed on all kinds of private profits. As we have distinguished two types of private sector incomes: those derived from state investments, and incomes derived from its own investments, then we have to distinguish two kinds of tax effects. Taxes on the first group of private activities represents repayment of part of the costs incurred by the state due to its investment, while taxes levied on the second group of activities represent a net
deduction from the private sector’s revenues. Taxes on the first group, which we will call $g_1Y_p$, and on the second $g_3Y_p$, compose the total taxes levied on the private sector $g_1Y_p$:

$$g_1Y_p \quad g_3(r_\alpha \quad a \quad K_k \quad k \quad K_k) \quad g_3 \quad K_k(r_\alpha \quad a \quad k)$$

Obviously, tax rates cannot reach 100%, but will be a positive constant: $0 \leq g < 1$. Thus, the losses incurred by the state due to its investments for the benefit of the private sector will be:

$$a \quad K_k \quad k \quad K_k \quad g_3Y_p \quad K_k(a \quad k) \quad g_3 \quad K_k(r_\alpha \quad a \quad k)$$

Now we have in addition, the taxes that we considered as net deduction from the revenues of the private sector and these can be defined as follows:

$$g_3Y_p \quad g_3(r_\kappa \quad r_\kappa K_\kappa)$$

Therefore, in order that the state’s resources should not be depleted to the benefit of the private sector, $g_1Y_p$ must be greater than the losses incurred by the state due to its unrepaid costs of investment by $g_3Y_p$. (Greater and not equal because there is another component that we will deal with below). But even if this were to happen; i.e. that the private sector would repay all the costs of investments, it will not be sufficient to put both sectors on an equal competitive position, because state expenditure is not confined to investment. In fact, the bulk of state expenditure, even under the auspices of the ‘developmental’ state capitalism, goes to non developmental expenditure, or to spheres that do not directly yield returns: schooling, hospitals, roads, electricity and water project, in addition to the traditional services of any state: policing, property protection and justice.

Thus, in order that we reach a situation where each sector carries a process of enlarged reproduction depending on its own resources, we have to break down public consumption in the wide sense ($C_\kappa^*$) in accordance with the above definition of its function as a flow of incomes from which the whole economy benefits. For it is only logical to assume that building a road, or raising the working force productivity through schooling and medical care will not only benefit the state sector but the private sector as well.

To simplify our mathematical reasoning, we will suppose that each sector will make benefits from this kind of state expenditure, proportionately with its share in the national income. For example, if the private sector’s share in the national income is 60%, we will assume that 60% of the costs of building a road are, in fact, incurred by the state to the benefit of the former, or in other words that the state has subsidized the private sector with a flow of resources, which in an equilibrium situation should be returned back. The private sector appropriates the following proportion from public expenditure:

$$c \quad C_\kappa^* \quad (Y_p / Y_n) \quad Y_p) \quad C_\kappa^*$$
Now in order that the private sector ‘repays’ its share for the external resources that it receives from the state, the amount of taxes must be:

\[ g_Y Y_n \ (Y_m / Y_n \ Y_p) \ C_g * \] .................................(15a)

With this last operation, we have not only introduced a distinction between the state sector and the private one, but have separated the traditional ‘government sector’ (according to the national accounts terminology) from what has been traditionally called ‘the public sector’. Thus we have now an intermediary between the two sectors, providing services to both and expecting to receive the costs of these services from each. As for the private and public sectors properly speaking (those producing marketable goods and services), they interact via the investments provided by the latter to the former, the incomes transferred to it, as well as the revenues it receives from the private sector for its services. Now, the equilibrium between the two sectors will be achieved by satisfying the following condition:

\[ g_Y Y_p \ C_g * \ K_g (a \ K) \]

But we have seen from equation (13) that the private branches depending on the state’s investments return only a fraction of their incomes to the state in the form of taxes, which means that in order that the equilibrium is preserved, the whole private sector must compensate for that difference from the returns on its own investments, i.e.:

\[ g_Y Y_p \ C_g * \ K_g (a \ K) \ g_Y Y_p \]

Obviously, taxes are levied proportionately with the incomes, and the increase in agricultural incomes, for example, is necessarily less than the value of investments in that field, since a 100% return on capital is inconceivable. This leaves the private sector with one of two options: to repay the costs of state investment over a longer period plus the profits yielded by this investment in the form of interest rate, or to buy the assets (dams, irrigation canals, etc.) immediately. In both cases, the private sector would pay the same amount in the form of taxes. Now let’s assume that the state invests a constant amount in these branches annually. According to our equilibrium hypothesis, the private sector will have to pay the due interest rates (in a geometric series), in addition to the share due on this year’s investments (which is a \( K_g \)). Therefore:

\[ k \ K_g \ a \ K_g \ k \ K_g \ r_o \ a \ K_g \ g_Y Y_p \]

From the above we get:

\[ g_Y Y_p / g_Y Y_p \ g(Y_f \ Y_o \ r_o \ a \ K_p) / g(Y_k \ r_o \ a \ K_g) \]

Here we assumed that the tax rates are uniform on the incomes of all branches of the private sector. Actually, the quotient of the above equation must be greater than one because all the evidence shows that public consumption (in the broad or strict senses) is much larger than the income of the contracts sector and the public investment in agriculture.
Suppose that the productivity coefficient of agricultural capital is 0.2; i.e. that the returns would cover the costs of investments in 5 years (a highly optimistic assumption), and that the tax rate on private incomes is 0.3 (also an unrealistically high assumption). In this case, $g_3 Y_p$ will only compensate 30% of the contracts income and 6% of the public investment in agriculture, which means that $g_3 Y_p$ will have to pay all the private sector's benefits from public consumption, in addition to 94% of the public investment in agriculture and 70% of the contracts incomes. For this condition to materialize without recourse to extra-economic policies by the state, the relative size of the private sector in the economy must be so overwhelming that one cannot characterize the model as a state capitalist one anymore, because part of the income to be compensated is a function of the state's investment.

Hence we see that state capitalism is only a transitional system that has no inherent stabilization mechanisms. For in order to keep the balance between the two forms of property, the state would have to follow one or more of the following policies: a) levying discriminatory taxes on some branches of the private sector in order to get its flows of resources back. But that would be tantamount to a nationalization policy because it will eventually lead to the bankruptcy of these branches; 2) diminishing the state's dependence on the private sector, so that $k$ would approach zero. through state ownership of agriculture and state reliance on its own capacities and firms for construction and other such activities, a policy that will make the system a Soviet type one; 3) supporting more growth of the private sector, since taxes are a function of income, and in this way trying to pump back more of its lost resources, a policy that will eventually diminish the role of the state in the economy and turn the latter into a privately dominated system.

But before making our final conclusions regarding the state capitalist 'mechanisms', we have to investigate the dynamics of private sector accumulation via the policy of salaries and wages, to which we should turn now.

**8.1.6 Salaries and Wages:**

Until now we have dealt with incomes or revenues as undifferentiated sums that are available for accumulation, without distinguishing between what is reinvested and what is utilized for the payment of wages and salaries. The importance of introducing the distinction between wages/salaries and profits lies in the fact that the wage policy in each of the two sectors will greatly effect the relative weight of each of them in the economy in the medium term as we will try to show below.

The available resources for accumulation in each of the two sectors depend, of course, on the level of wages and salaries paid by each of them. For the state, however, there is an additional drain which draws resources in the form of wages and salaries without, in the meantime, contributing directly to the production of marketable goods and sources: the government service sector. All wages and salaries, no matter what their sources are, will go into the private income sphere. But suppose parts of the private sector's salaries were available to accumulation, when high executive salaries are not entirely consumed for example. This will only be an internal transfer of resources within the same sector, and hence it has no effect on the working of our model. This is not the case with the state sector, as high-level or influential bureaucrats will use the incremental
incomes that surpass their consumption needs for investment in private branches. That is why we need to determine this effect on the balance between the two sectors.
Assume that the total salaries and wages paid by the state \((W_g)\) compose a fixed ratio \((W_3)\) of its total consumption budget:

\[
W_g = w_3 C_g \quad \text{...........................................(16)}
\]

Similarly, the wages and salaries in the private and ‘productive’ public sectors will be:

\[
W_p = w_1 Y_p \quad \text{...........................................(16a)}
\]

\[
W_m = w_2 Y_m \quad \text{...........................................(16b)}
\]

It is clear that the disposable income of the private sector will increase by the total wages and salaries paid by all sectors. For the public sector, the available resources for accumulation will decrease by the value of \((16b)\). Now if all these wages go for the satisfaction of consumption needs of the employees and workers, this will not add to the potential for accumulation in the private sector (except by boosting demand on goods and services which we will not deal with here). But, when the level of wages and salaries in the state sector \((Y_m)\) exceeds the level of consumption then the state sector will provide an additional source of accumulation for the private sector.

This is the case even if the average amount of salaries is not very high, and when there is a large income differential between the upper and lower echelons of the state bureaucracy. In fact, a high \((w_2 Y_m)\) means either that the number of state employees is very high relative to the stock of capital available within the state sector (disguised unemployment), which in turn signifies a low labor productivity and thus a reduced level of resources available for accumulation (or a low level of the organic composition of capital), or that there are high incomes which exceed the ‘marginal productivity’ of those high-income employees. These additional incomes will eventually flow into the private capital accumulation fund. As was mentioned above, a rise in the average salary or wage beyond the level of consumption in the private sector will not affect the overall potential for accumulation within this sector since this will be reinvested in the private sector itself. It will have, however, a redistribution effect within that sector whose implications have no relevance for our model.

We noted earlier that the salaries and wages of those working in the government non-marketable sector should be financed proportionately by both sectors. Thus the public sector’s share of that budget, which will flow eventually to the private expenditure sphere, should be \(Y_m W_g / Y_m + Y_p\).

Let’s call the available revenues for accumulation in the private and public sectors respectively: \(Y_p^*\) and \(Y_m^*\), then:

\[
Y_p^* \quad Y_p(1 - g_1) \quad (W_m - W_g) \quad C_p \quad \text{...........................................(17)}
\]

\[
Y_m^* \quad Y_m(1 - g_2) \quad W_m \quad \text{...........................................(18)}
\]

Or, by substitution in equation \((16b)\):

\[
Y_m^* \quad Y_m^*(1 - g_2 \ w_2)
\]
Where $C_p =$ total private consumption

Note that equation (17) did not isolate the wages paid by the private sector because this makes no difference as long as the private consumption expenditure will be subtracted from the disposable income. Now equation (17) can be modified to become:

\[ Y_n^* Y_p(1 g 1 w1) (W_m W_g W_p) C_p \ldots \ldots \ldots \ldots (17a) \]

From this last equation we can see that excessive salaries (and benefits) to upper bureaucrats constitute an additional source of private accumulation under state capitalism as a positive value of $(W_p+W_m+W_g-C_p)$ means that part of the salaries has found its way to private investment. It would be more accurate to say that when $(W_m+W_g)$ exceeds the levels required to satisfy consumption demand, a leakage from the public sector’s cycle to the private sector will occur. But we must remember that a leakage from $W_m$ will not have the same effect on the private sector’s accumulation as that of $W_g$, since we have assumed that both the private and public sectors will contribute to the finance of government expenditure (including, naturally, its wage bill) according to the contribution of each of them in the national income.

Thus a rise in the wage bill of the government consumption expenditure will only represent the public sector’s contribution to financing this bill, while an increase in $W_m$ over the consumption level will comprise a net addition to the private accumulation on the expense of the public sector’s potential for accumulation. While in the first case, that of a rise in $W_g$ the private sector will retrieve part of the taxes that it had already paid to finance the public consumption.

8.1.7 Taxes on Wages and Salaries:

What if the government imposes taxes on salaries and wages in order to offset the effects of leaking resources to the private sector and to compensate for part of the required contribution of the private sector to public consumption, as well as the state’s investments that benefit the private sector?

We will assume here that a uniform rate of taxes $(z)$ is imposed on all wages and salaries. The private sector will then retrieve portions of its potential revenues for accumulation, such that equation (18) will be:

\[ Y_n^* Y_m(1 g 1 w2 zw2) \]

Taxes on private incomes $(zW_p)$ will represent a net transfer to the funds of the state sector if it is imposed alongside $g_1$. But we have already treated $g_1$ as the maximum ratio that can be imposed on private capital, which includes the taxes on its salary and wage earners. Hence $zW_p$ can be viewed in fact as a counterflow from the waged and salaried in the private sector that contributes to the accumulation of “their” capitalists.

Thus the taxes on salaries and wages will decrease the costs that the public and private sectors incur in order to finance public expenditure to a degree proportional to the
contribution of each in the national income. But since it is \( g_1 \) that contributes to cover the public consumption, then we can consider all wage and salary taxes as additional incomes to the state sector. Thus the effect of such a tax on the balance between the two sectors will be negligible, but it will have an impact on the internal working of each of the two sectors, because as parts of \( g_1 \) and \( g_2 \), it will alleviate some pressure on profits and ensure the contribution of the salaried and workers in financing state expenditure.

### 8.1.8 State Sector’s Price Policy:

We can proceed now to derive the growth equations of both the private and public sectors, since the disposable income for accumulation has been determined by equations (17) and (18), and the taxes on wages and salaries were included in \((g_1\) and \(g_2)\): the overall taxes imposed on both sectors. Therefore, if we make one last assumption whereby the consumption of entrepreneurs or capitalists is included in the wages and salaries items, then a simple formula relating the growth of each sector to investments and the productivity of capital will follow:

\[
Y_m = \frac{r_m Y_m^* + r_m Y_m(1 - g_2 - w_2)}{r_p Y_p^* + r_p Y_p(1 - g_1 - w_1) \left(W_m \ W_p \ W_r \ C_p\right)}
\]

The last variable that we will introduce to see the possibilities of shifting the balance between the two sectors under state capitalism is the price policy of the public sector, since the available income for accumulation \( (Y^*) \) is not only determined by the physical volume of production but also by the price of the produced goods and services, and by the marginal cost of production.

Relying on the actual experience of state capitalist regimes, we have seen that the public sector’s favorite branches are manufacturing, transport, power and telecommunication. Now suppose that the state decides, for whatever motives, to sell a portion of its products (especially in the last three branches) at prices below the marginal cost of their production. That portion will be bought by the public sector itself, the private sector and the wage and salary earners. Now let’s assume, for a while, that under such a system the state has the power to force the private sector to lower the prices of its products in such a way as to offset its benefit from the decrease in the prices of the public sector, and in the meantime, it has the power to keep the levels of wages and salaries such that none of these will exceed the consumption requirements of employees and workers. (Obviously these two last assumptions are over-optimistic, for why would the public sector lower its prices in this case if it doesn’t intend to subsidize the private sector and /or the wage and salary earners?)

Let \((1-n)\) of the public sector products be sold below the marginal cost of their production, then \(n Y_m\) is sold at a loss that must be compensated by increasing the profits from the sale of the rest of the public sector’s products. Let the loss be represented as a ratio of the sector’s income \( u \), then the disposable revenues for accumulation will be:

\[
Y_m^* = Y_m(1 - g_2 - w_2 \ u)
\]

The growth equation for the public sector will be modified to:
Let's see the effect of the other (optimistic) assumption: that the private sector will be obliged to lower the prices of its products proportionately with the decrease in the prices of the public sector's goods. Now the effect will ultimately depend on the quantity of private sector's goods and services that will be purchased by the public sector. Thus the last modification that will be introduced to the last equation concerns the rate of decrease in the prices of private sector's goods purchased by the public sector, which we will denote $xY_p$, and the growth equation for the public sector will be:

$$Y_n = r_n Y_m (1 - g_2 - w_2 - u) xY_p$$

As for the private sector, it will benefit by exactly the same amount of loss by the public sector included in equation (19), such that the private sector's revenues, the private sector's disposable revenues for accumulation and the growth equations for the private sector, will be respectively:

$$Y_p = Y_r (1 - g_1 + x) uY_m (W_m + W_g + W) C_p$$

$$Y^*_p = Y_r (1 - g_1 + x) Y_m (u + w_2) wX C_g C_p$$

$$Y_r = r_f [Y_r (1 - g_1 + x) Y_m (u + w_2) wX C_g C_p]$$

With equations (19) and (20), our analysis can lead to discerning the sources of leakage from the accumulation cycles of each of the two sectors. The two terms $[(1 - g_2 - w_2 - u) + xY_p]$ in equation (19), and $[(1 - g_1 - x) + Y_m (u + w_2) + w_1 C_g - C_p]$ in equation (20) are, in fact, the rates of saving: $s_g$ and $s_p$, in the public and private sectors respectively. A perfect competition between the two sectors can only occur when the rates of savings for both are identical, which the above analysis, as well as the empirical data on state controlled economies of this type, have shown to be impossible. It is because of the larger leakage from the state sector that the tendency to 'enrich' private profiteers is inherent within these regimes.

In the above analysis, we noticed that $(uY_m - xY_p)$ tends to be negative, because while the state can decree the rate of decrease in the prices of its goods, there are limits on such a procedure for the private sector beyond which any pressure on it to lower the prices of its products will be tantamount to sending it to bankruptcy. And in order that the public sector can compensate for its losses it will have not only to raise the unit price of its other products but to sell increasing quantities of the profitable products, as well as buying additional units of the private sector's products whose prices were lowered. But this process entails, in fact, boosting demand on the private sector's activities. And here we find a crucial element in the working of state capitalism.

For up till now we have dealt with the expenditure side of the growth mechanism; i.e. the demand side, which is a valid proposition given that it is state expenditure and demand that plays a major role in boosting economic activity under such regimes; whose policies represent perhaps an overheated Keynesian model. On the supply side, the
Implicit assumption has been that both sectors have a fully flexible system of production that can respond to changes in demand, which obviously is not the case. However, the allocation of physical resources, and not only the financial ones, is different in both sectors. As the state boosts demand through its financial resources, the response will come from both sectors in the form of additional supply, or in the form of inflation when supply cannot match demand. This is all the more important in the case of non-tradable goods and services, where the private sector enjoys a quasi-monopoly (construction), as we have seen.

What this implies is that while some shortages can be met with foreign imports, non-tradables, which are crucial for the functioning of the state activities, can only be boosted by giving more concessions and encouragement to the private sector. Thus a major characteristic here is the complementary functions of both sectors rather than their antagonism. This means that one cannot deduce the withering away of the private sector simply from the growth of the public sector or vice versa, because the growth of the latter is dependent on the growth of the former, while the growth of the private sector depends to a large extent on the availability of financial resources in the hands of the state.

This brings us to the conclusion that a balance of activities between the two sectors, through the equalization of their rates of savings and investment, is very unlikely from a theoretical point of view, and has proven to be impossible empirically. Among the additional reasons for that are the tendency of state wages in the first stage of the growth of the state sector to be higher than those of the private sector, even if certain categories of highly skilled workers or technicians are better paid in the latter, and the tendency of wages and salaries within the administrative apparatus to catch up with that of the public sector proper in addition to the pressures created by the unemployed to find jobs in the state apparatus in both fields: administrative (including military and paramilitary) and productive.

Moreover, as the state begins invading the productive spheres, it justifies this move by the inability of a weak capitalism to invest in heavy and capital-intensive industries, thus it is only logical to conclude that the rate of return on the public investment, even when the returns will not benefit the private sector, will be much lower and will only begin to yield over longer periods of time. One needs only to compare the functioning of both sectors in branches which conventional national accounts statistics lump under one sector: transport and communication. For it is one thing to invest in railroads and airports, as the state does, and it is another to invest in taxis and minibuses, as the private sector does.

Suppose that the capital/output ratio is equal for both sectors (which means that the slope of the growth of both is the same). Then the growth of each will be determined by the disposable income for accumulation of each sector, which will be turned into investment in the next time period. Given all the sources of leakage mentioned above, the state sector will lose from its disposable income for accumulation to the private sector. Thus even if the private sector begins from a low level, it will eventually catch up with and subsequently exceed that of the state sector. The period of time required for that depends on: 1) the ratio of the state disposable income leaked to it; 2) the initial gap between both sectors; and 3) the difference between the propensity to save in each of the sectors.
Figure -1- illustrates the pattern of growth for both sectors within the conditions analyzed above.

\[ Y_{gt} = Y_{gt0}(1 - r_pS_p)' \]
\[ Y_{pt} = Y_{pt0}(1 - r_pS_p)' \]

Where:
\[ rY_m^* \quad rY_p^* \]
\[ \frac{dY_m}{dt} \quad \frac{dY_p}{dt} \]
\[ Y_m \quad Y_p \]
\[ S_1 \quad S_2 \]

S_1 = Public sector saving rate
S_2 = Private sector saving rate

Figure -8.1-
Growth Patterns of the State and Private Sectors
Figure -8.2-  
Growth Paths under Condition of Equilibrium

\[ \frac{dY_m}{dt} \quad \frac{dY_p}{dt} \]

\[ rY_m^* \quad rY_p^* \]

\[ Y_m^* \quad Y_p^* \]

\[ S_1 \quad S_2 \]
Figure – 8.3 - The State Capitalist Model in Equilibrium
8.2 The Life Cycle of State Capitalism:

In the post-WWII era, Egypt was the first third world country to adopt some form of non-Marxist socialism (Arab Socialism) as a state policy. This entailed the establishment of a unique ruling party, the Nationalist Union which was later renamed the Arab Socialist Union, and the adoption of a five-year development plan. In 1956 Egypt nationalized the Suez Canal in 1956. And between 1960 and 1961 all private banks and insurance companies and more than two hundred industrial, trade and transport companies were nationalized in Egypt and Syria (Al Siba’i 1975: 326-36). Iraq followed suit in 1964 when it nationalized all foreign and national private banks, insurance and reinsurance companies in addition to thirty commercial and industrial companies (Al Hafidh 1971: 80).

State capitalism was not only a feature of the Mashreq countries in the 1960s and 1970s, as we mentioned earlier. The Mashreq state capitalist regimes, however, differed in certain respects from the other third world statist regimes. One can safely state that outside the Mashreq, state capitalism tended to dominate in countries which suffered from extremely narrow markets; i.e. countries whose per capita incomes and/or size of the population is low. This statement can be substantiated by the argument that this system has higher chances of achieving some positive growth results where there are no incentives and no sources for a local private capitalism to develop. In this case the state capitalist mechanism described in the model can provide incentives for an indigenous capitalist class to develop on the basis of catering for a new consumer: the state, which will act as a powerful engine to enlarge the market. In essence this is a Keynesian mechanism applied to a non-industrialized economy. In the meantime, the flow of resources to private hands will take more time before a mature capitalist class can develop, because of the initial low level of development.

Hence, it is no coincidence that out of fifteen countries that passed through a system of state capitalism until the mid 1970s, only Iraq had a per capita income above $200, while six countries had a per capita income between $100 and $200, and in eight countries it was less than $100. As for the size of the population, only Egypt and Burma exceeded the twenty million mark, two countries had a population between ten and twenty million, six between five and ten millions, and six below five millions. So generally speaking Iraq, Syria and Egypt embarked on the state capitalist path enjoying

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5 Between 1958 and September 1961, Syria and Egypt were united under the name "The United Arab Republic". The nationalization decrees thus applied to both countries. Following withdrawal from the union, Syria kept the nationalized institutions under state control.
relatively higher potentials for the emergence of private capitalism via state interventionism.\(^6\)

The mathematical model presented above has tried to establish that the functioning mechanism of state capitalism tends inevitably to divert increasing resources to private channels. This tendency can be gauged from calculating the sectorial output/capital ratio of both the private and the state sectors in a given economy.\(^7\) This is, in fact, a composite index of two simpler coefficients: the output/capital ratio for the state sector, and the same ratio for the private sector. Each of these coefficients can be taken as a rough indicator of the productivity of each of these two sectors.\(^8\)

The composite index is reached by dividing the coefficient of the state sector by that of the private sector and is meant to give an indicator of the relative productivity of each. The respective coefficients for each of the two sectors, state \((g)\) and private \((p)\) will take the following form:

\[
\frac{Y_g}{Y} \quad \text{coefficient by the first:} \\
\frac{K_g}{K} \quad \text{coefficient by the second:} \\
\frac{(Y - Y_g)}{Y} \\
\frac{(K - K_g)}{K} \\
\frac{Y_p}{Y} \\
\frac{K_p}{K}
\]

This is reached by substituting \(K_p\) and \(Y_p\) by \((K-K_g)\) and \((Y-Y_g)\) respectively.

Thus, a value of one means that both sectors are performing at equal levels of productivity, while a value greater than one means that the productivity of the state sector is higher, and vice versa. However, one can reach interesting conclusions on the working of different systems by observing a time series of this index under Soviet type economies, and third world state capitalist systems.

In a period of ‘socialist’ transformation under Soviet type economies, the quotient of state/private output/capital ratios tends to increase until it reaches infinity or a maximum constant ratio. The first case –infinity- is reached when full nationalization of private means of production is achieved, and therefore we are dividing the state’s output/capital ration by a zero investment. However, in most other Soviet-type cases a tiny space was left for private activity. This was the case especially in Poland where the agricultural sector was not collectivized. In this case the initial waves of nationalization managed to put increasing proportions of the national output in the hands of the state. Even with the relatively huge state investments, whose immediate effect will be to lower

\(^6\) All figures from UN Yearbooks of National Accounts Statistics for the years when the relevant countries established state capitalist regimes. Additional evidence that government spending may play a more stimulating role in smaller countries, are the findings of Chenery and Squire (1975: 200-207) from a study of 104 countries. They found that in every income group government spending in countries with populations of less than 15 millions was higher than in those with higher populations. Whereas government spending in the first group of countries ranges between 0.162 at per capital levels of $100 and 0.32 at levels of $1500, the respective range for larger countries was 0.133 and 0.216.

\(^7\) However, calculating this criterion is not as easy as it may seem, because the national accounts statistics do not normally show the total amount of capital, but only the annual sums of investment, i.e. the additions to the existing capital stocks capital minus the sums allocated to compensate for depreciation.

\(^8\) And this coefficient can be refined to reach more accurate conclusions if it can be calculated off the net material product of each of the two sectors.
the output/capital ratio for the state, the proportion of this to the private sector’s
output/capital ratio will also tend to rise, because the goods and services produced by the
private sector will approach zero, or will be kept at a minimum.9

Applying this indicator to the case of third world state capitalism will show a
radically different performance, despite the appearances. Here, the initial phase of rising
sectorial state-private output/capital will be reversed in a second phase. This is because
an initial phase of nationalization leads to a surge in the state’s share in the national
income.10 In this period the share of the state in income rises more than the rise in its
contribution to investment. But afterwards it is the state that does the bulk of investment,
including (as we have shown in the model) those investments that would eventually
benefit a private sector that complements the work of the state sector.11

Therefore, rather than attempting to decipher the nature of state capitalist
regimes in the Mashreq (or elsewhere) through analyzing the discourse, intentions, or
even the social backgrounds of their leaders, it is this process of complementary
interaction between the private sector and the state that defines the limits, contradictions
and ultimate outcome of these regimes.

The large state investments in new branches of industry, communication and
services, as well as the tremendous expansion in the size of the bureaucracy meant the
creation of a lucrative market for new and expanding private products and services. And
it is in this sense that we can label state capitalist policies as ‘Keynsian’. The fact is that
the private sector in each of the Mashreq countries kept expanding in construction, trade,
agriculture, services and transport, while the bulk of the gross capital formation was
shouldered by the state.

Table -8.1-
Civil Servants and State Sector Employees
under Three Nationalistic Regimes*

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9 Reliable statistical data from the early transformative periods of the USSR and Eastern Europe are very
scanty. Nevertheless, relying on the data provided by Ellman (Ellman 1975), the present author attempted
to calculate these indicators for the period of the first five-year development plan of the USSR. The results
were positive.

10 The surge of anti-capitalist and anti-colonial measure during the 1950s and 1960s, however, did not
really lead to sweeping nationalization acts of western enterprises in the third world. A study of these acts
during the period 1956-1972 found that only eight third world countries nationalized more than 80 percent
of foreign owned assets. These countries are Algeria, Bangladesh, Burma, Chili, Cuba, Egypt, Iraq and
Syria (Williams 1975: 260-74).

11 A cross-sectional study of more than eighty third world countries showed that, with the exception of
India, the state’s share in the gross domestic capital formation in the third world was between 25 and 40
percent throughout the 1950s and 1960s. This share is considerably higher than its counterpart in the
advanced capitalist countries, which has reached the range of 20-40 percent only in the early 1970s and
after a century-old rising trend (Reynolds 1971: 537).
The following figures have been compiled from the available data on Iraq and Syria and they give a fairly good idea on the performance of the private sector in both countries under their statist regimes. Keeping in mind that unlike the state sector, private activities tend to hide much of their activities for fear of political harassment, nationalization or taxation while they tend to inflate their investment costs, we can safely assume that these activities have fared much better than what the official data, which are our source, present.

Until 1989 the contribution of the Syrian private sector in investment activities was lower than the state sector plummeting to around 30 percent in some years (figure 1). Nevertheless, its declared share in the national income never went below 50 percent and actually began to surpass the state’s share in the 1990s. This share, it must be emphasized, cannot be explained by its higher investment contribution in the 1990s, since these investments require a gestation period before they begin to yield returns. Thus even when the private sector’s share in investment was lower than that of the state, it could extract more resources and it is not far from reality to expect that its higher investment activity in the 1990s would make its share in the national income much higher in subsequent years

No where has the dependence of the private bourgeoisie on the state been as pronounced as in the case of Iraq. From an average 40-45 percent contribution to the gross fixed capital formation before 1964, when the nationalization decrees were passed, the private sector’s share plummeted to less than 20 percent throughout the 1970s and 1980s (figure 3). Despite this low level of costs incurred by the private sector, its share in the country’s GDP rose steadily throughout the 1980s. But because the bulk of the state sector’s share in GDP is mainly accounted for by oil (50-60 percent of GDP on average) and public administration, we can easily see that the private sector not only surpassed the state in its share of non-mining material production. With oil being mainly a foreign exchange generating sector in the economy and for the state, the latter became

<table>
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<tr>
<th>Year</th>
<th>Employees</th>
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<tbody>
<tr>
<td>1952</td>
<td>325</td>
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<td>34</td>
<td>1958</td>
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<td>1966</td>
<td>1035</td>
<td>1960</td>
<td>208</td>
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<tr>
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<td>2900</td>
<td>1976</td>
<td>231</td>
<td>1968</td>
<td>318</td>
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<td>3887</td>
<td>1979</td>
<td>300</td>
<td>1978</td>
<td>663</td>
</tr>
</tbody>
</table>

* In thousands, does not include the military and paramilitary forces


12 See below, on the post statist ‘reforms’ in state capitalist regimes.

13 Changes in Iraq’s social structure and economic performance following its invasion of Kuwait in 1990, the Gulf War and the imposition of an international embargo on it will not be discussed in this book. While the way all these developments have affected the socio-economic and political life of this country have much to do with its pre-war structures, they nevertheless introduced new trends, some of which have been treated in al Khafaji 2000 b.
not the major producer in the economy, but the major purchaser and employer of the workforce.

Figure –8.4–
Syria: Gross Fixed Capital Formation by Type of Ownership
(At Constant 1985 Prices)

Source: Based on Data from Syrian AAS (1996):544
Figure 8.5:
Syria: Public & Private Sectors Percentage Contribution to the Net Domestic Product in Manufacturing Industries (at factor costs, million Syrian Pounds, Current Prices)

Source: Calculated from the Syrian AAS 1996: 182-183, and 1972: 72
Figure - 8.6 - 
Iraq: Percentage Shares of Private & Public Sectors in GDP 
(Current Prices) 

Source: 
1964-1971: Ministry of Planning (1972:3) 
1972-: Various volumes of Iraqi AAS
Figure – 8.7-
Iraq: Percentage Shares of Private & Public Sectors in Non-mining GDP

Figure – 8.8-
Iraq: Percentage Shares of Private & Public Sectors in Gross Fixed Capital Formation
However, whether the third world state is endowed with resources that enable it to acquire a financial autonomy vis-à-vis society or not, state capitalism reaches its limits when it ceases to be a means of centralizing and mobilizing resources, and becomes rather a vehicle for diverting resources. In oil producing Algeria, Iran and Iraq, and in Egypt, where the state’s autonomous access to foreign exchange is ensured via its ownership of the Suez Canal, state capitalism reached its limits with the mounting deficits in its balance of accounts, rising inflation –because of the systematic recurrence to uncontrolled state expenditure–, deteriorating real wages and salaries, and budgetary deficits.

These symptoms almost always began to surface after around two decades of implementing state capitalist policies, thus forcing the abrupt or gradual shift of the state from expanding its intervention in the economy and desperate moves to encourage the private sector to fill the space that the state was no longer able to fill. And it is here that the international atmosphere of the cold war and relative prosperity had a favorable impact on third world state capitalist regimes, because it allowed the state to go beyond its domestically raised resources for relatively longer periods.

By the mid-1970s, Egypt abruptly announced that it was abandoning its Arab socialism by adopting an ‘infitah’ (open door) policy, thus liberalizing the economy and, to a much less extent, political life. The radical turn of Egypt’s policy came at a time when the ideology of state interventionism worldwide, as well as the superpower competition and economic nationalism in the third world were still the basic ingredients of the international system. Iraq, on the other hand, announced its ‘administrative revolution’, as it called its massive privatization program in 1986-7, while Syria passed laws opening hitherto forbidden avenues for private capital in 1991. Thus it seems far from true to ascribe changes towards liberalization in the third world merely to international factors.

The “twilight of state capitalism”, to quote John Waterbury (1991), usher in when the drain on the state’s resources reaches a point that it can no longer carry its welfare programs and the ownership/entrepreneurship role in the meantime. Meanwhile, the private sector reaches a level of accumulation that it demands more and more incentives and economic liberalization measures which put increasing pressures on the state.

However, by ‘private sector’s demand’ one should not necessarily have in mind a concerted collective political act on the part of local capitalists demanding the withdrawal of the state from economic activity. The argument against such an instrumentalist view is that the relationship between state and private capital is a complementary one under state capitalism, as we have seen. Thus many important sectors of the local bourgeoisie would be the main losers from a complete state withdrawal. Second, in a situation where the power relations between the private sector and the state tilts towards the former, i.e. when the state is evidently desperate to engage the private sector in more economic activities, the local bourgeoisie has the powerful weapon of ‘capital strike’ –according to Michael Kalecki (1972). But once again, ‘capital strike’ is not necessarily a deliberate act of opposition to the state. When investors do not see the existing measures and incentives sufficient enough to induce them to commit their resources to new branches, this will only translate into political pressure on the state.
Obviously, the response of each state to such pressures varies according to a multitude of factors. Monolithic and paternalistic state structures can face the risk of total collapse if too much concessions are made to private investors, while welfare regimes can afford to undergo some liberal (though painful) transformations that preserve the status quo—at least for a while.

8.3 The Historical Significance of State Capitalism:

Not only did the leaders of the Mashreq statist regimes believe that they were establishing a new and specific type of socialism, but also many liberals and Marxists within these countries and abroad. The liberals viewed the nationalization of some private companies as a definite proof of the anti-capitalist nature of these regimes, while many Marxists—especially in the Soviet camp and the communist parties—saw these regimes as transitional to socialism, or at least having the potential to do so.

The above analysis, however, has shown that despite the intentions and convictions of the leaders of the statist regimes, their systems had two inherent and complementary tendencies: 1) the eventual breakdown of the state sector; and 2) the diversion of resources to the private and the formation or consolidation of economically powerful strata of private contractors, brokers, merchants and middlemen.

Seen in historical perspective, it may not be difficult to find strong affinities between these statist regimes and other pre-WWII experiences which relied on intensive state intervention without adopting any ‘socialist’ labeling, to overcome underdevelopment. Kemalism in Turkey, Peronism in Argentina and Sukarno’s ‘directed democracy’ in Indonesia are just two early examples of this trend. In East-central Europe several countries had experimented with state intervention in the first four decades of the twentieth century (Berend and Ranki 1974).

The historical reasons and conditions for state interventionism in the third world, or among late-developers, and the role and characteristics of states in providing a powerful means to modernize their economies and societies have become too familiar to deserve restating here. The principle of state intervention, even state property and control of certain sectors in the economy in order to offset the retarding and destabilizing effects of spontaneous market action is acknowledged today by a wide array of intellectual schools (Gerschenkron 1962, Myrdal 1968, Kemp 1973, Wallerstein 1973). The argument that Britain and the U.S. managed to industrialize in an ‘exceptional’ laissez-fair way has been seriously undermined by economic historians. Phyllis Deane

14 It is noteworthy that development economics and sociology rarely paid much attention to the pre-WWII modernization attempts in non-industrialized regions, such as Eastern-Central Europe and Latin America although many lessons could be drawn from their early experiences. The reasons for this neglect, it seems, lie in the fact that development theory itself saw the light in the closing years of WWII. Its subject was to draw policies to rid the then ‘backward’ countries from their poverty. The previous history of these regions, that is the policies adopted before the coming to light of development theory, seemed pre-history that was irrelevant from the point of view of the nascent discipline. As the cold war era was ushering in and an arbitrary demarcation line was clearly drawn between ‘first’, ‘second’ and ‘third’ worlds, cases from non-third world regions were simply dismissed beforehand because they were deemed non-applicable to the newly invented ‘third world’. Ironically, one of the earliest texts heralding the birth of development theory was a 1944 attempt by Paul Rosenstein-Rodan to draw policies for the ‘backward’ (pre-socialist) Eastern Europe. For this and other earlier tests, see Meier 1975.
has shown how British industrialists have received during the century preceding the industrial revolution aid and incentives from the consecutive nationalistic and aggressive British governments in order to discover new skills, invent new techniques and expand markets. The infant industries were helped by high tariffs, while naval power provided the basis for commercial expansion (Deane 1965: 144-5, 209-10, Mason 1961: 28, see also Wallerstein 1973: 12). On the American experience, Paul Bairoch shows that "the modern protectionist school of thought ... was actually born in the United States" and that the United States "far from being a liberal country as many think, can be characterized as 'the mother country and bastion of modern protectionism' (Bairoch 1993: 23,30).

Establishing the relationship between political/state intervention and the take-off to industrialization, however, is not to specify the precise way and/or conditions under which states can be effective in their intervention, nor the social nature of the industrializing regime that will ensue from this intervention. If development necessitates state intervention, the opposite is not true; i.e. that development is the product of interventionism. In the post-WWII era ex-socialist, advanced capitalist, as well as third world states vigorously intervened in running and restructuring their economies, but the mere persistence of underdevelopment testifies to this fact\(^\text{15}\). Thus in order to contextualize the Mashreq étatist experiences we are confronted with the following two questions: first, what was the social nature of these regimes? Second, why didn’t they lead to the rise of self-sustained industrialized economies?

As was mentioned earlier, leaders of the Mashreq revolutionary regimes espoused a variant of socialism that was in favor of the small producer and serviceman, be that a peasant, an owner of a small factory, a shopkeeper, a lorry driver or a state employee. The social backgrounds of these leaders and of their party and work companions undoubtedly shaped their worldviews and notions of justice and equality. In advocating their socialism, these leaders were very aware of their differences with Marxism, going at times to treat it as their main enemy and challenger, while inventing some authentic national roots for their own brand of socialism. A major difference that they made clear from the outset, even when they were nationalizing some private businesses, is that Arab socialism does not oppose the principle of private property of the means of production\(^\text{16}\) (Abdul Nasser 1955, Aflaq, 1958, Gotheil 1981).

We have seen, however, that the outcome of transformative programs; i.e. programs undertaken during revolutionary periods, has little to do with the aspirations, worldviews, or backgrounds of the initiators of these programs. Put more accurately, when the leaders’ aspirations and practices diverge from those of the rising interests within society, then those leaders would be swept away by others who can articulate the

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\(^{15}\) On an empirical level. D. Horowitz (1965: 49-73) analyzed government expenditure as a ratio to GDP in a number of developed and developing countries. He found that there is a positive correlation between accelerated economic growth and the share of total government expenditure, and some of its important items, to the GDP in a number of highly advanced and underdeveloped countries.

\(^{16}\) In a lecture given in 1951, Michael Aflaq, the founder of the Ba'th Party and until his death the General Secretary of the Iraqi branch of the party, explicitly declared that he had been more influenced by German philosophers like Nietzsche and Fichte than by Marxist socialism. The text of the lecture was later withdrawn from publication because it gave the Ba'th opponents ample ammunition to show the fascist nature of the party.
rising societal expectations. And it is in this way that the transitional revolutionaries were replaced by more radical ones, as we have seen above.

Just like the classless society, or the society of Fraternity, Equality and Liberty, for which the Russian and French revolutionaries thought they were laying the foundations, the much more modest Arab socialist society ended up in a radically different manner than the dream of its founders. Russian and French societal structures defined the limits and outcomes of the transformative programs of their respective revolutionary leaders the way the Mashreq societies articulated the transformative programs of their leaders. Therefore we should look at the social characteristics of the Mashreq state capitalist regimes through the prism of their actual effects and not the intentions or wishes of their leaders.

Our analysis has shown that the Mashreq state capitalist systems differ significantly from the Soviet model in that the private sector does play an essential role in the functioning of the former. By contrast, even when some activities are kept in private hands under the Soviet-type economies -Polish agriculture, for example- their existence is of no consequences for the functioning of the system. In other words, while a theoretical model for the functioning of the Soviet system can neglect any reference to the existence and impact of the private sector, this is impossible in the case of the third world statist regimes.

Under the economic mechanisms of statism in the Mashreq the formation, consolidation and enrichment of private capitalists are not deviations. They are constitutive elements of the system, as we have seen. Therefore, the functioning and practices of this type of systems is perfectly comparable to cases of capitalist transformations elsewhere. By doing so, we should keep in mind the conclusions drawn from the previous chapters, mainly that the pioneer capitalists in Europe had nothing to do with those financiers, merchants and industrialists of the pre-revolutionary era, who in many cases stood on the side of the ancien regimes. Revolutionary acts targeting the affluent mercantile, and even industrial, strata cannot by themselves be taken as acts against capitalism per se. Second, the rise of wide groups of humble origins to affluence is a characteristic, rather than an anomaly, of modernist revolutions.

With these considerations in mind, one may compare the statist regimes with the successful industrialization attempts where state ownership of productive assets was a temporary means that invigorated private capitalism. In 1799 the Swiss authorities bought four weaving machines and run them directly. When their profitability was assured, they were sold to private industrialists (Kemp 1973: 50-5). The Prussian state not only provided protection and long-term credit to private capital, but went into running steel and lead industries and nationalized coal mining in order to provide cheap energy sources for industrialists (Cole and Deane 1965: 17). In Japan, the state owned practically all the modern branches in industry until 1880 (Lockwood 1955: 18-39, Emi 1963: 25, Rosovsky 1961: 58). The French state did not abandon its control over joint stock companies until 1863. And it only recognized the formation of limited liability companies as a public right in 1867 (Kemp 1973: 69).

Looking at the statist experiences in the Mashreq, we see a similar pattern where the new regimes considered modernization and industrialization a top priority. Reluctance of the private investors to engage in the state’s efforts was followed by
nationalization and reliance on the state initiatives. This was followed by privatization campaigns.

But if our comparison with the successful industrialization attempts is valid, then we have to answer the crucial question of why did the Mashreq’s attempts lead to a drastic failure? In order to address this complex question, we have to move beyond pure economic analysis, and try to look at the making of the nouveaux-riches and their relationship with the statist regimes.
Chapter 9

Classes, States and Modernity

In this chapter, we will move from the abstract analysis presented in the last chapter to look at the dynamics of power and wealth in the post-revolution’s Mashreq in a more concrete way. Analyzing the dynamics of state capitalism, we found that despite the socialist rhetoric, or perhaps thanks to emphasizing the ‘specific’ character of this socialism that recognizes private accumulation of wealth, this system has an inherent tendency to divert increasing resources outside the economic cycle of the state sector. The system, as was shown above, is built upon the interaction between state and private sectors.

Diversion of resources and opening up new and expanding avenues for private capitalist activities takes various forms, of course. An autonomous state that runs its own economic enterprises and social welfare programs is a powerful buyer in a market where private interests compete to satisfy its needs. State investment programs entail a surging demand for the services of construction contractors, building material and transport contractors. An expanding military, paramilitary and civil bureaucracy means an enhanced purchasing power among newly created middle and lower-middle strata, with increasing demands for consumer durables (TVs, refrigerators, cars, etc.), private housing, and better services. Expansion of state services requires more offices and supplies. Undertaking such transformative programs in a state-controlled economy is necessarily associated with fixing the local currency’s exchange rate, imposing severe restrictions on external trade, and a variety of red tape measures. This state of affairs opens ample space for profiteering from an artificially overvalued local currency and enjoying semi-monopolistic positions in an atmosphere of shortages and scarcity for imported and even locally produced goods and services.

Thanks to these, and many other avenues, super-affluent strata flourished and consolidated their positions under the revolutionary regimes of the Mashreq. Although embarrassed ‘socialist’ leaders did not go as far as legitimating this phenomenon as a necessary product of their policies, the official press and media, as well as many commentators made frequent reference to those ‘fat cats’. In Egypt reference to the ‘new bourgeoisie’ began as early as the mid-1960s (Mabro 1971: 143). The semi-official Syrian General Federation of Trade Unions, while praising the ‘revolution’s balanced policy of encouraging all sectors to participate in the development process’, expressed its worries that the private sector was amassing wealth through ‘parasitic activities’ (General Federation 1988: 51-2). On several other occasions Syrian officials expressed the same concerns on state-run papers (Batatu 1989: 209-16).

Iraq’s experience with the private sector is especially interesting in that the Ba’thist regime has made it clear from the beginning that its socialism would never commit the state to invest in ‘shallow ditches’, and that the state’s role was to lead and control the commanding heights of the economy. The head of the state acknowledged the presence of relatively huge wealth in the hands of Iraqi contractors, merchants and industrialists and that this wealth had been amassed ‘thanks to the revolution’.1

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1 This recognition came in two speeches delivered by Saddam Hussein and published in all Iraqi dailies (July 8th, and July 11th 1983). The occasion was the launching of a campaign to solicit gold donation to buttress the country’s running out of hard currency due to the Iran-Iraq war. The texts of the speeches
In order to make some meaningful conclusions on the relationship between state and class under the state capitalist regimes of the Mashreq, we will look first at the major fields from which these strata made their wealth. Defining the most profitable branches for the private sector is of particular importance for understanding the way in which the law of value works under such regimes. Second, we will analyze the composition of the new economic elite, and the means by which it rose to economic power. What exactly makes individuals gain the favor under such regimes? Kinship? Political allegiance? Common confessional and/or ethnic backgrounds? Common regional backgrounds? Or, simply pure common interests? Third, we will address the issue of whether the new elite is a totally new creation, or did it preserve a degree of continuity with the old mercantile/industrialist groups. Finally, we will address the wider issue of whether this process of class formation is a peculiar one to the Mashreq, or does it fit with the wider pattern of rise to modernity.

9.1 From Statism to Privatization:

After a decade of the Ba'thist takeover in 1968, Iraqi private capital was beginning to make positive, but slow advances in the economy. The existence of a large stratum of nouveaux - riches was quite evident for most Iraqis then. Unlike the time of the monarchy, conspicuous consumption was not restricted to a handful of aristocrats who lived in separate suburbs and descended from traditionally rich families. It was now turned into a social ritual practiced by people who had been only a few years before among the underprivileged sections of the population.

The first public show of private wealth took place during the summer of 1983 when a massive gold and cash donation campaign was launched to aid the war efforts against Iran during the summer of 1983. In that campaign at least 200 public donations by individuals, families, or private firms exceeded US $ 50,000 each. But the presence of such fortunes in itself can hardly tell us anything about their origins, the nature of the class or classes that possess them, and naturally the characteristics of the economic system that has given rise to them. It was hard indeed to ascertain whether these sums were being reinvested in one sphere of the economy or not, and if so, where and how.

The sources of those windfall profits were fairly known. The surge in state investment and current expenditure following the 1973 oil price hikes led to a boom clearly indicate that the Iraqi president was furious at the capitalists' reluctance to donate for the war effort:

"...[Y]ou know that there was only a handful of contractors before the revolution. ...Now, this contractor owns not thousands [of Iraqi Dinars] but millions. ...I was informed that he had donated only a pittance. He did not ask himself: "Where did I get this fortune? Isn't it thanks to these new circumstances?" (July 8th speech).

In the second occasion, Mr. Hussein even tries to arouse the class consciousness of these capitalists: "So the private sector and owners of relatively big capital are facing a test at this stage. ...Extremist thought could come to the fore and say: ...they have hoarded their money though the homeland has been threatened. ... People will see contractors who owned nothing and now own thousands, even millions. How will they behave...? They will see the merchants and their behavior; they will see the industrialists and their behavior" (July 11th speech).

The names of donors and amounts of donations were published serially in the Iraqi dailies (ostensibly to arouse enthusiasm and competition among other potential donors) throughout July, August and the first week of September 1983. I have converted the gold donations to their money values by using the rate of US $ 10,000 for the price of one kilogram of gold. Donations of $ 50,000 and more were taken as evidence (but not necessary or sufficient proof) that the donor belongs to the richest strata in society.
in the private construction business. This, in turn, led to the flourishing of several other sectors and activities: architecture and engineering firms, petty manufacturers and artisans, transport and catering agencies, etc. The question remains however, whether we were witnessing the rise of a capitalist mechanism of expanded reproduction or not.

The rise of a stratum of affluent construction contractors was evident since the first half of the 1970s. Following the oil price hikes of 1973, the gross domestic capital formation (GDCF) jumped from 269.2 million Iraqi Dinars\(^3\) to 689.5 in 1975, then to 1188.9 in 1976 (AAS 1976: 184, AAS 1978: 138-9). Of these figures – calculated in constant 1975 prices-, the state sector was responsible for more than 80 percent. However, the private sector’s share in the construction sector composed around 89 percent, which meant that private contractors were reaping the gains from the state’s investments\(^4\).

Thanks to these developments, the number of registered contractors rose from 828 in 1970/1971, to 1945 in 1974 and then to 2788 in 1975. With the surge in state investment activity there was an interesting development in private activity: contractors began to integrate their activities vertically by establishing relatively large factories for the production of building inputs: asphalt, reinforced concrete, welded mesh, limestone, bricks and the like.

Complementing these relatively large-scale activities and responding to the rising demand for a variety of products and services, a wide network of smaller businesses, industries and workshops flourished. According to official statistics, the number of small industrial firms (employing ten or less wage workers and including repair services) rose from 7300 in 1969 to 41719 in 1977. The rise in large private industrial enterprises (employing more than 10 workers) was much more modest; from 1069 to 1282 respectively (AAS 1969: 91, AAS 1978: 132).

The year 1983 represented a watershed in the Iraqi government's attitude towards institutionalizing large-scale private property. In April, Laws no. 35 and 36 were passed by the Revolution's Command Council (the highest legislative body). The first law constituted a reversal of a three-decade policy favoring small peasant property, because it authorized the long-term lease of agricultural lands that had been sequestered under the Land Reform Acts to private companies. Until then, the practice was that these lands were sequestered in order to be redistributed among the landless peasants\(^5\). The second was a new law regulating the establishment and organization of companies. Whereas the previous law of 1964 had imposed a ceiling on the capital of private companies, the new law promised more exemptions and grants to private companies the higher their capital was\(^6\).

\(^3\) Until the mid-1980s, one Iraqi dinar was equivalent to US $ 3.2 – 3.3.

\(^4\) Moreover, it is here that using current and not constant prices may be of more significance, because much of the rise in the state’s investment expenditure was fictitious so to speak, given that the absorptive capacity of any economy, let alone an underdeveloped one, does not allow a threefold increase in a year time. An inflationary atmosphere was created by surging demand on scarce resources, which allowed the contractors to reap tremendous profits.

\(^5\) The economic boom of the second half of the 1970s and a policy biased against agriculture prompted wide scale migration to the major cities and depopulation of the countryside. As the Iran-Iraq war erupted and hundreds of thousands were conscripted to the military, even the two million plus imported workforce could not compensate for the severe shortages. These factors may have accounted for the promulgation of above-mentioned law.

The trend towards encouraging the Iraqi bourgeoisie to organize in companies took a further impetus when a contractors' union was established in 1984 and new rules were issued for the classification of contractors. According to these rules, only companies, and not individual contractors, can be listed within the first six grades, while individual contractors would fall within the four bottom categories. 

The culmination of these developments came in 1987 with the adoption of a privatization plan under the rubric "the administrative revolution". State owned agricultural projects and farms, hotels, cinemas and restaurants, gas and oil distribution stations, in addition to hundreds of industrial establishments were put to sale. By 1989:

"53 percent of land was privately owned; 46 percent was rented from the state by private investors, the remaining 1 percent was state held ... 19 of the state's 29 poultry farms, six of the large poultry feed projects, six of the large dairy farms, three of the four large government fisheries, and subsidiary services, such as mills and bakeries, had been sold to private investors."

Chaundhry 1991: 15

In addition, thirty-four factories for construction material (bricks, thermostone & limestone, concrete blocks, gravel and blocks, stone and asbestos), eighteen food and beverage factories, as well as six cloth, carpet and wood factories were sold to the private sector by the year 1989. In response to these developments, a general optimistic atmosphere among Iraqi businessmen encouraged the establishment of new companies, as evidenced by the daily advertisements announcing the official establishment of new companies or the amendment of the statutes of already existing ones to the effect of raising their capital.

On the basis of first hand data furnished by the advertisements that appeared between January 1st 1989 and January 1st 1990, a sample of 80 companies was collected for companies whose capital and branch of activity were provided in these declarations. The results are shown in table - 1- below.

As can be seen from table 9.1, twenty companies (25 percent) have a capital of ID 1 million or more, 4 of which have a capital of ID 5 million or more. On the other hand, the capital of 15 percent of the companies -twelve in number- fall within the lowest brackets (less than ID 50 thousand). The next lowest category (less than 100 thousand dinar each) comprises 22.5 percent of the total number of companies registered in that period. Relating the amount of capital to the field of activity of the companies registered, it is significant that out of the twelve companies with a capital of less than ID 50 thousand, 10 were either trading or contracting companies. Indeed, all except one of the 20 non-industrial or agricultural companies fall within the four lowest brackets of capital (less than ID 0.5 million).

By contrast, the average capital of the industrial and agricultural companies is much higher. This is not only due to the technical requirements of industry and agriculture, but also to the fact that the well established and more affluent construction contractors had already established their companies as early as 1985 in compliance with the rules adopted at the time. The capital declared for the newly registered companies does not, in fact, represent the contractor's real financial capacity.

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Table -9.1-  
Iraq: Private Companies Registered between January 1989 and 1990  
According to Their Field of Activity and Size of Capital (ID 1000)

<table>
<thead>
<tr>
<th>Activity</th>
<th>15 ≤ 50</th>
<th>50 ≤ 100</th>
<th>100 ≤ 250</th>
<th>250 ≤ 500</th>
<th>500 ≤ 1000</th>
<th>1000 ≤ 1500</th>
<th>1500 ≤ 5000</th>
<th>5000 &lt; 10000</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture &amp; livestock, poultry and fisheries</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>-</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Fodder products</td>
<td>-</td>
<td>-</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td>Food processing &amp; flour mills</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>Mechanical &amp; metallic products</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td>Textile, spinning &amp; leather production</td>
<td>-</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Construction industries</td>
<td>-</td>
<td>1</td>
<td>3</td>
<td>-</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>-</td>
<td>11</td>
</tr>
<tr>
<td>Chemicals, detergents and cosmetics</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Paper Products</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Industrial services &amp; maintenance</td>
<td>-</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Trade, leisure &amp; tourism</td>
<td>9</td>
<td>5</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15</td>
</tr>
<tr>
<td>Contracting companies</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12</strong></td>
<td><strong>18</strong></td>
<td><strong>19</strong></td>
<td><strong>7</strong></td>
<td><strong>4</strong></td>
<td><strong>6</strong></td>
<td><strong>10</strong></td>
<td><strong>4</strong></td>
<td><strong>80</strong></td>
</tr>
</tbody>
</table>

Source: Collected and classified by author from Iraqi daily papers.

Of the biggest twenty companies listed in the table, we find six engaged in food processing (mostly flour mills), four in the production of building and construction material, four in meat production (poultry breeding, fishing and abattoirs), and two in fodder production. Of the sixty industrial or agricultural companies in the table, more than one third (twenty two) are equally divided between food processing and the manufacturing of building material. Agriculture and fodder production occupied the second rank with eight companies for each.

The above is an indicator that the pattern of capitalist accumulation in Iraq has not departed from the traditional emphasis on non-innovative branches, or high value. However, one interesting feature should be noted in this regard; namely, the marked shift towards meat and poultry production, and by consequence, towards fodder production. This shift in agricultural production from emphasis on staples and cereals to the products consumed by urban middle income groups has been noted in Egypt, too, about a decade after the launching of the open door policy towards free enterprise. According to Tim Mitchell:
“In terms of the commitment of land and labor the priority is now the production of meat, poultry and dairy products. Cotton ...today occupies only about one million of Egypt's six million feddans. ...sugar cane occupies a little over a quarter of a million feddans. Of the remaining four and three-quarter million feddans, more than half is used to grow animal fodder. ...As a result, Egypt now grows more food for animals than for humans.”

Mitchell 1991: 21

A major cause for this shift, according to Mitchell, is that:
"[T]he growing disparity in income between rich and poor has enabled the better off to divert the country's resources from the production of staples to the production of luxury items.”

Ibid.

Syria declared its policy turn in 1991, eighteen years after Egypt and four years after Iraq. However, the private sector in agriculture, industry and trade had already had wider scope of action even under the ‘socialist’ policies of the 1970s and 1980s. Nevertheless, four years after passing Law no. 10, 573 companies with an estimated total capital of US $ 179 million were approved. It is noteworthy that out of these 573 companies, only 18 were joint-stock companies and that the highest amounts of capital (around $ 57 millions) were invested in companies owned by individuals. The type of activity of the new industrial companies did not diverge from the traditional pattern: one hundred companies were destined for food processing, sixty one for textile, cloth and dresses, forty seven for metallic products, and forty four for chemicals, detergents and plastic. But it is noteworthy that out of the 573 companies, 263 were licensed in the field of transport, car rental.

Surveying the preferred fields of Egypt’s private sector is relatively easier. Egypt was the first third world country to adopt state capitalism, and as such its system reached its limits earlier; an additional reminder that the dialectics of statism/liberalization have more to do with the contradictions of these regimes than with international pressures. As early as 1971, the Egyptian authorities began moving away from the statist legacy -not without fierce struggles within the power bloc. In this respect, a main difference in the drive to liberalization between Syria and Iraq on the one hand, and Egypt on the other lies in the political legitimization of this shift. While Egypt began privatization after an official campaign to denounce the former ‘socialist’ strategies and the official adoption of a free enterprise economic system, the Iraqi and Syrian leaders were very cautious in this regard. The former never blamed the main policy guidelines of the past, but simply referred to the need to...

4 Syria had a short-lived four year strict statist system when the left-wing Ba’th had the upper hand between 1966 and 1970. However, several structural constraints made it impossible for the country to pursue that course: a traditionally strong and vibrant mercantile community, widespread smuggling and capital flight due the country’s proximity to the liberal and then the civil war-ripped Lebanon. But the most important reason, in our view, is that unlike Egypt and Iraq, the Syrian state lacked the necessary independent financial base from which it could practice its autonomy.

9 Unless otherwise stated, the data on the implementation of Law no. 10 are based on detailed and unpublished lists prepared by the Investment Bureau of the Office of the Prime Minister. The exchange rate of the Syrian Lira has been converted at the market price of 50 Liras for one US $.

10 Transport and car rental companies registered the highest ratio of estimated imported components to their total investment costs (75.2 percent). It is widely thought that many Syrian capitalists showed their interest in this field for this reason; to freely move their capital abroad (conversations with several members of the Syrian business community, Damascus Summer 1994, and Summer 1996).
‘move to new directions’, or affirmed that their strategies and ideological options had always been to embrace and encourage all sectors in the economy.

Table -9.2-
Syria: Private Companies Approved
Under Law no. 10, by Type of Activity

<table>
<thead>
<tr>
<th>Activity</th>
<th>No.</th>
<th>Investment Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Products &amp; Animal breeding</td>
<td>5</td>
<td>2560.9</td>
</tr>
<tr>
<td>Irrigation, Well Drilling &amp; Agricultural Services</td>
<td>8</td>
<td>513.9</td>
</tr>
<tr>
<td>Food Processing</td>
<td>100</td>
<td>18639.1</td>
</tr>
<tr>
<td>Textile, Cloth &amp; Dresses</td>
<td>61</td>
<td>7745.9</td>
</tr>
<tr>
<td>Wood Products &amp; Furniture</td>
<td>5</td>
<td>383.1</td>
</tr>
<tr>
<td>Paper, Printing &amp; Publishing</td>
<td>10</td>
<td>1068.8</td>
</tr>
<tr>
<td>Chemicals, Paints &amp; Plastic</td>
<td>44</td>
<td>5022.2</td>
</tr>
<tr>
<td>Non-metallic &amp; Construction material</td>
<td>9</td>
<td>661.1</td>
</tr>
<tr>
<td>Basic Metallurgic Products</td>
<td>15</td>
<td>2842.1</td>
</tr>
<tr>
<td>Metal products &amp; Equipment</td>
<td>47</td>
<td>6663.2</td>
</tr>
<tr>
<td>Miscellaneous Industries &amp; Jewelry</td>
<td>1</td>
<td>65.9</td>
</tr>
<tr>
<td>Transport &amp; Car Rental</td>
<td>249</td>
<td>405080.1</td>
</tr>
<tr>
<td>Tourism &amp; Recreation</td>
<td>3</td>
<td>87.2</td>
</tr>
<tr>
<td>Sanitary, Medical and Medicine Production</td>
<td>16</td>
<td>2687.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>573</td>
<td><strong>89433.6</strong></td>
</tr>
</tbody>
</table>

* Totals may not add up due to rounding.

Source: see footnote 9.

Thus while Syria and Iraq never renounced the ‘leading role’ of the Ba’th Party, Egypt moved first to authorize the establishment of three forums: right, left and center within the state-run unique party. Later on these were transformed into three legal political parties to introduce a semblance of pluralism in political life.

In 1974 Law no. 43 authorizing and encouraging the investment of Arab and foreign private capital in Egypt was adopted. This was amended in 1977 to give more exemptions to private investors. Although our study is mainly concerned with the formation and consolidation of local elites, this law is considered the cornerstone in Egypt’s liberalization program, because private Egyptian big capital mainly ventured to invest under this law, which gave ample legal protection and privileges to investors.

Relying on a survey conducted by Imam (1986), it seems that the allocation of private investment in Egypt marks certain differences from that in Iraq. A study of 534 joint-stock companies registered during the period 1975 – 1982 shows that 38.5 percent of the companies, with 50.5 percent of the aggregate capital were in the service sectors -including, among other branches, banking, trade agencies, insurance companies, hotels and cinemas. Manufacturing accounted for 25 percent of the companies and 20.7 percent of the total capital. The percentages for agriculture, poultry and animal breeding, and land reclamation were 9.5 percent and 7.4 percent respectively (Imam 1986: 194 - 195).

Table – 9.3-
Egypt: Private Joint - Stock Companies Registered between 1975 and End 1982 (million Egyptian pounds)

<table>
<thead>
<tr>
<th>Field</th>
<th>Number of Companies</th>
<th>%</th>
<th>Total Capital</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance, Trade &amp; Services*</td>
<td>206</td>
<td>38.5</td>
<td>985.5</td>
<td>50.5</td>
</tr>
<tr>
<td>Construction &amp; Contracts</td>
<td>105</td>
<td>19.5</td>
<td>331.6</td>
<td>17</td>
</tr>
<tr>
<td>Manufacturing Industries</td>
<td>132</td>
<td>25</td>
<td>403.7</td>
<td>20.7</td>
</tr>
<tr>
<td>Agriculture &amp; Land Reclamation</td>
<td>51</td>
<td>9.5</td>
<td>147.7</td>
<td>7.4</td>
</tr>
<tr>
<td>Unidentified</td>
<td>40</td>
<td>7.5</td>
<td>84.1</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>534</td>
<td>100</td>
<td>1952.6</td>
<td>99.6</td>
</tr>
</tbody>
</table>

* Includes banking and finance, hotels and tourism, hospitals, transport and communication, storage, maintenance, trade agents, insurance and consulting services.

Source: Imam 1986: 194 – 195

The above figures are not quite comparable with those on Iraq. The table on Egypt is an exhaustive list of all registered companies, while that on Iraq had to be selective. Second, our surveys for Iraq and Syria include all kinds of companies, while in the Egyptian case it only includes joint-stock ones.

Thus, while private banks were allowed under law 43 in Egypt, Iraq did not authorize that move until 1990, while Syria has not taken that imminent step yet. These reasons account, undoubtedly for the diversion of a considerable sum of capital towards the highly profitable banking sector in the case of Egypt.

9.2 Patterns of Class Formation:

With the lifting of constraints on private investment and activity in the Arab Mashreq countries, the existence of relatively large sums of capital in the hands of private individuals -some of whom had belonged to the poorest strata before the rise of the state capitalist regimes- was suddenly unraveled. The declared wealth of new investors represents only a small fraction of the accumulated fortunes in private hands after two decades or more of socialist and egalitarian rhetoric. The various scenes of conspicuous consumption and media reports on the lavish spending of super-affluent compatriots in the West are daily reminders to ordinary people that the nouveaux riches are only bringing back tiny portions of their wealth into the production cycle under the new liberal laws.

This raises many complicated questions on the nature of the process of capital accumulation under the post-étatist regimes and the social composition of the so-called “neo-bourgeoisie”. That linkages with state power in the Arab Mashreq have been of particular importance to acquiring wealth has been a widely recognized fact. But what do we exactly mean by “linkage”?

Imam’s study of Egypt’s post-statist capitalist class distinguishes three components or according to her terminology “tributaries”: traditional, bureaucratic and parasitic. The ‘traditional’ tributary is the easiest to discern, since it is composed of those individuals or families that had been among the landowning or urban

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11 The present author is not aware whether announcing the establishment of companies in daily papers was an obligatory procedure in Iraq. Therefore, I cannot be sure that the sample collected covers all the registered companies in one year. Moreover, companies whose registration ads did not particularly specify their amount of capital or owners/major stockholders were not included.
mercantile/banker classes before the 1952 revolution. But who belongs to the other two tributaries?

Probably no other two terms have been used in Arab writings to refer to the affluent strata that emerged after (or even during) the application of the ‘socialist’ policies as much as those of ‘bureaucratic bourgeoisie’ and ‘parasitic bourgeoisie’. The first has been in use since the mid-1970s. According to Imam it refers to ‘those elements that held positions and functions inside the state apparatus or the public sector and could benefit from the social and economic transformation of society by amassing tremendous fortunes’ (Imam, 1986: 82)12. As for the second expression, it had gained wide circulation during the 1980s and was given various definitions, the most “refined” of which is that “section of the bourgeoisie that does not contribute to the formation or the reproduction of capital, and [which] practices non-productive activities” (Al-Iṣawi 1983: 55, ‘Abdul Fadhl 1984: 52)13.

On a descriptive level, no one can doubt the existence of all these three elements in practically all the post-statist cases. The problem, however, is to determine the analytical value of such descriptive categories. An analysis of a sample of Syrian and Iraqi new economic elites is required here to discern the pattern of behavior of post-statist capitalism.

Tables 9.4 and 9.5 contain a sample of individuals and families who can be ascertained to belong to the upper coterie of the economic elites in Syria and Iraq respectively (for method of sampling, see Appendix). These two tables have no claim of presenting a comprehensive survey of all the major actors in the contemporary economic life of both countries, but they do present verified data on major actors in each of them. Presenting a comprehensive list for any of the Mashreq countries at this moment seems almost impossible. First, in all three countries-Egypt included-there are prominent political figures (or direct relatives) that are widely known to have amassed tremendous fortunes, but no formal proof can be provided to include them in these lists. Second, not all the economically powerful families or individuals choose to invest their wealth in transparent, or semi-transparent domestic activities preferring to run business in the more lucrative markets in the Persian Gulf Emirates, Saudi Arabia or the West. Third, several powerful figures prefer not to engage directly in business activities but to play intermediary brokerage roles and reap “illegal” rents, extortion, or commissions via their patronage of the business activities of others14.

With all these reservations in mind, we feel that we can make reasonably meaningful generalizations on the composition of the new elites of the Mashreq.

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12 It seems that this term was introduced to Arab writings following the publication of a translation of a Soviet work on the developing countries. Imam’s definition of the ‘bureaucratic bourgeoisie’ is literally taken from that work (Toulpanov 1974: 297-98).


14 Another factor that has a particular bearing on the Iraqi case is the turbulent political atmosphere following the Gulf War and more than a decade of stifling sanctions, in addition to the reign of terror. Several of the “influential” names mentioned in our list have lost favor with the ruling regime, went to exile or have been persecuted over the past decade. A new stratum of nouveaux- riches is emerging now thanks to the exceptional situation to which the country has been subjected. In Syria, changing fortunes of some actors did occur following the death of President Assad and the accession of his son to power, but these had minimal effects on the major economic actors.

Since the objective of our analysis is not to produce a ‘who’s who’ but rather to study the formation of economically dominant classes and their relationship with political power, we did not feel it imperative to follow up the changes in each individual’s position.
Of the twenty names listed on Syria, seven families/individuals owed their spectacular rise to direct family ties to some of the most powerful figures in the Syrian regime. Some of these names were themselves involved in political careers, like Rifat al Asad, the ex-President’s brother and a once vice president, and the Makhlof family—President Assad’s maternal cousins—who are in charge of the all-powerful presidential guards. The four other entries pertain to sons of political figures. Although the Iraqi list does not contain a similar case, this is mainly due to the more secretive and lawlessness nature of the Iraqi regime, which allowed kinsmen of influential figures, especially the President’s clan and close family to engage in various business activities without in the meantime having to report them in a legal manner.

These findings are compatible with the patterns of elite formation in Egypt depicted by Imam and others. Adil Ghunaim mentions the name of an ex-prime minister as an owner of a major contracting company (Ghunaim 1986: 359). Conversely, we have major economic actor who, thanks to their wealth, climbed into prominent political positions and/or forged marital relations with prominent political figures (Ibid. 358). Other sources mention the names of the sons of two other ex-prime ministers, ministers and ideologues of the statist regime among the owners of the most successful financial holdings. The evidence corroborates Imam’s findings on Egypt where an ex-President’s brother, for example, is classified within the ‘parasitic bourgeoisie’, and an ex-free officer (the organization that led the overthrow of the monarchy) is classified under the ‘bureaucratic bourgeoisie’.

A first conclusion can be drawn from the above regarding the pattern of class formation under state capitalism. Being a transitional system, class positions are not reproducible under state capitalism via the simple process of inheriting positions. Sons or brothers may take the jobs of their fathers, but this is not the rule under state capitalism. And bureaucrats, or managerial technocrats may, or may not, feel that their power rests on the persistence of a strong étatist regime, but their power is mostly translated in big material privileges and abuse of their positions. The rewards thus gained are reinvested not in the state sector but in private activities, whether the bureaucrats are interested in the persistence of statism or not. Hence, our disagreement with John Waterbury’s conclusion that “there is, thus, no class-structural explanation of economic liberalization and marketization in the economies of the Middle East and probably elsewhere in the developing world” (Waterbury 1991: 14).

The reasons for disagreeing with this conclusion is that Waterbury’s point of departure in defining the interests of the ‘managerial-technocratic-administrative’ bureaucracy rests on “their firm belief in the state itself, in its capacity to manage the economy better than the private sector, and its duty to mobilize resources in a planned, rational, and socially responsible manner” (Ibid. 13). This may well be the case, i.e. that some managers/bureaucrats may believe in the superiority of the state as the

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15 Anecdotal evidence and various press reports, in addition to testimonies by dissidents have recurrently mentioned the names of Saddam Hussein’s elder son, half-brothers, brothers-in-law, the sons of some influential members in the Ba’th Party, and many others as heavily involved in oil smuggling, imposing extortion on the business community, and even running ‘private’ printers that issue forged Iraqi currency.

16 Two articles in the Egyptian weekly Roz al Yousif, Apr. 13th, 1998: “Kids Playing with Millions” and “The Sons of Millionaires Control the Market”.

17 I would like to emphasize that using the term ‘transitional’ does not entail any teleological conclusion, i.e. transitional to a predetermined “stage”. It is transitional because its mechanisms do not allow its reproduction over a relatively long span, as I tried to show in chapter eight.
an organizer and mobilizer of resources. But one cannot escape the fact that these same believers in the state and its superiority were passing wealth to their sons, and this wealth was employed in private business activity. And it is this mechanism, and not the convictions of leaders or bureaucrats that inevitably breaks down the state capitalist system.

Profiting from one’s closeness to the influential political positions is not confined to family connections, as the lists of the Mashreq elites show. At least two names in the Syrian list and seven in the Iraqi list owe their rise almost exclusively to their ‘connections’ to political power. ‘Connections’ here took various forms: being a middle-rank cadre in the ruling party of the political system, partnerships with influential figures, or performing services to the regime. This last case is especially true for several of the Kurdish names in the Iraq list, because these were rewarded for joining hands with the ruling regime and fighting their own brethren Kurds who demanded their national rights.

The interesting phenomenon regarding this last category of the economic elites is that they (and the direct family members of the influential figures) had mostly risen from humble or modest social origins before the coming of the revolutionary regimes to power. One explanation to this fact is the political opportunism of individuals who aspire to climb the social ladder by forging political and/or interest alliance with the politically powerful figures. While opportunism is an effective behavior under highly politicized systems, a more structural explanation is required to account for the thousands of similar cases that do not show in the lists, because the latter, it should be stressed, only represent the upper coterie and not all the newcomers to the world of business under state capitalism.

An element of this explanation is provided by the nature and content of the nationalistic revolutions themselves, which opened way for upward mobility for those whose social positions had been checked under the ancien regimes. And it is here that the middling traders, petty employees, and the like found the principles of statism responsive to their aspirations. In other words, a combination of opportunism and self-interest on the one hand, and a sense of identity with the new regimes on the other may explain why many non-established strata found their upward prospects open under state capitalism, and could therefore respond positively to the political slogans and objectives of the revolutions. It goes without saying that under the revolutionary circumstances of the Mashreq, and perhaps elsewhere for that matter, a politically hostile attitude would ruin any individual or family, be that a family member of an influential figure, an established capitalist, or a would-be capitalist.

Table -9.4-
Major Economic Actors in Post-étatist Syria

<table>
<thead>
<tr>
<th>Name</th>
<th>Ownership</th>
<th>Background</th>
<th>Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firas Mustafa</td>
<td>Chairman of the Board of Mas* Group: 8 factories and 13 companies for agricultural products, manufacturing, construction, engineering and marketing; Saria Co. for Agricultural</td>
<td>Hims, Sunni Muslim</td>
<td>Son of Minister of Defense</td>
</tr>
<tr>
<td>Tlas</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Products:
- **Al Saqar for Food Products**
- **Al Akram for Mineral Products (in collaboration with a Swiss Co.)**
- **Al Fajr for Coffee Grinding**
- **Al Jabal al Akhdhar for Canning**
- **Mas & Co. for Engineering**
- **Uras for Industrial Undertakings; Mas for Interior Decoration**
- **Mas for Metal Coatings, Syrian Co. for Meat Products**
- **Syrian-Finnish Dairy Co.: Capital US $ 4 million, 60% Mas, 35% Finnish Co., 5% Local Syrian Investor; Al Golan Co. for Meat Products**
- **Mas for Marketing; (Planned) A joint meat production co. in Sudan with French and Sudanese Cos. to market to Saudi Arabia**
- **Acrylic threads 307**
- **Dyed acrylic threads (Hassan Firas Tlas & Co. 22 mn Liras**

<table>
<thead>
<tr>
<th>Sa'ib Nahhas</th>
<th>Damascus, Shi'a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chloric acid production: 5.4 employees: 199 Surgical threads production 10 Medical products 166 Canning &amp; processing of food products 106 Cartoon boxes 209 Baby Food Products 99 Vegetable Oil 138.7 Dry Batteries 39.5 Acrylic threads 71.6 Nahhas for Machinery transport 15 Nahhas &amp; Co.: Cargo transport 90 Owner of Nahhas Tours</td>
<td>-modest state employee in the 1960s, son of middling merchant</td>
</tr>
<tr>
<td>Clan</td>
<td>Important Figures</td>
</tr>
<tr>
<td>------------</td>
<td>-----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Khaddam</td>
<td>Jihad Khaddam: food processing 120.7 Jamal Khaddam: Cotton &amp; textile products 29.5 Basim Khaddam &amp; Co: Artistic Production 2.4 Jihad: A Saudi based TV production</td>
</tr>
<tr>
<td>Sukkar</td>
<td>Hassaan, Riyadh &amp; Ghassan Sukkar: PCs 8.3 Ghassan &amp; Riyadh Sukkar: Sodium Silicate 35.6</td>
</tr>
<tr>
<td>Al Tabba'</td>
<td>Ghyath al Tabba' &amp; Co: Nylon &amp; cloth 16.2 Ghyath al Tabba': Acrylic threads 31 Taba' &amp; Co: Dried fruits 60</td>
</tr>
<tr>
<td>Al Aqqad</td>
<td>Samir al Aqqad &amp; Co: beverages 307</td>
</tr>
<tr>
<td>Al Zu'bi</td>
<td>Mohammed Mahmoud al Zu'bi &amp; Co: Medical Products 32 Qasim al Zu'bi: Spaghetti production 16.4</td>
</tr>
<tr>
<td>Name</td>
<td>Occupations and Activities</td>
</tr>
<tr>
<td>---------------------</td>
<td>--------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Al Hakim</td>
<td>Owner of pharmaceutical factory, Owners of Ashqar and Baidhou Co</td>
</tr>
<tr>
<td></td>
<td>Kamal Nouri al Hakim: passenger transport 203, Ahmad Nouri al Hakim: concrete blocks 5</td>
</tr>
<tr>
<td>Wattar</td>
<td>Zuhair Wattar: Domestic &amp; electrical equipment 42, Zuhair Wattar: Metal products 62</td>
</tr>
<tr>
<td>Makhlfouf</td>
<td>Owner of Syriatel mobile telephones</td>
</tr>
<tr>
<td>Al Shihabi</td>
<td>Haitham Hikmat al Shihabi: 1. Cotton cloth 48.4, 2. Dealer of Nissan Cars</td>
</tr>
<tr>
<td>Rifa'at Al Assad &amp; Sons</td>
<td>Shareholder in Eurotunnel, Media Production and ownership of satellite TV channel, Owners of Hospitals in Damascus, Owners of real estate</td>
</tr>
<tr>
<td>Uthman al 'Aidi</td>
<td>International consortia of Hotel chains, Oil trade</td>
</tr>
<tr>
<td>Al Shallah</td>
<td>'Special status' membership in Damascus Chamber of Commerce, Owners of large estates in Al Ghouta, Damascus</td>
</tr>
<tr>
<td>Abdul Rahman al Attar</td>
<td>Board member of Damascus Chamber of Commerce, Construction works &amp; Contracts, Trade agent of shampoos and cosmetics,</td>
</tr>
<tr>
<td>Name</td>
<td>Activity</td>
</tr>
<tr>
<td>--------------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Baha’al Din Hassan</td>
<td>Board member of Damascus Chamber of Commerce Owner of Ceramic Factory Trade agent of construction and sanitary material</td>
</tr>
<tr>
<td>Sbai’ai</td>
<td>Muhammed Ma’moun. Board member of Chamber of Commerce Owner of tissue factory Trades in cloth, dresses and textile Agents in the Gulf Emirates</td>
</tr>
<tr>
<td>Al Mqaylati</td>
<td>Owners and exploiters of diamond mines in Africa</td>
</tr>
</tbody>
</table>

Figures next to company are the invested capital in million Syrian liras.

Table - 9.5 -
Major Economic Actors in Post-étatist Iraq
<table>
<thead>
<tr>
<th>Name</th>
<th>Background</th>
<th>Location</th>
<th>Identity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hikmat Hadi Hjawad</td>
<td>Owners of large farms in al Rashidiyya around Baghdad;</td>
<td>Baghdad</td>
<td>Saddam Hussein</td>
</tr>
<tr>
<td></td>
<td>Owners of a private Boeing;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Kubba), Qais Kadhum</td>
<td>Buyers of state Amara brick factory</td>
<td>Baghdad</td>
<td>Middle</td>
</tr>
<tr>
<td>Muhammed Jawad (Kubba), &amp;</td>
<td>Buyers of state Basra dairy factory &amp; dairy collection center in Qurna;</td>
<td></td>
<td>Income merchants</td>
</tr>
<tr>
<td>Partners</td>
<td>Major shareholders and member of the board of the Commercial Bank</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shawk Salih A Wahab al</td>
<td>Buyer of state Maqadiyya dairy factory &amp; milk collecting center in</td>
<td>Anbar</td>
<td>Head of the</td>
</tr>
<tr>
<td>Kubaisi</td>
<td>Maqadiyyah; Co buyer of state Ice Cream Baghdad;</td>
<td>Sunni</td>
<td>Iraqi Federation</td>
</tr>
<tr>
<td></td>
<td>Chairman and major Shareholder in the Commercial Bank</td>
<td>Arab</td>
<td>of Industries,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>modest</td>
</tr>
<tr>
<td></td>
<td>Buyer of state Najaf brick factory; Owner of chocolate and biscuit factories</td>
<td>Shi'a</td>
<td>industrialist</td>
</tr>
<tr>
<td>Ali Muhammed Hassou (al</td>
<td>Owner of al Sayyida flour mill</td>
<td>Arab</td>
<td></td>
</tr>
<tr>
<td>Janabi)</td>
<td></td>
<td>Hilla</td>
<td></td>
</tr>
<tr>
<td>A. Karim Nida Hussein,</td>
<td>Co-buyers of state 30 July brick factory; Owners of brick and concrete</td>
<td>Tikrit</td>
<td>Close relatives</td>
</tr>
<tr>
<td>Mahmoud Nida Hussein</td>
<td>brick factory; Contractors and intermadiaries</td>
<td>Sunni</td>
<td>to ex-president</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Arab</td>
<td>al Bakir, of</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>extremely</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>poor origins</td>
</tr>
<tr>
<td></td>
<td>Buyers of state concrete block factory / Basra; Al Khair Contracting Co.,</td>
<td>Anbar</td>
<td>Medium - scale</td>
</tr>
<tr>
<td>Yousf (Rashid) al Lami &amp;</td>
<td>1st grade contractors; Al Furat Contracting Co., 1st grade contractors;</td>
<td></td>
<td>contractors in</td>
</tr>
<tr>
<td>A. Rahim Hmaiyyim al Lami</td>
<td>Rashid: Al Hmayyim Contracting Co., 1st grade contractor; Shareholders in</td>
<td></td>
<td>the 1960s</td>
</tr>
<tr>
<td>&amp; Khairi Hmaiyyim</td>
<td>Commercial Bank; Owners of real estate in Baghdad</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eng. Muhammed Zahir</td>
<td>Fallouja state block</td>
<td>Imara,</td>
<td>Son of a</td>
</tr>
</tbody>
</table>

**Notes:**
- **Middle East:** Sunni Arab, Shia Arab, Palestinian Arab, Yemeni, Jordanian, Egyptian, Palestinian Arab, Lebanese, Syrian, Iraqi, Kurdish, North African, Cypriot, Armenian, Assyrian, Druze, and other Middle Eastern identities.
- **Christian Identity:** Assyrian, Armenian, Syrian, Coptic, and other Christian identities.
- **Major shareholders and members of the board of the Commercial Bank.**
- **Owners and verkities in the 1960s.**
- **Middle East nations:** Iraq, Syria, Jordan, Lebanon, Saudi Arabia, Egypt, Yemen, Tunisia, Morocco, Algeria, Libya, and other Middle Eastern countries.
- **Middle - scale contractors in the 1960s:**

---

287
<table>
<thead>
<tr>
<th>Name</th>
<th>Factory/Contracting Co.</th>
<th>Sabean</th>
<th>Well-to-Do Gildsmith</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jamsheed Yaseen al As’adi, Sirdar Dawood al Jaf&amp; Partners</td>
<td>Buyers of state Haqlaniyya stone factory; Buyers of Sinjar stone factory; Al As’adi: co buyer of Sarchanar state stone factory; Al Jaf: Al Qadissiyyah Contracting Co., 1st grade contractor; Sirdar &amp; Bros: board members and shareholders in the Commercial Bank</td>
<td>Sulaimaniyya, Sunni Kurds</td>
<td>Sons of well-to-do Kurdish Aghas</td>
</tr>
<tr>
<td>Yunis &amp; Haidar Muhammed Ali al Samawi</td>
<td>Co buyers of state Ice cream Baghdad; Shareholders in the Commercial Bank; Shareholder in al Zubair Co. for Beef Products (with Uday the son of Saddam Hssein)</td>
<td>Samawa, Shi’a Arabs</td>
<td>Poor origins, petty traders in the 1960s</td>
</tr>
<tr>
<td>Hazim Hamid Dawood</td>
<td>Buyer of state Misan dairy factory &amp; center for milk collection in Al Adil; Buyer of dairy machinery of Baghdad, Mosul and Qadisiyyah factories; Co buyer of state Ice cream Baghdad</td>
<td>Arbil, Sunni Kurd</td>
<td>Brother of Arshad: State Minister</td>
</tr>
<tr>
<td>Latif Ahmed Muhammed al Zibari</td>
<td>Al Shimal Contracting Co. (Mosul), 1st grade contractor; Big real estate owner in Mosul</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bunniyya</td>
<td>Haj Mahmoud Jassim al Bunniyyah &amp; Sons Contracts Co.; 1st grade; Major shareholders and board members in the Commercial Bank; Eastern Ice Cream and Frozen Products Factory; Owners of real estate in Baghdad; Owners of confectionery factory; Owners of a flour mill</td>
<td>Baghdad, Arab Sunni</td>
<td>Big Industrialist since the 1950s</td>
</tr>
<tr>
<td>Name</td>
<td>Position</td>
<td>Religion</td>
<td>Region</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>----------</td>
<td>-------------</td>
</tr>
<tr>
<td>Hasseb Salih</td>
<td>Hassib Salih Co. for Contracts and Engineering, 1st grade</td>
<td>Sunni</td>
<td>Mosul</td>
</tr>
<tr>
<td>Nouri A. Muhsin Bilal</td>
<td>Al Ghadir Contracting Co., 2nd grade Owner of welded mesh factory</td>
<td>Shī‘a</td>
<td>Anbar</td>
</tr>
<tr>
<td>Mahdi S. Al Rawi &amp; Sons</td>
<td>Shareholders in the Commercial Bank; Owners of Zuhair Food products factory; Owners of thread factory; Owners of al Murshid Industrial Co.; Owners of Middle East Plastic Industries; Owners of al Rawi printing press; Owners of Venus Industrial Co.</td>
<td>Arab</td>
<td>Big Industrialists in the 1960s</td>
</tr>
<tr>
<td>A. Hadi Hamra &amp; sons</td>
<td>Contracting Co. 3rd grade Shareholders in the Commercial Bank</td>
<td>Shi‘a</td>
<td>Baghdad</td>
</tr>
<tr>
<td>Sons of Ajeel Al Yawer</td>
<td>Shareholders in the Commercial Bank; Big landowners; Owners of real estate in Mosul</td>
<td>Sunni</td>
<td>Mosul</td>
</tr>
<tr>
<td>Sons of Khawwam al ‘Abdul Abbas</td>
<td>Shareholders in the Commercial Bank; Riyadh: buyer of state Sanam gravel factory; Owners of al Hadaf trading Co.</td>
<td>Shi‘a</td>
<td>Imara</td>
</tr>
<tr>
<td>Khalil al Bahrani &amp; sons</td>
<td>Shareholders in the Commercial Bank, Buyers of state Karabala dairy factory and milk collecting center in</td>
<td>Shi‘a</td>
<td>Baghdad</td>
</tr>
</tbody>
</table>

1st head of the Union of contractors, big contractor since the 1960s

Middling contractor in the 1960s

Rich contractors in the 1960s

Paramount shaikh of Shammar

Big Landowner and Sheikh under the monarchy

Rich merchants in the 1960s
<table>
<thead>
<tr>
<th>Name</th>
<th>Positions</th>
<th>Locations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aghawat</td>
<td>- Owners of al Shamal flour mills;</td>
<td>Mosul, Sunni Arab</td>
</tr>
<tr>
<td>Jawhar Hussein Khidhir al Sawrchi</td>
<td>- Al Sawrchi Contracting Co., 2nd grade</td>
<td>Sulaimaniyyah, Sunni Kurd</td>
</tr>
<tr>
<td>Hadid</td>
<td>Major shareholder &amp; Gen. Dir. Of al Asriyya United Industries. Major shareholder in Technoconsult Engineering Co.</td>
<td>Mosul, Sunni Arab</td>
</tr>
<tr>
<td>Younis (Hashim &amp; Bros)</td>
<td>Owners of al Haj Younis Weaving Co.</td>
<td>Mosul, Sunni Arab</td>
</tr>
<tr>
<td>Ahmed &amp; Adnan A. Mun’im Rashid</td>
<td>Owners of Alexandria Agricultural Co.: 2850 donums of land, fish raising pools, laboratory and fish food factory</td>
<td>Provincial town around Baghdad</td>
</tr>
</tbody>
</table>

### 9.3 Old Bourgeoisie and New:

Analyzing the composition of the new elite reveals another interesting fact; namely an expectedly high degree of resilience and adaptability among the old, pre-revolutions’ elites of the Mashreq. The influx of new capitalists has overshadowed the fact that many “old” capitalists have survived the revolutionary periods. In fact five of entries in the Syrian list and eight in the Iraq list belonged to upper classes of their respective societies in the pre-revolutionary eras. Among those are people whose families’ wealth had been even targeted by the land reform acts and/or the nationalization acts in the respective countries. The relative prominence of this group in the elites’ lists does not warrant, thus, their treatment as anomalies within a structure composed exclusively of “nouveaux riches”.

The cases of Egypt, Syria and Iraq demonstrate that the newcomers have not been able to displace the old bourgeoisie all together. Rather, the expansion of economic activity and the opening up of new business opportunities have loosened the grip of the old bourgeoisie on the economy to a large extent and changed their
positions within the existing capitalist strata. Naturally, this radical shifts in the power relations among the various strata of the bourgeois class to the favor of the newcomers is to a large extent the product of the bias of the new power holders to their supporters and kinsmen.

While one can discern many similarities between the ways in which the "old" Egyptian, Syrian and Iraqi bourgeoisie have adapted themselves, and then responded to the infitah (open door) policies, there is a major difference distinguishing the Iraqi case. As is well known, several old capitalists from the three countries chose to emigrate following the revolutionary upheavals. However, Iraq witnessed, in addition, a forced uprooting of the sections of the more affluent section of its old mercantile community, which belonged to the Shi'i sect. A deportation campaign was waged on the eve of the Iran - Iraq war which affected hundreds of thousands of Shi'is and left its imprints on the subsequent restructuring of Iraqi society.

Although many Shi'i businessmen still figure high in Iraq's elite's list, the deportation of some 250 thousand Shi'is in 1980, and around 60 thousand of them a decade earlier dealt a severe blow to the economic position of Shi'a in general. In fact, the first victims of the 1980 episode were hundreds of Shi'i businessmen suspected of hostility to the Ba'thist regime.

It is impossible to give an accurate estimate of the value of property confiscated, nor on who acquired that property or how. However, a propaganda book written by the then General Director of Security tried to prove that the deportees were 'disguised Iranians' with an influential position in the economy and thus were threatening Iraq's security. The following data are reproduced from the book and may be taken as indicators of the amount of plundered property from Iraqi Shi'is, whom the book's author calls 'Iranian' for obvious reasons:

- The number of Iranian merchants in Baghdad alone was 3245, including 1177 wholesale traders;
- Iranian manufacturers owned 258 factories and 35 gold workshops;
- Iranians' share in the food processing industry was 11.2 percent;
- Irishans controlled 100 commercial agencies and commission bureaus;
- Iranians comprised almost one third of the members of the Najaf chamber of commerce;
- In Karbala, there were 19 Iranian industrialists, while the number for Iraqis was only 12;
- 20 percent of the total number of industrialists and merchants in Basra were Iranians.

Al Barrak 1985: 150 - 152

The pillage of the Shi'i bourgeoisie drastically enhanced the regional shift in the composition of the Iraqi bourgeoisie to the advantage of those descending from regions north and north west of Baghdad, who secured a dominant position in the social hierarchy by the 1980s.

Thus one would expect a greater degree of continuity within the old Egyptian and Syrian bourgeoisie, not only because these two countries did not experience such dramatic upheavals, but also because of the more solid roots of Egyptian and Syrian mercantile and industrial classes. The available empirical data, however, do not lend evidence to such a hypothesis in the case of Egypt. The reason behind this, it seems, is that the Egyptian and Syrian nationalization decrees that were passed during the period 1960 – 1963 in the former, and 1960 and 1965 in the latter, were much more

\[\text{18 The effects of the Iran-Iraq war on the Iraqi society are treated in more detail in al Khafaji 2000a.}\]
sweeping than those of 1964 in Iraq. Whereas around 293 private establishments were affected by nationalization in Egypt, the respective number in Iraq was no more than 40. Syria’s nationalization acts of all banks and insurance companies were followed by total or partial nationalization of 96 industrial companies in 1965.

This may partially explain how two families in our list—which comprises only the upper coterie of the elite—figured among the wealthiest landed, or mercantile families under the monarchy (Batatu 1978: 58-61, 276-281). But if one does not confine his analysis to the upper echelon of the capitalist class, but rather try to trace the paths taken by less prominent bourgeois elements who began their careers during the second half of the 1940s, then it would be possible to discern a greater degrees of continuity throughout the Mashreq. This is evident from the last columns in both lists, where the backgrounds of several of today’s elites is shown to be middling traders, contractors, or industrialists.

Comparing the Syrian and Iraqi data with those on Egypt, we find that out of more than one hundred families that comprised what ‘Asim al-Dusouki classified as “the economic, social, and political elite” of the pre-revolutionary period, only three figure in Imam’s survey of the infithah bourgeoisie (al Dusouki 1975: 112-14, Imam 1986: 61-72). These are: al Basil, al Manzilawi and al Misri. It seems, then, that many of those infithah elements, which Imam classified as “the traditional capitalists”, actually belong to the layer that began its rise thanks to the conditions associated with WWII. Evidence to this is the fact that of the 37 “traditional capitalists”, six had shares of less than EL 5000 (Egyptian Pounds) each before the revolution, six others had shares between 5000 and 20 thousand each, while three had shares ranging from 20 to 50 thousand each (Imam 1986: 61 - 72).

As to the inclusion of those same families within the “new bourgeoisie”, i.e. those old capitalists who joined the revived capitalists under the open door policy, some additional doubts should be raised here, because the evidence provided for the activities of two of those families during the infithah period, are no more than the ownership of shares worth EL 10 thousand and 11 thousand respectively.

It was mentioned in the previous chapters that during WW II many Egyptian, Syrian and Iraqi petty traders and men of humble origins benefited from the dire conditions of the war and the presence of British or French troops in their countries to accumulate moderate sums of capital in their hands. Those would form in the 1950s a layer of rising contractors or industrialists whose further rise in the social hierarchy was blocked by the monopoly of the established city notables and big landowners. Indeed, many of today’s wealthy Dulaimis, Kubaisis, Rawi s and ‘Anis (all belonging to the Governorate of al-Anbar) in Iraq, many Hawrans, and Alawis in Syria, and many descendants form the Nile Delta lesser urban centers in Egypt are the product of that period.

Obviously, these did benefit from the rise of their fellow kinsmen to power a decade or more later, but they had nevertheless embarked on business long before that. The rise of both, politicians and bourgeoisie from hitherto marginal regions in the Arab Mashreq should be seen as the product of one process, and not as a fortuitous rise of some individuals who handed wealth to their relatives. And it is here that dissecting the rising capitalists into old, new, parasitic and bureaucratic reveal its inadequacy- if not its fallacy.

From the above analysis of the three Mashreq countries we have seen that there were various patterns of rise to the ranks of the ‘upper classes’ under revolutionary circumstance. Seen from the perspective of the backgrounds of the rising elites, we have first the survivors from the old regimes who managed to stay in
business following the revolutions, and these are more numerous than is normally expected, given the political turmoil that has accompanied these revolutions. But the survival of these old elements does not necessarily mean that they could preserve their monopolistic positions in their respective domestic markets. Nowhere is this more evident than in the case of Syria where such legendary families as al Shallah in Damascus and al Atasi in Hama not only survived the revolutionary tides but managed to forge new alliances with the newcomers and found new avenues for making wealth.

The 1991 foundation of the first private bank in Iraq since the 1964 act that nationalized banks presents a clear case of the new class configurations involving old and new families. The founding manifesto of the bank contains the names of 244 shareholders. Of these names, 95 deserve our attention.

Iraq's Commercial Bank example illustrates quite well how the nationalistic revolutions of the 1950s have expanded the size of the economically privileged classes. In the above table we see the families and individuals who began their rise in the post-WWII period - roughly the one that are described as middling or big in the 1960s - merging with the established families of the pre-revolutionary periods. In the meantime those humble officers and middle bureaucrats who played prominent political roles in the 1960s have joined the privileged strata. The complexity of this process of rise could only be grasped if one takes into account that those founders of a private bank in 1991 had just been political enemies two or decades before: big landowners whose excess land had been expropriated under the land reform acts, descendents of a prime minister who had supervised the nationalization acts, grandsons of owners of the nationalized banks, and officials or sons of officials in a regime that ousted the 1963-1968 politicians.

But in addition to the formal and organized sector, on which information could be obtained, 'parallel' new markets - in the metaphoric as well as the literal geographic sense- have arisen, and these are almost totally out of control of the old mercantile elite. What this signifies is that the revolutions managed to 'democratize' access to wealth by widening the size of the dominant classes, invigorating them with new membership and opening up new avenues for wealth creation.

Thus, alongside the survivors who are on the top lists mentioned above there are hundreds of others who are still in business but no longer occupy the upper positions in economy and society, and there are those who were among the wealthy, but not the wealthiest before and still are after the revolutions.

The second pattern of rise to the ranks of the upper crest of the economic elite is the sudden rise from poor - sometimes extremely destitute- conditions. This is most notably seen in Iraq, but several similar incidents did occur in Egypt and Syria. In this case, these newcomers are almost always direct kinsmen of the men on top of politics.

But the third, and in our view the most important avenue is where people who had already seen a measure of improvement in their social and economic position before the revolutions, but were shunned off from joining the old established elites and who saw that their positions would not have much chance of further improvement under the old system. And it is these people who found their counterpart in the military, civil service men who felt the same way about the old regimes. In other words, as the middling - or even the modest- contractor, trader and industrialist saw his economic prospects checked by the old system, the middling -or modest- army officer, civil servant, newly university graduate from humble origin, saw the prospects

19 The manifesto was published as a full-page ad in the daily al Thowra, 28.11.1991.
of his career checked by the old system as well. These two groups of people may or may not have had direct ties to each other, though normally they did because they hailed from the same regions, sects, ethnicities, and lived nearby each other in the capital cities to which they migrated. And it is in this sense, and not in any instrumentalist or conspiratorial sense, that the new regimes sought solutions that responded, more or less, to the aspirations and grievances of those half-way businessmen.

Table -9.6-
Iraq: Major Shareholders in the Commercial Bank

<table>
<thead>
<tr>
<th>No of family members</th>
<th>Family name</th>
<th>Region/confession</th>
<th>Social Background</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Shawki S. al Kubaisi</td>
<td>Anbar/Sunny</td>
<td>Modest industrialist before 1968</td>
</tr>
<tr>
<td>9</td>
<td>Baniyya</td>
<td>Baghdad/Sunny</td>
<td>Big industrialists since the 1950s</td>
</tr>
<tr>
<td>7</td>
<td>Kubb</td>
<td>Baghdad/Shi‘i</td>
<td>Middle income merchants</td>
</tr>
<tr>
<td>2</td>
<td>Hamiyyim al Lami</td>
<td>Anbar/Sunny</td>
<td>Medium-size contractors in the 1960s</td>
</tr>
<tr>
<td>7</td>
<td>Qanbar Agha</td>
<td>Baghdad/Shi‘i</td>
<td>Rich merchants in the 1950s</td>
</tr>
<tr>
<td>5</td>
<td>M. Mahdi Al Rawi</td>
<td>Anbar/Sunny</td>
<td>Big industrialists in the 1960s</td>
</tr>
<tr>
<td>1</td>
<td>Haidar al Samawi</td>
<td>Samawa/Shi‘i</td>
<td>Petty trader in the 1960s</td>
</tr>
<tr>
<td>4</td>
<td>Hamra</td>
<td>Baghdad/Shi‘i</td>
<td>Big contractor in the 1960s</td>
</tr>
<tr>
<td>2</td>
<td>Dohani al Hassan</td>
<td>Anbar/Sunny</td>
<td>Minister in the period 1963-68</td>
</tr>
<tr>
<td>6</td>
<td>Kafil Hussein</td>
<td>Baghdad/Shi‘i</td>
<td>Big industrialist, factory nationalized in 1964</td>
</tr>
<tr>
<td>1</td>
<td>Tawfiq al Jumaili</td>
<td>Anbar/Sunny</td>
<td>Big industrialist &amp; real estate owner in the 1960s</td>
</tr>
<tr>
<td>3</td>
<td>Tahi Yahia</td>
<td>Anbar/Sunny</td>
<td>Prime minister 1963-8</td>
</tr>
<tr>
<td>9</td>
<td>Al Jaf</td>
<td>Arbil/Kurd</td>
<td>Big landowners since the monarchy</td>
</tr>
<tr>
<td>7</td>
<td>‘Araym</td>
<td>Anbar/Sunny</td>
<td>Senior bureaucrats in the 1960s</td>
</tr>
<tr>
<td>6</td>
<td>Al Yawar</td>
<td>Mosul/Sunny</td>
<td>Shaikhs of Shammar tribe</td>
</tr>
<tr>
<td>5</td>
<td>Khawwam al Abdul Abbas</td>
<td>Misan/Shi‘i</td>
<td>Big landowners in the 1950s</td>
</tr>
<tr>
<td>5</td>
<td>Al Baharani</td>
<td>Baghdad/Shi‘i</td>
<td>Big merchant since the 1950s</td>
</tr>
<tr>
<td>1</td>
<td>J/. A. Amir Al Sarraf</td>
<td>Baghdad/Shi‘i</td>
<td>Big moneychanger since the 1950s</td>
</tr>
<tr>
<td>4</td>
<td>Shanshal</td>
<td>Mosul/Suni</td>
<td>Middling landowners since the 1950s</td>
</tr>
<tr>
<td>6</td>
<td>Shubbar</td>
<td>Najaf/Shi‘i</td>
<td>Big merchants since the 1950s</td>
</tr>
<tr>
<td>1</td>
<td>Isam al Chalabi</td>
<td>Mosul/Suni</td>
<td>Oil minister in 1990</td>
</tr>
<tr>
<td>1</td>
<td>M/ Ayad al Rawi</td>
<td>Anbar/Sunny</td>
<td>Son of Head of the Republican Guard</td>
</tr>
</tbody>
</table>
The problem with terms like 'traditional' or 'old' versus 'new' bourgeoisie, when used in this context is that they tend to lump different strata under one category. The underlying assumption is that there was a capitalist system before the revolutions. The normal course of action for the capitalists, according to this narrative, would have been to industrialize and combat the landowners were it not for colonialism and imperialism that peripheralized them. The nationalist revolutions—justifiably or not—did away with this system and tried to build a new post-capitalist regime, but for one reason or another, the revolutions failed. And it is this failure, not the inevitable breakdown of such systems, that produced the new 'bureaucratic' and 'parasitic' bourgeoisies. In such analyses, authors tend to confuse strata that were already part of the dominant classes of a preexisting social system, with others that are aspiring to form part of the dominant class of a different system. The latter's relationship with the former (as groups and not necessarily as individuals, naturally) is antagonistic because the rising groups had their subsequent growth blocked by the monopolistic positions that the established groups occupied in the economy and society as a whole. In other words, such authors confuse the strata on whose behalf the revolutions have taken place, with those targeted by the new regimes as the main enemies.

Many authors recognize the contradiction in their line of analysis when they decide that the old regimes were capitalist (albeit 'corrupt', 'dependent', or 'peripheral', as they would put it) or that the dominant classes were capitalist on the one hand, and that the revolutions ended up with the prevalence of capitalists on the other. A widespread explanation, which does not necessarily contradict the other one on revolutions losing their way, is that these revolutions were petty bourgeois or middle class in nature. For those who propose this line of analysis, it is not hard to find the evidence, whether in terms of the social backgrounds of the leaders of the revolutions or the rise in the living standards of the middle-income populations following the revolutions, which is taken as an indicator of the social policies favoring the petty bourgeoisie (for example, Al Shafi 1958: 42-4, Batatu 1978: 1043, Abdul Fadhl 1988: 112).

The problem with this line of reasoning is that it does not take the full implications of what revolutions are about into consideration. First, there is the familiar objection to the term 'middle class' that it is an income category which does not tell us anything on the social content of its members, and therefore that common incomes do not necessarily define common class belonging. But even if one overlooks that objection, such terms are only meaningful under a structured and well defined social system, a qualification that, by definition, does not apply to a society undergoing a revolutionary transformation. Looking at the Mashreq societies on the immediate eve of the revolutions will give us the following sketch: a tiny group of big landowners that had been negatively affected by the revolutions, a similar group of urban notables, both numbering the thousands. On the other extreme, we will have a working class which in the strict sense of the word does not exceed the tens of

20 This is not a speculative outline of how various Arab, and non-Arab, writers view the nationalist revolutions in the Mashreq. Imam consecrates the first fifty pages of her work to such an interpretation. Mahmoud Abdul Fadhil, on the other hand, begins a chapter of his book on the political economy of Nasserism by a quote from Saint Juste, that a revolution that stops half way digs its grave, implying that there was some necessary causality leading Nasserism towards socialism.

21 By saying that the revolutions were carried on behalf of these strata, that does not mean at all that the leaders of the revolutionary regimes were consciously acting as agents of these strata, or as representative of their interests. The revolutionary leaders viewed the prospects of their societies and designed their policies in ways that eventually benefited these strata.
thousands in number. But where is the rest of society? Shopkeepers, retail traders, street vendors and servicemen, domestic servants and beggars, petty clerks and civil servants, state employees, policemen, army officers and soldiers, members of liberal professions: all these and many more can be classified as middle class, or petty bourgeois (with the appropriate grading naturally: lower-middle, upper-middle, etc.).

But it is not only the huge numerical aspect of the so-called middle-class that makes labeling systems or revolutions as such objectionable. The objection is prompted by the fact that nationalistic revolutions come by definition on a background where the people are atomized, because of the collapse of the old binding structures. It is the task of the revolutions to lay the foundations for the restratification of society. And it is through this process of restratification that the 'new' upper classes, as well as the 'new' lower classes will emerge. In other words, it is from these same so-called middle classes, that are nothing else but the atomized vast majority of the population that the new social structure will emerge. That is why such loose labels as 'petty-bourgeoisie' or 'middle class' are meaningless under conditions of change.

The analysis provided in this work has tried to refute the simplistic conception that bourgeois changes are not compatible with statism, or that bourgeois transformations are conducted by old urban men of wealth. In the meantime, bourgeois transformation is not a conscious policy recipe in the minds of policy makers who know in advance the end result of what they are establishing. Moreover, embarking on this road does not guarantee at all the success of politicians in producing a fully-fledged bourgeois society, as the Mashreq experience clearly show. Neither in Europe nor in the Mashreq could the big financiers, merchants, or industrialists of premodernity be the agents of capitalist transformation. In both cases they were part and parcel of the precapitalist systems and stood to lose from revolutions. In both cases the atomized populations made gains. But this does not contradict the fact that after the 'restoration', i.e. the post revolutionary stabilization, some compromises are reached where elements of the old elites are reincorporated within the new elites. And in our case, it is quite noteworthy that the vast majority of the newly reincorporated old elites came from the urban and not land owning elites.

9.4 Power Versus Wealth:

There is yet another way of looking at the individuals' paths of joining the newly formed elites, and that is by looking at their relationship with the rising power structures in the region. Although it would be tautological to state that the political authority played an extremely important role in shaping the boundaries and content of the new elite, the patterns of relationship are multifarious. Although kinship relationship plays a prominent role in facilitating the rise to an elite status, it is by no means the only way and it cannot account for the ways that political power influences the formation of new dominant classes. It is for this reason that we feel that such terms as 'bureaucratic bourgeoisie' are inadequate.

The theoretical problematic does not lie in coming, yet, another term to describe the newly constituted bourgeoisie. It rather lies in the recognition of the existence of multiple types of connections with the holders of political power. In fact, the essence of political change following any revolution, including the nationalist ones in the Middle East region, lies exactly in widening up the scope for new


entrance to the dominant groups. This has also been the case in the making of bourgeois Europe i.e. that political change came not to "create" new classes, but to create the conditions for certain groups to occupy certain privileged places in the social hierarchy. Connections with those holding political power are thus essential prerequisites for the rise of strata trying to compete with, or to occupy places alongside an already established upper class. Thus, neither being a one time bureaucrat, nor a relative of a bureaucrat can describe fully the wide spectrum of people benefiting, in one way or another, from a state capitalist regime, or indeed from any new political regime.

Here again, we find that the use of such terms as 'the bureaucratic bourgeoisie' misleading, because it implies one or two historically mistaken contrasts at the same time: contrasting a supposedly exceptional case whereby a new bourgeoisie has risen thanks to the state, with a 'normal' old bourgeoisie that rose thanks to the market or to economic forces in the Mashreq, and/or in Europe.

In the first case – the comparison with the old men of wealth in the Mashreq, two radically different instances of the life cycle of socio-economic systems and social classes are confused, leading to misleading generalizations. We have seen in the preceding chapters that the beginnings of "old" men of wealth in the Arab Mashreq (as elsewhere else) was never a spontaneous process following a purely economic logic and dissociated from the intervention of political, or extra economic factors. In Egypt, the Shaikhs of settled tribes, like al Shari'i, al Basil and al Shawarbi, acquired their properties in the forms of grants from Mohammed Ali, who further appointed many members of their families as 'Umdas (chiefs) of villages. Other families, like Yakin, made their rise through marriage relations with the Khedive's family. Still others were recruited to the landowning class thanks to their professional skills (Barakat 1977: 361 -369).

The political rise of the Egyptian A'yan (notables) to the detriment of the mamluks throughout the monarchy period, was depicted by Eric Davis, who analyzed the social composition of membership of Egypt's parliaments over several decades. Of the 79 members constituting the 1866 parliament, 59 held the title of 'umda, 6 were effendis, 5 aghas, 3 beys and only one pasha. So what was Egypt undergoing in the 1850s was in fact the consolidation of a new formation, a precapitalist one to be sure. "New" men of modest backgrounds ('umdas and effendis) were on the rise thanks to 'politics'. Half a century later, the 69 members of the 1914 parliament included no 'umdas or aghas, while there were 37 beys, 11 pashas and 7 effendis (Davis 1983: 49). The system has been consolidated and 'economic' forces would seem to be running the scene.

In other words, looking at the situation in the 1860's, power would have looked a major source of affluence in Egypt. People of humble standing occupied around three-quarters of the seats of the parliament, while fifty years later, it was the pashas and beys who dominated the legislative instance and thus shaped the executive power. Many of those pashas and beys themselves owe their rise to their 'linkages' with state power, but from the vantage point of, say, the 1950s, they would be seen as a distinct social force, and they would, indeed, behave as such.

Ironically, the term "bureaucratic bourgeoisie" may be more relevant to countries where a clear distinction exists between state and civil society, as well as the separation between different instances of political power; i.e. to developed capitalist countries. Here one can describe cases where senior politicians, or bureaucrats enter the world of business after their withdrawal from the public scene, benefiting from the connections that they had made during their public service.
In Syria and Iraq a similar pattern can be described for the rise of the “old” notables. In the 1950s big landowners, big merchants and senior bureaucrats shaped both countries’ politics. But four decades earlier, many of these people had been allotted miri (public) lands because of their collaboration with the British rule in Iraq, or the French in Syria. Urban merchants rose when they were on good terms with the British and the nascent monarchy. In Iraq, out of the 300 sherifian officers who composed the backbone of the incipient state apparatus in the 1920s, only three descended from wealthy families. Yet only two decades later, the average holding of each of these bureaucrats was 10-15 thousand donums of land (Batatu 1978: 273).

But without addressing the general issue of power and wealth, our analysis may seem to give support to the notion that in the ‘exceptional’ Middle East power gives rise to wealth in the Arab Mashreq and not vice versa.

9.5 Political Authority Revisited: The Exceptional Mashreq?

Political authority, I have tried to demonstrate, takes firm root within a given community/society if the active members of the latter are convinced of its necessity for the reproduction of their social relations. This conviction needs not be necessarily viewed as enthusiastic support, or that people necessarily view the political system as the optimal one. A complex set of calculations is involved here, whereby people weigh the costs of change with the feasibility and benefits of any alternative. The costs of protection and guaranteeing this reproduction; that is the surplus extracted from the subjects by those assuming political power, vary according to the perceived dangers that the community faces, the limits of extraction beyond which the subjects may revert to alternative less costly sources of protection, and the prosperity of the protected community.

By positing the two pillars of political authority as physical violence and consent (moral, ideological), we have noted that consent must be of paramount importance in comparison to the other pillar. This should not mean at all that physical violence has played a secondary role in the imposition and perpetuation of the various political structures in history, but rather that unless we are dealing with passing episodes, physical violence and the threat to use it against those who break certain norms must be legitimized, in such a way that a significant proportion of the population (or its active sections at least) would accept these norms as being more or less their own norms, the norms that are designed to preserve them and enhance their well being, whether they view these norms as given by god or as manmade. Moreover, consent should not be necessarily identified with acceptance, enthusiasm or active support. Suffice it that this section of society feels that these norms serve a positive function, even if they have objections to the concrete working or applications of these norms, or have suggestions to improve or perfect them, or feel that those in power are not quite trustworthy of looking to the faithful application of these norms and enforcing them.

It is under these conditions that people will accept physical violence (even very brutal violence and on a collective basis at times) as an unavoidable means to dissuading those who would think of breaching “our” principles. Yet the degree of permissiveness towards state’s violence naturally varies with time and according to the circumstances. No doubt, many Parisian sans-culottes were expressing sincere joy as they used to gather daily in order to applaud the chopping of the heads of the ‘enemies of the revolution’, and many Iraqis were thrilled by scenes of the murder of
the powerful men of the monarchy, acts that would be frowned upon decades later as uncivilized and/or unacceptable.

As people identify themselves with a certain socio-political system, they tend to accept more violence against its/their enemies, or against the perceived threats that this system might face. In the meantime, they tend to acquiesce to the usurpation of more and more authority by political leaders as necessary means, when and if they perceive imminent dangers threatening their survival. But the specific terms of acquiescence are also subject to the historical period that we are dealing with. A ruler who is viewed as representing the will of some sacred god of the community, for example, is allowed to inflict injuries upon the opponents of god, or conversely to ask for physical sacrifices from the faithful subjects that other rulers can not dream of.

This conclusion, however, could be stated differently: that the balance between the physical and the purely moral should not be taken as fixed over time or across cultures and space. Sacrificing a young virgin to the Nile every spring in order to avert his anger, or the Spanish Inquisition should be seen in this light, that they are ‘necessary’ conditions for the harmonious functioning of consent. Consent and physical violence are not, therefore, components of an equation with a zero sum result; i.e. an increase in one of the variables equals the decrease in the value of the other. Revolutionary periods are typical examples when consent (in the form of enthusiasm) and violence both increase, while periods of stability of a regime could witness a decrease in both: passive consent with a minimum of law violations. In other words, as violence, or the threat of violence, appears in the eyes of the dominated as a means to ensuring the rendering of services by the rulers, or as a means to achieving the harmonious functioning of “our” society, political authority achieves its highest degree of legitimacy.

The incidence of recurrence to violence does not determine, by itself, the legitimacy of a regime since a society that faces—or that is indoctrinated in the belief that it faces- formidable threats or enemies would be willing to acquiesce to a higher dose of violence as a necessity for preserving the unity.

The above analysis enables us to reject the false contrast between the dynamics of European development on the one hand, and those of third world (and particularly the Middle East) underdevelopment on the other. This problematic is often stated in terms of two contrasting categories: power vs. wealth. The crude, but unfortunately widely accepted thesis, is that in Europe classes were born ‘economically’ and then imposed their political interests on their respective societies by capturing state power, whereas in the Middle East the opposite is assumed to be true, i.e. that wealth is created via power. What I have tried to demonstrate above is that it is erroneous to contrast or compare the two categories of power and wealth simply because wealth is one of the manifestations of the wider concept of power. I will show below that many contemporary authors went at length to address a false problematic because they departed from (unfounded) assumptions that are directly derived from that mistaken way of contrasting ‘economics’ and ‘politics’.

First, by equating power with coercion they dispensed with one stroke with the hard task of analyzing ways in which power articulates with people’s real fears and worries, thus engendering forms of acquiescence towards power and authority. Second, by failing to note that until the dominance of capitalism, the political-social and economic functions are inseparable, and that affluence is a function of the political services that a group performs for the community, they assume that any system where production relations are not purely market-based is either irrational or is based upon coercion.
A typical example of confusing the forms of rise of property relations under various systems, is Roger Owens’s observation about the ‘creation’ of landed estates in nineteenth-century Egypt which, according to him:

“had its origin not in the development of local market forces but in an exercise of state power. It was Egypt’s rulers who handed over a large part of the Delta to government officials and Egypt’s administrative system that allowed others to seize land for themselves. ...The first tentative move for the establishment of private property in land was entirely the work of the country’s rulers, for reasons of their own.”

Owen 1981a: 535-536

When the rise of property relations, especially precapitalist ones is explained in terms of ‘either the state or the market’ then the author would inevitably fail to ask the major question regarding the wider historical perspective: where and when did feudalism, or any precapitalist form of property for that matter, arise from market forces? We have noted in chapters four and five that the European ‘benefice’ began as a form of grant from the sovereign, then they became increasingly assimilated to ‘honor’ (public office and jurisdiction). Later on, grants of land ceased to be gifts, to become conditional tenures held in exchange for sworn service (P. Anderson 1974 a: 139).

For Owen, and many other writers however, markets are the ultimate arbiters of rationality irrespective of the socio-economic system under study. Yet even the rise to market-based relations of social reproduction was characterized by the interplay between political and economic forces. Only with the dominance of capitalism do economic functions gain autonomy and the functions of the capitalist class are widely seen as purely economic, hence the widespread notion that capitalism is the only rational system, or the only system that is based on ‘economic calculations’.

Before capitalism, agricultural communities in Western Europe and the Mashreq alike have almost always acquiesced to the domination of horse/camel riders who forced them to pay tributes in exchange for protection. But the outcome of this conjugation of peasants and warriors was not the same across communities or time, for this depended on the level of technical development, the previously existing property relations within that given community, and most crucially on the level and intensity of social conflicts and bargains between oppressors and oppressed and the means and efficiency of resistance that peasants can put in the face of the new oppressors. The resulting social relations of production and property relations are therefore neither the product of the intentional designs of the economically dominant class, nor of those who assume political authority.

Does this conclusion contradict the fact that members of the ruling classes enjoy the material privileges of their political position by turning themselves into members of the propertied classes? And how do we account for the fact that access to political authority has been an important factor in facilitating access to membership of the affluent classes within a given society? Or perhaps these phenomena are not universal ones, and are only the product of a radically different setting in the third world or the Arab/Islamic world, which should invite us to analyze the latter’s processes of socio-economic and political development in a different manner?

Two flawed methodologies seem to complement each other in most of the literature on Middle East social structures and power relations. The unfortunate outcome is that some of the best minds that produced innovative ideas in critiquing the conventional orientalist thinking could not detach themselves from the basic tenets of that thinking.
The first flawed methodology is empiricism, which confines its analysis to the subjective sphere, i.e. how a society perceives or legitimates its divisions, without in the meantime trying to explain the historical conditions that gave rise to these divisions and the basis of their legitimacy, or to the process by which a society ideologizes its divisions. Once again we have to reiterate that ideologizing and legitimizing social divisions and relations are not necessarily a ‘false’ or conscious acts of manipulating the people. They are dictated by the social necessary consciousness of an epoch.

Conventional orientalism/empiricism produced the ‘mosaic’ model: a highly distorted and ideologically biased account of the structure and performance of the Mashreq social formations, whereby “Islamic social structure is conceived as a mosaic or patchwork of tribes, religious minorities, social groups and associations” (Turner 1978: 39).

With the exception of a few clearly propagandist authors, empiricist/orientalist writers were not necessarily ‘wrong’ in their description of divisions among social groups. Many of them enriched our understanding of the working of some aspects of the societies under study. Yet, the flawed methodology lies in the fact that each and every precapitalist formation is a ‘mosaic’ society, if we look at it through our contemporary prism21. The mere fact that these structures were articulated in a way that looks unfamiliar to us today does not warrant any conclusion regarding the despotic/tolerant nature of a given political system, or the passiveness of society and the lack of indigenous social dynamics. Thus a constant theme in the work of established orientalists like Gibb and Bowen, Bernard Lewis, E. Kedourie and P.J. Vatikiotis was the totally passive social structures in the Middle East, whereby, according Roger Owen’s critique of Gibb and Bowen’s Islamic Society and the West

“Society was divided into rulers and ruled, the former segregated from the latter by the fact that they were organized into ‘closed castes’. The rulers possessed near absolute power and exercised it directly on the ruled without the mediation of any intermediary groups or institutions (with the possible exception of ulama or men of religion.”

Owen 1975: 103-104

Gibb and Bowen, as many other orientalists, cannot imagine social struggles and configurations in any other way than their nineteenth-twentieth century manifestations, i.e. explicitly defined classes with their explicitly defined organizations, each waging struggles in defense of one class cause or another. In this way, all other forms of social configuration and struggles are equated with the non-existence of classes or struggles. And in the case of the modern Mashreq state, a line of continuity is imagined between the ‘inherently and exceptionally’ despotic Ottoman state and its imagined descendant. Numerous empirical studies (many of which have been cited in this work) have clearly shown the fallacy of such concepts regarding the Ottoman Empire, which was not -and could not be- as centralized and despotic as much orientalist stereotyping would want us to believe. Seen in historical perspective, the Ottomans were comparable to any of their contemporary imperial and state structures that had to preserve a delicate balance between the autonomy of the various components of the societies they ruled and the requirements of extracting as

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21 On the other side, there were these authors who tried to ‘refute’ orientalist approaches by borrowing textbook categories and applying them to the Mashreq societies. Instead of carrying serious studies on the mechanisms of precapitalist formations, they simply stretched modern concepts into the past. Not surprisingly, the outcome was a caricature in which we find ‘working classes’ and ‘bourgeoisies’ even in the sixth century AD!
much tribute as possible and pumping it to the center. Compared with their contemporary counterparts, the Ottomans were probably less tolerant of societal autonomy in some practices and more tolerant in others, for example towards Christians and Jews.

It is here that the second flawed methodology, what in the preceding chapters we called a doubly mistaken reading (or interpretation) of history: a mistaken reading of European history on the one hand, and a mistaken interpretation of the Mashreq's formation on the other, particularly colors the analysis on class and state in the Mashreq.

Regarding the role of politics and authority in a precapitalist formation, I have tried to show that the contrasting Europe to the Mashreq is unfounded because in both cases economics and politics are inseparable instances. The differences however, lied in the costs of protection required in each formation, whether protection from nomadic threats or from floods. But then how can we explain the role of the state during the rise to modernity?

"Theorization" the "inverse" relation between political power and economic wealth in the Arab world, Richards and Waterbury write:

"[A]t no time in the modern history of Egypt has a capitalist class captured the state. Rather it has been the quasi-autonomous state and its manipulators- the Muhammad ‘Ali dynasty, the British, or the military- that have broken up, reassembled, or created out of whole cloth existing and new class interests. Class formation and state policy are intimately bound, with the traditional path to economic status lying through access to political power. In Egypt and elsewhere in the Middle East, in contrast to the experience of the capitalist West, no group has obtained an enduring grip on political power or on economic resources."

Richards and Waterbury 1990: 232-3

Ismail Sabri Abdulla puts the ‘inverse’ relationship in a more explicit way:

"[C]apitalism in the core (center) has built its economic might, then relied on it to seize state power, while capitalism in the periphery seizes state power first, then uses it to build its economic might."

Sabri ‘Abdallah 1986: 42

Finally, Ghassan Salame pushes such conclusions to their extremes by stating that:

"[E]conomic and financial resources did not play a central role in the establishment of political power in the Arab world. Consequently, people still refrain from viewing them as being necessary elements of power. Wealth is the reward received by the powerful and not the source of this power. One could argue that such an un-economic political culture is the most suitable local complement to foreign economic domination."

Salame 1987 b: 232

And:

"Economic and financial capability plays no fundamental role in the making of Arab authority. Hence people do not come to look upon it generally as a factor of power, but rather as an addition to an already existent power which was made thanks to the sword. Money is the reward for the powerful, and not the source of his power."

Salame 1987a: 116

These, and other, statements are in fact the perfect combination of the two flawed methodologies: empiricism and ahistoricism. They take everyday
consciousness as their point of departure; what people consider the real merit "money is the reward of the powerful and not the source of his power". But what form will money in the hands of the 'powerful' take? Will it be a fief, a factory or a bank? And what is the specific form that power takes at different phases? Will it take the form of a military Caesar or a popularly elected Winston Churchill? The answers to these questions lie in historical processes whose outcome is neither decided by everyday consciousness, nor even by the most determined political will.

However, the above analyses basically tell us that political will and power are indeed conditioned by social structures 'elsewhere' but not in the exceptional Middle East, a serious claim that needs to be examined thoroughly here, because it forms the core conclusion of the 'exceptionalist' Middle East theses and is widely shared, in full or part, by many authorities.

In my view, these statements combine (at least) three serious methodological flaws, which I propose to outline.

1. The first flaw results from a misconception of the life cycle of social formations in general.

Social formations, capitalist or precapitalist, are assumed to have the same features and characteristics throughout their duration. Thus if capitalism today is seen to be run by capitalists, and if politics is the crystallization of relatively transparent social struggles, a whole set of constant and non-changing characteristics is derived from this particular moment in the life cycle of the capitalist social formation.

But what if we reflect on the 'material' interests that drove the Reign of Terror in 1794 France? What if we think of how the Parisians viewed the relationship between power and wealth at a time when wealth and economic might could not prevent their holders from facing their miserable fates on the guillotine? Salame, and Waterbury would have certainly assured us that 'economic and financial resources did not play a central role in the establishment of political power in France'. And later on, when the leaders of the revolutions, the peasants who formed Cromwell's model army, the peasant gentleman Cromwell himself, or the individuals from the atomized Parisian plebeians, would get enriched thanks to the revolutions, a contemporary observer may come out with the conclusion that these people had captured state power first, then built their economic might and not the other way around.

The point that I would like to make here is that the interplay between the various instances: ideology, politics and economics are not given once and for all for any formation, and that is why we must firmly distinguish between the maturity age of a certain social formation, and the age of its unfolding. In the former, the regulating mechanisms seem to be working in a spontaneous way, the system has imposed its legitimacy on the majority of the population, and its rules look like the 'natural' and eternal rules. However, these rules and mechanisms are far from established during the formative year, and hence the revolutions that are, by definition, acts of collective violence against substantial groups of the population who refuse to abide by the new rules. And once again, revolutionary periods are characterized by politicizing most aspects of social life.

But in order to accept the conclusion that the high level of politicization in the present-day Middle East is only a product and a feature of its transitional historical context, we have to accept a necessary corollary: that irrespective of the intentions of political leaders, state capitalism, or whatever terminology one would like to use for the state interventionist era, is inherently transitional and not an independent and self-
An and in order to accept this proposition, we need to firmly reject the notion that Mohammed Ali’s social formation, or even the Mashreq’s social formations of the 1940s, were capitalist. Without these conclusions, we are only left with the inevitable orientalist explanation of the eternally despotic Mashreq that is always by sheer power, a statement that could be easily refuted once we remember that during the age of maturity of the sharecropping system – the 1930s and 1940s – parliaments, political parties, big landowners, and urban notables did prevail in the Mashreq, with all the semblance of ‘wealth and financial capability playing a fundamental role in the making of Arab authority’.

2. The second methodological flaw is a direct consequence of the first, and is based upon a crude instrumentalist understanding of classes and political power.

Waterbury’s contrast of capitalists ‘capturing states’ in the West, and ‘states capturing classes’ in the East, raises many questions (and exclamatory points), especially when it comes after decades of lively and profound debates on the capitalist state: its role, autonomy, and precise relationship with the capitalist formation and with the dominant classes.

For a contemporary author to say that French or American Capitalist interests dominate the respective state machinery may not raise many eyebrows, precisely because the statement is too loose to allow much fruitful conclusions. However, very few, if any, would have accepted this designation in 1776 US or in 1789 France. For the proponents of change, these transformative moments were establishing independence, liberty, equality and fraternity, and not the rule of capital. The opponents simply looked at the rebellion as mobs and not as ‘capitalists capturing state power’. As for the state, it was seen by the former as an independent rational machine acting on behalf of the nation, and by the latter as a despot acting on its own (Schama 1989).

In both cases, no class content could have been derived in advance from the incumbent state machine, simply because the capitalist class had not consolidated as a class yet. However, despite the independent appearance of the French and the Mashreq revolutionary states, they did reflect the aspirations of some, and they did arouse the antagonism of others. And it is in this sense, and not in any instrumentalist sense that one can understand the class content of states, or to quote Supple:

“The extent of state political and economic activity obviously varied from country to country. Yet, even where it was at its most extreme, it cannot be treated as an entirely independent element in socio-economic processes - i.e. as an institution, which, with or without consent, imposes its will on all other institutions. Although its power was virtually absolute, the state must also be seen as part of society, reflecting particular social forces and representing (however confusedly and narrowly) specific group or class interests...[T]he state enters the arena... not as an arbitrary and unpredictable force, but as the agent of ‘old’ or ‘new’ forces or classes within society, acting either on self-interest or in pursuit of an ostensibly national purpose, within which their own

24 Once again, we need to specify here that to designate state capitalism as a ‘birth’ phase of a formation does not entail any teleological assumption about the newborn, who may or may not survive, and who may grow up healthy or deformed.

25 Some, but certainly not even the majority, of these works have been cited earlier in this work. Such classical debates as the Miliband-Poulantzas debate of the 1960s, the German debate in the 1970s, among many others have cast away, or so one would think, the crude versions of classes capturing states and running them at will (See Miliband 1968, Poulantzas 1978, Holloway and Picciotto eds. 1978).
role can be rationalised. The state, like the entrepreneur or the labour movement, is a social phenomenon.”

Supple 1980: 306-7 (Italics added)

But once again, in order to accept this conclusion, one has to reject the crude version whereby the capitalist class is imagined to be those bankers and merchants that were part and parcel of the precapitalist formation. And if we identify the capitalist class with these strata, then one would have to affirm that the French revolution was more anticapitalist than the nationalist Mashreq ones. For if the latter have nationalized the assets of some of these strata, the French executed them.

3. The third flaw in the exceptional state theses is confusing modes of productions with individual positions within modes of production.

Classes are not made, neither are modes of production. In order to accept the idea that the British, the French, ‘created’ classes, we have to treat imperialism as a subject with a will, not as a relationship the outcome of which depends on the balance of power between the two partners in this relationship. And if we accept the thesis on the will of imperialism, then we cannot understand why colonizing Australia, or the territory that became the US has led to the rise of capitalism, while colonizing Benin invigorated slavery, and colonizing Egypt consolidated precapitalism. Simply put, imperialist interests overwhelm foreign territories with one aim; to maximize their political and economic gains. Whether this condition would be fulfilled by the consolidation of a gentry, an industrial capitalism, or sharecropping sheikhs depends mainly on the levels of development of the invaded social formation. The same holds for local power holders, be these military juntas or revolutionary reformers.

However, by saying that political power does not create modes of production or forms of social organization, we are not underestimating the active role that the former plays in shaping the socio-economic relations. Political power, in Europe, as well as in the Mashreq, has been instrumental in assigning roles within the dominant social organization, but not in ‘creating’ classes or modes of production.

New modes of transportation and trade, developments in warfare and control technology were endogenized and articulated by different societies and segments within societies in different ways. In the Mashreq, the outcome was mainly the sharecropping system, which neither the Ottomans, nor the British or local leaders had much say in deciding its mechanisms and modalities. However, political power— the British, Ottomans, or local leaders— played a crucial role in deciding who becomes a big landowner, and who is deprived from land ownership.

By confusing the two, seemingly, similar processes: the rise of new social relations on the one hand and the dominant or dominated positions that individuals occupy within the rising structure of social relations, we cannot understand the mechanisms of power in transitional instances, because we are led to believe that political intervention is a peculiar anomaly that characterizes the Middle East. In this respect, one needs only to quote an example from England, the classical model of liberalism, where the practice of selling monopolies for the starting of new industries “had started with Elizabeth who had bestowed valuable patents upon favourites and pensioners, upon servants of the Queen’s household and upon clerks in lieu of salaries” (Dobb 1963: 165). It was only with the Stuarts that royal grants of monopoly substituted a system where influence at Court determined the distribution of economic rights of way.

Let’s conclude by stating that the complex processes of class consolidation and formation during the passage to modernity cannot be captured by using
analytically poor dichotomies putting states against classes, or by applying criteria and categories that can only be valid in analyzing structured and mature social formations.

What I have tried to show above is that states and classes are not two parallel categories, nor are they reified instruments. During transformative periods both undergo changes the outcome of which is never given by simple statements of intent or political dreams.

As the modalities of class consolidation, the interplay between politics and wealth formation, and the ideological mantles that these processes look similar in both the Mashreq and some European cases, we may as well attempt to conclude this work with a few thoughts on the divergent outcomes of these transformations in each case.
Appendix to Chapter 9:
Note on the Method of Sampling

As was mentioned in chapter nine, no surveys on the contemporary economically dominant families and individuals exist for Syria and Iraq. Besides, much of the information regarding influential personalities in both countries is considered state secret.

In my attempt to compose such lists for Syria and Iraq, the objective was not to draw an exhaustive directory on 'who's who' in each of these two countries, but to produce a representative sample of families and individuals who belong to the upper crests of each country's affluent classes.

A) Syria:
My major source for Syria was two comprehensive lists of 347 executed projects under law no. 10 of 1991. The handwritten (and semi-confidential) lists were prepared by the Investment Bureau of the Office of the Prime Minister around the year 1995 and was obtained by the present author during his research trip to Syria during the Summer of 1996.

They contain seven fields: name of owner(s), total capital expressed in US $, its precise field of activity, address, type of ownership, operating capital and the planned number of workers.

The second list contains an eighth field on the projected value of imported components for the project under implementation.

Other sources:
- Press reports;
- Almost 180 hours of interviews were conducted with seventeen merchants and businessmen (who preferred to keep anonymity for obvious reasons) to know some details on the personal details and backgrounds of the names mentioned in these lists;
- Records of board grade of membership in the Damascus Chamber of Commerce.

B) Iraq:
Iraq remains one of the most secretive states in the world and until a few years ago it was particularly difficult to verify the available data on its economic elite.

An original list of 75 families was published by the present author (al Khafaji 1983). This was mainly prepared by reliance on interviews with ex-officials and members of Iraq's business community living in exile. In addition, and because of the construction boom of the 1970s, a detailed search in specialized business magazines (notably the London-based MEED: Middle East Economic Digest) was carried to look at the names of bidders for contracts. Other sources, included business directories (notably, several editions of Giselle Bricault (ed.) Major Companies in the Arab World. Graham & Trotman Ltd., London).

Since then major improvements could be made to the above list, thanks to the following sources:

a) Lists of gold and cash donators to the Iran-Iraq war effort, which appeared in the Iraqi dailies during the period July 1st – Sep. 8th 1983. I selected the names of donators of US $ 50,000 and more. The inadequacies of these lists are clear. For example, many individuals -especially those belonging to the ruling clan- contributed trivial sums, in order not to show their flagrant wealth.

b) Advertisements that appeared in Iraqi papers announcing the establishment of new private companies or amending the statues of already existing companies to raise their total capital between Jan. 1st 1989 and Jan. 1st 1990.

Under the name of new owners. Both two sources were supplied to the present author by Professor Kiren Chaudhry (University of California at Berkeley) on May 1991.

It should be mentioned however, that despite the efforts made to compile and verify the data on the new elites, the major (and certainly not the only) gap remaining is that many highly
placed political figures and their immediate kinsmen and women are widely known to have amassed tremendous fortunes through various means. Yet, unless some written or verifiable evidence could be shown on the wealth of these individuals, their names were not mentioned in these lists.

As in the case of Syria, it was possible to trace the lines of continuity and rupture between old and new affluent classes by comparing the composition of the new elites with the old ones, the sources on whom are listed in the first two chapters of this work.
Chapter 10

In Lieu of Conclusion
From Modernization to Rentierism

Similar historical processes which the Mashreq and different parts of Europe had undergone at various historical points of their development led to the formation of similar socio-economic and political structures, as well as similar cultural representations of identity. Similar crises and conflicts produced similar social, cultural, and economic manifestations and produced similar powerful forces that drove the respective societies on the road to bourgeoisification.

Establishing this conclusion should throw into serious doubts the dominant theoretical edifice which claims that colonial Europe radically altered the course(s) of development of the third world thus rendering Europe's passage to capitalism a unique one and the rise of capitalism in the third world either a foredoomed project or a process that can only be induced by 'external' factors, namely the deliberate policy options of the western powers.

The Mashreq's socio-economic systems responded to the changing technological and commercial trends from the late eighteenth century in ways that were quite similar to Eastern Europe's- as well as some Western European-responses to the commercial revolution of the sixteenth-seventeenth centuries. The rise, consolidation and subsequent crises of the precapitalist structures that took place between the first third of the nineteenth century and the mid-twentieth century followed a pattern that was quite similar to the other precapitalist structures elsewhere. The buds of bourgeois transformations were the products of these developments and their manifestations were very similar to the ones that western Europe witnessed in the late seventeenth and eighteenth centuries.

An obvious -and perhaps most complex- question that should be raised as a conclusion to our study is: given these striking formative similarities with the 'west', what went wrong with the Mashreq's decades of modernization attempts? Why weren't the social forces that triggered the national revolutions and were further unleashed by them able to establish the necessary mechanisms for a superior form of social structuring and development, capitalist or otherwise?

The question is not novel, of course, and we have briefly touched upon it when discussing the nineteenth-century formation of precapitalist landed structures, which are misinterpreted by many scholars as embryos of capitalism in the region. Several schools of thought have addressed this issue whether explicitly or by way of attempting to explain the origins and causes of underdevelopment. Not surprisingly, various combinations of nationalist-Islamist-Marxist versions of the dependency-world systems narrative on development-underdevelopment still dominate the public perceptions as well as scholarly literature on and in the Mashreq countries.

One is normally confronted with a host of easy statements that pretend to provide the answers. For almost four decades the dominant arguments revolved around the intentional or unintentional role of colonial and imperialist powers in perpetuating underdevelopment and weakness of their subjects. While foreign dominant powers would probably have a stake in hindering the progress of their subjects, such answers fail to explain the mechanisms through which these powers

1 See chapters 1 and 2.
could achieve their goals. At practically any juncture in world history, there were contending, even warring, powers. But even the defeated and devastated Germany and Japan could resume their march after crushing wars and countless constraints imposed on them by the victors.

In this study I have tried to warn against confusing two seemingly interrelated processes that the 'third world' has undergone since the opening of the European colonial era: exploitation/plunder which the colonial and imperialist powers have certainly inflicted upon their victims on the one hand, and what we have come to call 'underdevelopment' on the other. In a sense, underdevelopment is the way that precapitalist social structures, or social structures that are not yet ripe for the rise of capitalist mechanisms endogenize the effects of exploitation/plunder. For if by exploitation we mean the phenomenon of unequal exchange between developed and underdeveloped regions, then to say that exploitation has caused underdevelopment begs the question of what made unequal exchange possible in the first place (Emmanuel 1972)

Plunder and exploitation by themselves do not, and cannot, explain neither the rise and further enhancement of capitalism in the advanced capitalist countries nor the underdevelopment of the "third world". Long-term and systematic unequal exchange to the advantage of the advanced countries was only made possible by the fact that capitalism is the first -and hitherto only- socio-economic system whose expansion is mainly -but not exclusively- dependent on the systematic and consistent rise in labor productivity. This dynamic has been made technically possible by the continuous change in production techniques. But the revolutionizing force is not technology itself; rather it is technology that is predicated on specific socioeconomic conditions-namely, the competition among capitalists on the one hand, and attempts by capitalists to minimize the costs of organized and living labor on the other. These socioeconomic conditions render the introduction and application of technical innovation and organizational changes that aim at raising efficiency- measured in terms of raising capital returns to be sure- an imperative and not only an option for survival under capitalist conditions. Exploitation through unequal exchange thus occurs because a capitalist formation raises productivity in a systematic way, while raising productivity under the precapitalist formation with which exchange takes place is either not possible or not necessary, or both (Brenner 1977)

If one is to look at imperialism and colonialism as processes or relations and not as willful subjects, as much of the romantic literature on the third world does, then we have to explain the outcome of the processes of colonial and imperialist exploitation not by imperialist "attempts" but by the way the other side of the relationship, i.e. the exploited side, endogenizes this relationship and not vice versa. For on the exploiter's side there is one constant; namely the attempt at maximizing

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2 This statement does not exclude capitalism's reliance on 'non-economic' factors, such as brutal force whether inside the capitalist countries themselves (the fencing of farms in England, for example) or in the colonies and semi-colonies. It does not exclude the reliance of capitalists on extending work-hours as a means for increasing their profits. While these, and other similar means, constitute the main tools of precapitalist expansion and survival, they are not the defining or main characteristics of capitalism.

3 See chapter one. It must be stressed here that sporadic improvements in productivity can, and do, occur but they are not necessary conditions for the survival and reproduction of a precapitalist formation. This means that in the short term, terms of trade between exports of 'underdeveloped' countries and developed ones can be in favor of the former. This was generally the case during the initial stages of integrating the 'third world' into the world trade. More recently, oil-producing countries experienced a similar situation during the 1970s. But in both cases capitalizing on these gains was not possible for the reason mentioned above.
gains ensuing from the colonial or imperialist enterprise. Furthermore, this attempt at maximizing gains is multifaceted since only a reified concept of colonialism or imperialism can reduce the various individual and collective interests here into a unified strategy.

Whereas colonial powers perceived their objectives in a particular way— and even here different colonial powers at different stages had different ways of achieving their goals, individual capitalist concerns had their own interests and calculations to maximize their gains from the colonies or semi-colonies. Hence we feel that much of the debate on "what colonialism or imperialism wanted form the third world" and whether "it intended to build or impede capitalism" in the subjected areas is baseless. Forcing colonial concessions on nineteenth-century Japan, or exploiting cotton plantations in eighteenth-century Virginia, for example, led to radically different outcomes from forcing similar concessions on the Ottoman empire and exploiting agricultural plantations in Africa although the European interests at stake were the same.

The particular forms of social configuration in the exploited areas define and determine the types of property relations and forms of social organization that can evolve under the impact of an intensified incorporation within the world market. In fact, these configurations define in the first place whether directing the production of a certain country or region towards export— even if this production is mainly raw or agricultural material— would turn out to the benefit of the exporting region or to the importing one. One cannot assume the formation of underdevelopment from the mere fact that the third world was mainly an exporter of non-manufactured products. Sandra Halperin clearly demonstrated that:

"[C]ountries in the core were also incorporated into the system as raw materials producers (e.g. Denmark, Sweden, the United States, Canada, Australia). Moreover, core development and peripheral development before the world wars were generally more similar than dissimilar"

She concludes her powerful analysis by the following statement:

"In fact, all the structures we associate with dependency were as common to Europe before the world wars as they are to the Third World today—including dualism, dependence on a narrow range of export goods, on a few trading partners, and on foreign capital and technology; and specialization in the production of raw materials and primary crops."

The productivity of labor, which is a function of the existing social system or predominant relations of production, determines the ways that the incomes accruing from exporting primary products would be reinvested. This is why we concluded that it is the existing systems of social reproduction in the third world that define the extent to which the development of the productive forces can proceed and the potential for doing away with exploitation and unequal exchange or, in other words, for launching a process of capitalist development.

According to the above, what the conventional literature calls 'developing', 'underdeveloped', 'third world', 'peripheral', or simply 'dependent' societies are those societies where the domination of capitalist relations of production and reproduction have not taken firm roots. This systemic definition of the relatively modern twin notions of development/ underdevelopment radically differs from the various ways that much of the development literature has hitherto characterized the
nature of ‘underdevelopment’. But before we proceed to specify what we mean by the domination of capitalist relations of social reproduction we need to briefly show how much of the mainstream definitions stop short of adequately accounting for the process of capitalist domination as an indicator of the ‘take-off’ to a developed status.

10.1 Extensive Growth, Intensive Growth and Capitalism:

Several schools and authors have captured essential aspects of the characteristics of ‘underdeveloped’ formations and thus enriched our understanding of the mechanisms that have set two worlds apart: a ‘developed’ vs. an ‘underdeveloped’ world. Yet in our view, neither characterizing the third world formations as peripheral or deformed, nor relying on quantitative differences to set the two worlds apart, or singling out the absence of particular institutions/policies can provide the key explanation to the persistence of the of qualitative gap in the case of many ‘third world’ countries, including the Mashreq, and the periodic rise of a few countries to a ‘developed’ status. In order to show this point more clearly, let us take the important contribution of Lloyd Reynolds as an example.

Reynolds attempted to define growth by studying a sample of forty-one third world countries whose population exceeds ten millions each (1983: 941-980). The survey included seven countries in the Middle East and North Africa. These are Algeria, Egypt, Iran, Iraq, Morocco, Sudan and Turkey.

His methodology differs significantly from other scholars like Simon Kuznets, W. Arthur Lewis, and the Marxists and structuralists in general. Kuznets, for example, considers a situation in which population and output are increasing at the same time, and thus leading to no rise in per capita income, a situation of genuine growth (Kuznets 1966, 1971). This is because such growth, according to him, indicates an increase in capacity that is absorbed in population growth, or it designates a society’s ability to reproduce itself. Reynolds qualifies the designation by defining “a situation in which increased capacity is fully absorbed by population, with no uptrend in per capita income” as extensive growth. This is contrasted to intensive growth, which is “a situation in which capacity to produce is rising appreciably faster than population, so there is a sustained rise in per capita income” (Reynolds 1983: 943). Because Reynolds views these two situations as historical phases (but not inevitably traversed by all societies) where intensive growth follows a prolonged period of extensive growth, he defines a turning point, the time at which extensive growth turns into intensive growth.

Reynolds’ methodology raises two sets of questions:

1. How accurately can such notions as ‘extensive growth’ and ‘intensive growth’ describe the actual performance of an economy and the changes in the levels of productivity and efficiency within a given society?

2. How useful are these terms in forecasting or anticipating qualitative changes in the working of an economy or society?

The second set of questions is immediately addressed by the author. Since the uptrend should be sustained over relatively long periods, within which there are bound to be short-term fluctuations, “the turning point cannot safely be dated until a generation or so after it has actually occurred” (Ibid. 943). Yet, if the validity of Reynolds’ concepts is established, then this lack of forecasting power should not be a serious deficiency, because they can be used as a tool for historical analysis. So one should look more closely at the first set of questions, i.e. the accuracy of concepts.
Validating the sustained rise in per capita income or output is based upon the assumption that this is an indicator of an expanding domestic market for manufactures:

"In my schema, the turning point is typically characterized by an acceleration of agricultural (or occasionally mineral) output and a rising trade ratio. Rising income from exports does broaden the domestic market for manufactures, but the initial supply response comes mainly from handicraft workshops and rural small-scale industries. There is usually a lag of several decades before factory industry becomes prominent."

Reynolds 1983: 943

As is clear, an adherent to a dependency/world system approach would strongly object to such an analysis. For a rise in the ratio of agricultural/mineral exports to total output would mean deepening dependency and peripheralization of the economy because the broadened market would simply be an absorber of high value-added imports from the center/core countries. Yet, even if one rejects the d/ws conceptualization and approach, it would be hard to uphold Reynolds’ characterization of the process of growth. A major reason is that although Reynolds emphasizes the fact that there is no inevitability that the turning point would be reached by a society that is undergoing extensive growth (seven of the countries in Reynolds’ sample had not reached that point), the precise mechanism or mechanisms that lead from one phase to the other are not defined at all. In fact, the author himself admits that: “There seems no reason why per capita income must begin to rise, or why extensive growth could not continue indefinitely” (ibid. 955).

But then, what is the explanatory value of this schema? In his account for Europe’s turn from extensive to intensive growth, Reynolds is content with enumerating some well known facts, such as the consolidation of national states, and the autonomy of the market, without trying to show why and how did these processes effect the transition to an intensive growth path. But without situating such crucial processes as the ‘autonomy of the market’ within a wider historical/societal context, i.e. the consolidation of capitalism, which entails for the first time in human history the separation of the realms of economics, politics and law, the relationship between ‘intensive growth’ and markets cannot be established. The same applies to the formation and consolidation of national states, which are only meaningful in so much as they serve as predictors for the subsequent bourgeoisification of their respective societies.

What about those countries that crossed the turning point since the mid-nineteenth century? Reynolds is inconclusive here, but his analysis suggests that the factors accounting for a shift to intensive paths are mainly exogenous in nature; that is, they are not necessarily linked to any internal mechanisms or structures, and therefore may or may not appear during the phase of extensive growth. In other words, the process of extensive growth is not related by any way to the intensive growth process.

One group of factors, according to Reynolds, is the availability of resources and the external demand for them. Hence, it is easy to predict that moving to the intensive path is linked to opening up the domestic economy and the existence of a worldwide economic expansion.

The second set of factors is political: “the turning point is almost always associated with some significant political event. In only four of the forty-one countries does this not to have been true” (Ibid 963). These ‘significant events’ include the transfer of power from a less progressive to a more progressive regime,
the establishment of a stable government, or a change of colonial power. The arbitrariness with which Reynolds designates governments as progressive or stable can be seen from treating the rise of the Pahlavi dynasty in Iran or the counterrevolutionary coup of General Suharto in Indonesia as progressive. Or worse, when he explains Iraq’s move to intensive growth in 1950 (according to his schema) by the country’s emancipation from the Ottomans, an event that had occurred more than three decades before that transition.

These two sets of factors are supposed to account for an initial surge in industrialization, which, according to Reynolds, indicates a country’s turning point to intensive growth. And this is supposed to follow the opening up of a given economy to foreign trade. True, a measure of industrialization does indeed take place following a rise in the ratio of trade to total output. But the level of industrialization, the sustainability of industrialization and an increasing share of manufacturing to total output do not necessarily follow from that initial surge in industrialization. Actually, one can show empirically that an increase in the per capita income over long periods of time can perfectly go hand in hand with a stagnating share of manufacturing in the total output, as the stark failure of industrialization in the Middle East shows. Moreover, acceleration of agricultural and/or mineral production is not tantamount to rising per capita productivity as the numerous cases of post WWII third world show. More often than not, the rise in agricultural/mineral production in the third world was associated with a deteriorating per capita productivity as landlords and corporations engaged in mineral extraction found it cheaper to engage more labor than invest in machinery and improved production techniques. And it is the former, i.e. the sustained rise in productivity that really accounts for a process of intensive growth.

One way to rescue Reynolds’ schema would possibly be by substituting the ratio of manufactured exports to total output for the simple ratio of exports to total output. Because if the ultimate indicator of development is the level and efficiency of industrialization, then the ratio of total exports cannot be taken as a proxy indicator by simply stating that increased exports would ultimately bring modernization. A rising ratio of manufactured exports over time does not only indicate the level of industrial activity in a given country, but also the competitiveness of the industrial sector, thus its efficiency.

However, substituting industrial exports for exports in general as the indicator of efficiency would require a radical reassessment of Reynolds’ conception of development. This is because the potential for export is not seen as an indicator of productivity, but as a source of foreign exchange, the shortage of which Reynolds and many development writers consider as the major obstacle to industrialization in the third world. What Reynolds overlooks in the case of today’s ‘third world’ is exactly what constitutes the problematic of underdevelopment, namely that the availability of foreign currency due to rising exports of raw or agricultural products does not offset the choking effects of narrow markets. That is why he states that the rise in agricultural productivity is no longer an imperative for industrialization.

“Closed-economy growth models typically suggest that, unless food output rises at the minimum required rate, the internal terms of trade will turn in favor of agriculture. Rising food prices will put upward pressure on money wage rates, and this will choke off industrial growth in Ricardian fashion. In actual open economies, however, the situation is different. A country with flourishing exports of oil, minerals, timber, rubber, cotton, or whatever can trade these products for food, thus relaxing the domestic food supply constraint.”

Reynolds 1983: 966
We will note below that it was exactly this factor, i.e. the availability of abundant foreign exchange that is not associated with a rising productivity that puts serious brakes in the face of a capitalist ‘take-off’ in the Middle East. The relaxation of the foreign exchange constraint was a prime reason for the perpetuation of underdevelopment, because, among other things, the ease with which minerals could be exchanged for food imports impeded the rise in agricultural productivity. This in turn led to importing the developed world’s price structure into the domestic economies, thus aggravating the deficits in the balances of payment, dumping the incentives for industrialization, and forcing governments to subsidize food products to the detriment of long-term efficiency. In short, the symptoms of the “Dutch disease” have not become a legacy of the past just because international trade has become more efficient and flexible. The opposite may be true.

But perhaps the most serious flaw in Reynolds’ schema is that practically every country in today’s world, bar very specifically exceptional cases, is in a process of intensive growth according to his definition. Thus intensive growth is a relic of history and there is no need for a typology of contemporary societies based on his notions of extensive vs. intensive growth criteria. And this is not an exaggeration. For in his sample of forty-one countries (sampled in the early 1980s, let’s remember), the seven countries that had not reached his turning point were Mozambique and Bangladesh, two countries who had just gained independence in a decade or less, Afghanistan, Sudan and Ethiopia, were in the midst of civil wars, Zaire was just recovering from one, and only Nepal had a semblance of ‘normal’ political life. In other words, only countries undergoing some exceptional situations were still undergoing a process of extensive growth. And even this is not guaranteed, for it is very possible that they had been experiencing a decline in their per capita incomes. This is easy to verify naturally, since it is a well-known fact that, unless one is describing a catastrophic political and/or ecological situation, even the poorest countries today are ‘achieving’ some rise in their per capita incomes. But this is not where the problematic of development lies. For by ridiculing the problem of underdevelopment, Reynolds is simply sidestepping the whole issue of why is there a qualitative gap between two worlds despite the fact that most third world countries are undergoing what he labeled as ‘intensive growth’.

My argument is that the two notions of ‘extensive’ and ‘intensive’ growth are indeed very important in defining the socio-economic process which a country or region is undergoing at a particular point in time, provided that they are formulated differently. In fact, the early works on economic development in the 1950s used such concepts (or ones close to them) in a more nuanced and meaningful way. Reynolds’ ‘turning point’ is akin to the ‘takeoff’ point in Walt Rostow’s theory (1956). But the takeoff is associated with a substantial development of factory industry according to Rostow, which makes his definition much more meaningful than Reynolds. That is

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[1] It may be very tempting to compare the flow of petrodollars to the Middle East, especially since the early 1970s, with the flow of silver to the Iberian Peninsula in the sixteenth century. Despite being the richest West European region in that age, Spain and Portugal were among the last countries to move to capitalism. The famous French historian Cantillon noted that the flow of precious metals had pushed costs of living upwards and encouraged dependence on imports while discouraging the development of indigenous industries. Cited in Villar 1975: 105.

[2] Although discussing development strategies goes beyond the scope of this study, one might cite the case of the NICs here. Perhaps the single factor that no serious observer of these countries has failed to mention as playing a crucial role in the industrialization of South Korea and Taiwan is the spectacular rise in their agricultural productivity. See among others, Amsden 1990; Hamilton 1987.
why his periodization for the takeoff points of various countries was much closer to the period when these countries entered the path of industrialization and vigorous development than Reynolds' turning point. Whereas Korea's takeoff is dated 1961-1968, it is 1910 for Reynolds. These dates are respectively 1953-1958 for Taiwan (Rostow) against 1895 (Reynolds), 1933-1950 for Argentine (Rostow) against 1860 (Reynolds) (Rostow 1978, Reynolds 1983).

The classical study of W. Arthur Lewis (Lewis 1954) presented yet a superior definition for the 'turning point', which may be taken as an indicator of reaching the level of mature capitalism. According to Lewis, a sustained process of intensive economic growth over a long period of time would eventually exhaust any initial labor surplus in the economy. The supply curve of labor coming from agriculture to the 'modern' sectors of the economy, mainly manufacturing, is no longer horizontal and real wages must rise, thus forcing a rise in productivity in both agriculture and the 'modern' sector.

Yet, in order to apply Lewis' model, one has to redefine the concepts of 'extensive' and 'intensive' growth. For in this case a rise in per capita income would not be sufficient to label a growth process as 'intensive', and this is why Lewis' conceptualization of the development process is superior to Reynolds'. As is clear, bringing into economic use previously non-utilized natural resources, land, or human labor would ordinarily raise the per capita income, but this would still be a process of extensive growth if the marginal increase in output is constant over time, i.e. if investing a given value of inputs yields a fixed value of output without a rise in the productivity of the additional labor. Intensive growth properly speaking only begins when the major source of growth is accounted for by the rise in productivity.

Lewis' model, however, departed from certain basic assumptions, some of which were either too abstract or too oversimplified. 'Traditional' and 'modern' sectors are equated with agriculture and manufacturing respectively, an assumption that is highly controversial given the fact that urban sectors under precapitalism need not be equated with modernity, as we have seen in the case of pre-industrial Europe, or in the contemporary cases in the third world, where 'informal' activities apply non-capitalist survival strategies and calculations. On the other hand, a major weakness in Lewis' model is the assumption of perfect mobility of labor force between 'traditional' and 'modern' sectors in response to market incentives. This is a major weak point because the entire problem of development, according to Lewis, lies in the means that make the 'modern' sector (which is assumed to be capitalist) predominant in a given economy. Yet perfect mobility of labor and resources, including capital, in response to market incentives, is only possible and meaningful when capitalist structures, rationality, and mechanisms are already in place. Thus the problem of societal transformation is reduced to a technical ahistorical problem, whose solving resides in the hands of good decision-makers.

We should emphasize once again that the technical formulation of the passage from extensive to intensive growth is not a trivial issue, or something that has no theoretical or practical implications. But to develop this formulation without taking into account its social and historical conditions is to ridicule the problem itself. W. Arthur Lewis was the closest scholar among development economists whose...
assumptions were almost explicitly based on the wider context of an economy undergoing a transition to capitalism. Yet just like many modern scholars, he assumed that pre-capitalist and capitalist structures have no qualitative differences in the way they function and respond to motives, and thus the whole problem was reduced to an exogenous set of motives (foreign trade, the state, etc.) that could have the potential to unleash the process of "modernization".7

The most rigorous attempt to posit the problem of development within a historical materialist concept was made by Robert Brenner. In a powerful critique of the dependency/world-system approach to the problems of development/underdevelopment, Brenner posits the problematic of the transition to self-sustained growth by firmly showing that what looks like a technical problem is nothing but the capability of a given social system to effect a transition to capitalism. This statement is not constitutive of an ideological discourse, because Brenner goes at length to show why capitalism is historically the first (and up till now the only) socio-economic system which must expand via the systematic and continuous rise in productivity in order to survive, whereas in all the preceding systems enlarged reproduction was either impossible or unnecessary or both:

"What therefore accounts for capitalist economic development is that the class (property/surplus extraction) structure of the economy as a whole determines that the reproduction carried out by its component 'units' is dependent upon their ability to increase their production, in order to increase the productivity of labour and so cheapen their commodities. In contrast, pre-capitalist economies, even those in which trade is widespread, can develop only within definite limits, because the class structure of the economy as a whole determines that their component units—specifically those producing the means of subsistence and means of production, i.e. means of survival and reproduction, rather than luxuries, neither can nor must systematically increase the forces of production, the productivity of labour, in order to reproduce themselves."

Brenner 1977: 32-3 (italics added)

This is not to deny the possibility of spurts in productivity under precapitalism, a point that has a direct bearing on our understanding of the dynamics of the incorporation of the Middle East in the world trade.

"...[E]ven where major improvements in the forces of production are introduced in pre-capitalist modes of production— and their historical significance has of course, been very great— they nonetheless tend to constitute 'once for all' processes. In other words, the market exerts no pressure toward the continual revolution of the means of production. It is the essence of pre-capitalist social relations of production that both exploiters and direct producers are, in one way or another, directly connected with their means of subsistence and means of production. As a result, their survival and reproduction is not

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7 This line of reasoning was shared by a group of prominent scholars who left their imprints on the discipline of development. Ragner Nourse (1954) described a 'vicious circle of underdevelopment' that required some agency to break it at some point. Harvey Leibenstein (1957) suggested a 'big push' by the state to break the low-level equilibrium at which underdeveloped countries perform. Later on, Albert O. Hirschman (1958) and Francois Perroux (1971) suggested that the state should embark on the creation of 'growth poles'. Perhaps the period when these early theories were developed played an unfortunate role in hampering their further development, for this was a time when the most influential policy-makers and scholars in the third world considered capitalism any thing but dead especially as regards its prospects in these parts of the world.
dependent on the sale of their products on the market, consequently they do not have to compete in terms of their productive powers.”

It is possible now to go back to Reynolds’ definition and typology of growth patterns in order to see that development is not an abstract notion. Under precapitalism, one can talk about societies differing in their levels of wealth and prosperity because of the availability of some natural resources and ecological conditions in some countries and their relative absence in others, and/or the varying degrees of exploitation exerted on the direct producers in different societies. However, given the fact that human beings do not show radically different physical capabilities, and that the tools and instruments of production used by humans are essentially similar in nature, there is no reason to assume that differences in productivity account for big differences in the levels of development among non-capitalist societies.

Yet even varying levels of exploitation should not be taken as indicators of differences in ‘human nature’. If we link this observation with our conclusions on the genealogy of authority, then we will see that what producers in a given society acquiesce to is, at least partly, a function of the services that the ruling class is viewed to perform on their behalf. This latter, in turn is not a function of the skills of a particular ruling class (although the ability to maneuver is not to be underestimated), but mainly of the perceived risks facing a given society and the role of macro units in defending it.

Thus ‘extensive’ growth, as defined by Reynolds, is nothing but the mechanism of survival of a precapitalist economy, whereby the additions to wealth are proportional to the increase in population, since no significant increases in productivity are to be taken into account. This is why underdevelopment is a contemporary phenomenon. Because it is only with the rise and development of capitalism that differences in productivity play a crucial role in defining differences among societies. Thus we have two types of spatial inequalities in today’s world, over and above inequalities within one and the same society. The first type consists of the inequalities between the capitalist societies, due to the unequal levels of productivity. This type is qualitatively different from the second, which consists of inequalities between capitalist societies on the one hand, and societies where capitalism has not dominated yet and rising productivity is not a characteristic of their economies, on the other. Abstractly speaking, the second type of inequality arises between economies whose growth is intensive on the one hand, and those who still experience an extensive type of growth on the other.

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8 Because of the crucial importance of natural factors in the relative prosperity of certain societies under precapitalism, the founder of modern sociology, Ibn Khaldoun, thought that certain regions that enjoyed favorable climate were more predisposed to the rise of civilization. Ironically, he concluded that these regions were ‘naturally’ the warm ones in the south Mediterranean, not the wildly cold Europe. Some five centuries later, Europeans would borrow the same observation to deduce the ‘natural’ inclination of cold regions to develop. And this was not an opinion shared only be racist and/or nineteenth century scholars. Marx called the temperate zone ‘the natural fatherland of capital’. One of the most brilliant development theorists of the 1950s and 1960s, Jan Tinbergen remarked that “almost all the newly developing countries are tropical countries”, which, according to him, produces psychological effects that “do not encourage hard work and make a primitive way of life bearable in many respects” (Tinbergen 1963: 85) On the origins of spatial inequality, see Schwartz 1994, chapter 4.

9 See above, chapter 5.

10 This statement is only correct on an abstract level. Empirically, this is not an accurate formulation since no society today experiences only extensive growth. The point is that in
10.2 The Paradox of the Non-Capitalist Mashreq:

Overcoming underdevelopment is nothing but the ability of a society to effect a transition to the dominance of capitalist relations of social reproduction. As is well known, the dominance of capitalism requires first and foremost the generalized commodification of labor power. This condition is the economic formulation of the bourgeoisification process that we described in chapter seven and was made possible by the ousting/exodus of the rural population and the breakdown of urban forms of precapitalist organization and solidarity, especially the guild systems.

We noted that the Mashreq’s nationalist revolutions came to consecrate and give further impetus to these processes through land reforms, the rise of a radically new stratum of political leaders, the extension and redefinition of military conscription, the imposition of unified and state-supervised curricula etc. All these processes triggered a bourgeois transformative process that had the potential to turn the atomized individuals into equal citizens. However, we equally stressed the fact that bourgeois transformations cannot be concluded successfully without the success of a capitalist transformation of societies, which has the capacity to reorganize the atomized citizens into modern classes.

Thus if the generalized commodification of labor power is a necessary condition for the dominance of capital, it certainly is not a sufficient one. The other condition is that capital must be forthcoming to buy this commodity. And this condition is clearly absent in the Mashreq. Egypt’s case is very revealing in this respect as it is the most populous Arab country and was the first to lead a nationalist revolution in the entire region. In 1993, i.e. more than four decades after its revolution, 31.5 percent of its workforce was still employed in agriculture, 49.9 percent in the tertiary sector and only 18.6 percent in industry (Egypt HDR 1995: 110). The salaried and wage workers in that year composed 49.7 percent. However breaking down this last figure would show that actually only 15.2 percent worked for the private sector while more than twice that (34.5 percent) worked for the government and in the public sector. According to an International Labor Organization study relating to the mid-1970s, 80.4 percent of the total workforce in the Egyptian private sector were employed in tiny establishments employing no more than nine persons each (ILO 1983: 106).

In agriculture the enactment of land reform laws produced none of the patterns that a unilinear vision of development would predict, whereby the demise of sharecropping systems automatically gives rise to capitalist farming. In a study of Egypt’s agriculture some thirty years after the land reforms, Glavani & Glavani found that the number of small peasant holdings, which are less than 5 feddans each, has considerably increased since 1952. By 1975, these holdings (numbering 3,589,000) comprised 92.5% of the total number of holdings, and 67.1% of the total cultivated area11. They noticed that this transformation of the distribution of holdings has led to a movement away from dependence on wage labor and more reliance on

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11 1 feddan = 1.038 acre. In 1987, 48.2 percent of the holders had plots of less than one feddan each, 37.6 percent had plots ranging between one and three feddans, and 8.8 percent owned plots ranging between three and five feddans (Karim 1991: 34).
family labor. Moreover, peasant families made their production plans according to their subsistence needs leaving only a marginal portion of their plots to be cultivated for marketing (Glavani and Glavani 1983: 5-12).

Similar patterns of labor recruitment can be found in almost every other country in the Mashreq region. A 1996 study estimates the contribution of the informal sector in non-agricultural activities in some Middle Eastern and North African countries as follows; Egypt (1986) 65.3 percent, Iran (1986) 43.5 percent, and Turkey (1990) 17.4 percent.

The inevitable conclusion is that the Mashreq—with the partial exception of Turkey perhaps—could not effect the difficult transition from the phase of capital’s formal subjugation of labor to a phase of real subjugation of labor (Marx 1867: 749 passim). This means that while the majority of the active population has been expropriated from its means of production, atomized and individualized, most of them turned into state employees, casual workers (especially in the building sector), shopkeepers, small-scale service workers (coffee shop workers, taxi drivers, etc.), and mostly workers and self or family-employed in the so-called informal sector. In 1986, the self-employed represented 39.9 percent of the total workforce in Iran (Ghaffari 1995: 104). The comparable percentage for Syria in 1995 was 21 percent (al Khaimi et al. 2001: 71).

This is far from a situation whereby capital controls the socio-economic mechanisms and thereby relies on a large mass of long-term employees and workers for the formation of its profits, a situation that only occurs when and if the general rate of profit within a society is determined by the rate of industrial profit.

And it is here that we must address the issue of non-dominance of capitalism in the Mashreq four to five decades after the destruction of the ancient regimes. Why wasn’t the bulk of the financial wealth in private or state hands channelled into productive investment?

The classical—and now outdated—view that the lack of financial resources impedes industrializing the third world (Nurkse’s ‘vicious circle of poverty’) clearly does not apply to our case. We have shown that tremendous wealth has flown into the hands of the Mashreq merchants, building contractors, brokers, bankers and real estate speculators throughout the past decades. Between 1973 and 1980, Saudi Arabia’s total revenues from oil exports reached a fabulous $ 358 billions. Comparable figures for Iraq and Iran are $ 96 billions and $ 147 billions respectively (OPEC 1993). Hence the question of industrialization in the Mashreq, as well as in seventeenth-century Europe, is not a question of finding sources for an imagined original accumulation that is supposed to be necessary to effect a transition to industrial capitalism.

Another set of explanations for the resistance to capitalist domination in the Mashreq region is normally associated with, but not exclusively confined to, the neoliberal/World Bank approach. According to this approach the establishment of

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The characteristics of the informal sector have been defined by the adoption, in January 1993, of the Resolution Concerning Statistics of Employment in the Informal Sector by the Fifteenth International Conference of Labor Statisticians (ICLS) held under the auspices of the ILO. These are: ease of entrance; the small scale of activities; self-employment with a high proportion of family workers and apprentices; little capital and equipment; labor-intensive technologies; low skills; low levels of organization with no access to organized markets, formal credit, education, training, services and amenities; cheap provisions of goods and services to low-income groups; low productivity and low incomes earned in this sector.
statist regimes stifled private initiative, produced widespread corruption and inefficiency, and harassed individual capitalists. While much of this criticism is valid in our view, such explanations actually beg the question of what made statist regimes possible and desirable (at least from the point of view of a sizeable section of the population).\(^3\)

The preceding chapters have shown that state interventionism and/or the politicization of major aspects of life, is perfectly compatible with the rise of capitalist relations of social reproduction. Thus it is not a specific feature of one particular system, namely socialism. Moreover, intensified state intervention has become a necessary condition for latecomers to capitalist development (Gerschenkron 1962).

Recent successful attempts at capitalist industrialization and modernization have not departed from this norm. Several studies have demonstrated that in South Korea and Taiwan the most successful post-WWII industrialization cases—states have practiced ultra-nationalistic policies in protecting their home markets, ‘distorted’ the price mechanism in order to cheapen labor costs and raise the costs of imported consumers, and most important, they have imposed state property on entire sectors, notably banking. The political systems that carried these measures and policies were brutal and ruled by unique parties, and nepotism was rampant (Amsden 1990, Hamilton 1987).

Therefore state interventionism is not, by itself, an explanation to the non-rise of industrial capitalism in the Mashreq (or elsewhere for that matter). State interventionism, and the particular forms that it took or takes in different temporal and spatial contexts needs to be explained, as well as the success or failure of each particular form of state intervention.

10.3 Trajectories of the Rentier State:

Our concluding remark is that the existence of universal features regarding the rise and collapse of precapitalist systems and the existence of universal features characterizing passages to modernity do not by themselves warrant the teleological conclusion that the prospects for all social formations are guaranteed in advance or that the gap between various regions will necessary be bridged with time. The reason for this conclusion is that universality is not a product of willful copying or imitation of policies, but it emanates from the fact that social structures and groups that face similar challenges, contradictions and crises tend to respond and react in similar ways. And it is here that we may find a clue for the Mashreq’s contemporary dilemma: that the challenges and conflicts that its passage to modernity faced were different from the ones that Europe or successful industrializers faced.

What made the passage to industrial capitalism possible and desirable in western Europe was a particular constellation of social structures: a desperate need for hard currency/gold on the part of states, swelling numbers of destitute unemployed urban, and heightened tensions between monopolistic mercantile elites and a newly

\(^3\) In presenting the case for the attractiveness of statist models of modernization until the end of the 1960s, we should remember that even liberal development studies did not challenge the almost universal conviction that the ‘Soviet state-led path to industrialization’ could produce superior rates of growth and guarantee a much faster pace of ‘catching up’ with the industrialized world. The liberal critique mainly emphasized the political price of sacrificing basic freedoms, and the price that contemporary generations had to pay in terms of sacrificing consumption needs in order to mobilize higher rates of savings and investments whose benefits would be reaped by future generations.
emerging bourgeoisie whose further rise was shunned away by that elite. Industrial capitalism reversed the relations of power to the advantage of the new industrial groups, brought considerable benefits to state leaders and found jobs for the unemployed—albeit under appalling conditions.

During the revolutionary era of the 1950s and 1960s, the major Middle Eastern countries found themselves in conditions similar to the ones that the European societies faced on the eve of the industrial revolution(s): widespread urban misery and unemployment, destitute peasants, and newly emerging middle sections of the population whose further rise was checked politically and economically by a dominant landed and merchant aristocracy. The difference, however, lied in the fact that Middle Eastern states had less acute shortages of financial resources. Two sets of factors account for this peculiar situation.

One is the general international economic and political atmosphere that prevailed after WWII. A period of relative prosperity in the 1950s guaranteed relatively handsome amounts of revenues from a booming demand on raw material exports from the region. The political atmosphere of the cold war and the particularly strategic position which the Middle East occupied in the East-West division ensured constant flows of aid and easy credits from the two superpowers (as well as France, the UK and others) to their major allies in the region.

The second and more crucial set of factors, however, is related to the dependence of the Middle East economies on the rents extracted from oil exports. And it is this peculiar source of wealth production and distribution that has left its deep imprints on the reproductive processes and social structures of the region and prompted the application of the concept 'rentier states' to designate the specific aspects of the social, political and economic performance of these countries.

The concept in its broadest terms was first applied in this context to any country which receives substantial amounts of external economic rents on a regular basis (Mahdavy 1970: 428). According to Mahdavy, the stage at which a country can be called a rentier state is determined arbitrarily but he is primarily interested in cases in which 'the effects of the oil sector are significant and yet the rest of the economy is not of secondary importance' (ibid. 431).

More than a decade after the publication of Mahdavy’s article, the concept of the rentier state assumed new importance with the publication of a collective book on the same topic. In their introduction to this work, the editors suggested that the concept should go beyond addressing the nature of the state alone. To focus exclusively on the state, independently of the economy, and to define a rentier state as any one that derives a substantial part of its revenue from foreign sources and in the form of economic rent ‘is a rather restrictive definition that says little about the economy’ (Beblawi and Luciani1987: 11). Both authors prefer instead to define the concept of a rentier economy in which rent plays a major role, and in which that rent is external to the economy. For Beblawi and Luciani the rentier state is a subset of a rentier economy, and the nature of the state is examined primarily through its relative size to economy and the sources and structures of its income.

Beblawi delineates four characteristics which must be present in order for a state to be classified as rentier (Beblawi 1987: 51-2). First, the rentier economy -of which the state is a subset—must be one whose revenue derives predominantly (more than 40 percent) from oil and other foreign sources and whose expenditure constitutes a substantial share of the GDP. Second, the origin of the rent must be external to the economy. Third, in the rentier state— as a special case of a rentier economy—only a few are engaged in the generation of rent (wealth), while the majority are involved in
its distribution and consumption. A rentier economy is thus an economy where the creation of wealth is centered around a small fraction of the population. Finally, the government must be the principal recipient of the external rent in the economy. This last characteristic is closely related to the concentration of rent in the hands of a few.

The key feature of a rentier state is that external rent liberates the state from the need to extract income from the domestic economy. The primary goal of economic policy in an allocation state is spending. Luciani takes this state autonomy as his point of departure and proposes a new categorization which defines states by their allocative and productive functions. The policy of a ‘production state’ is therefore designed to increase economic growth while the ‘allocation state’ fails to formulate anything deserving the appellation of economic policy (Luciani 1987: 73).

Thus the international atmosphere of post-WWII prosperity and cold war allowed third world states in general, and those that occupied strategic positions within the superpower rivalry in particular to reap ‘strategic rents’ and therefore acquire a certain degree of autonomy vis-à-vis their societies. Oil rents positioned the Middle East states in a qualitatively different category. The point that should be emphasized in this context is that it is not the amount of financial resources that flowed in the hands of Mashreq governments that has driven them into this path but the nature of the resource formation. And for this reason rentierism should not be confused with other cases of state monopoly of the major sources of foreign exchange earnings, such as the ex-socialist countries. Despite the apparently similar statist structures in the Middle East rentier states and these countries, I have tried to show that the processes of capital formation in each set of countries were diametrically opposed. The distinguishing characteristic of rentier economies and states is that the major source of foreign currency is dissociated from the productive activities of the vast majority of the working population.

Rent ‘production’ in this sense does not only cover oil production but also such revenues as the Suez-Canal fees accruing to Egypt. In addition one must add the substantial amounts of ‘strategic’ rent that flowed to non-major oil producers like Syria and Egypt from the major oil exporters: Saudi Arabia, the Gulf Emirates, Iraq and Libya in the form of grants in exchange for political services. Between 1973 and 1979, official Arab assistance to Syria rose from 8.9 percent to 16.1 percent of its GNP. Egypt’s comparative ratios between 1973 and 1978 were 7.4 and 9.9 percent respectively (Handousa 1991: 42)\(^\text{14}\) Stemming out popular protest against non-support of ‘Arab brethren’ facing Israeli aggression, mediating between the two conflicting parties in the Iran-Iraq war, inciting and then defusing attempts at attacking oil-producing interests during the Lebanese civil war (1975-1990) are just some examples of the ways that non-major oil producers like Syria and Egypt managed to divert some of the financial wealth of the oil boom to their coffers\(^\text{15}\).

\(^{14}\) In 1979 official Arab aid to Egypt stopped because of its unilateral decision to sign a peace treaty with Israel. However, the US stepped in to compensate for the lost Arab aid. Egypt thus became the second largest recipient of American aid after Israel.

\(^{15}\) A major source of enrichment for Arab (and other) citizens of non-major oil exporting countries during the 1970s-1990s oil boom was to find jobs in the major oil-exporting countries. Egyptians, Yemenis, Palestinians, Syrians, Lebanese, as well as many others found their El Dorado in the region. From the perspective of this study, however, the incomes that were made by immigrants cannot be treated as rentier. Fargany’s excellent study on “Migrating to Oil” (1984), for example, rightly emphasizes how Egyptian migrants to the oil-rich countries spent most of their incomes in non-productive assets: buying a house, a taxi, or a village shop. This pattern of spending, however, is conditioned by the prevailing economic situation in the host country and cannot be labeled as rentier.
From the beginning of the 1950s, when the international oil consortium conceded to paying host governments around fifty percent of oil revenues in the form of income taxes, the patterns of economic decision making in these countries diverged to a large extent from that of other third world countries. Typically, the most daunting problem that faced third world countries consisted of saving and earning as much foreign currency as possible given the chronic shortage in capital. This was translated in import substitution industrial policies that aimed at developing local products to lessen imports and/or export oriented strategies that would provide sufficient foreign currency to cover the import bills. In major oil producing countries this was not the case. States found themselves with a relatively plenty supply of foreign currency from the oil revenues, which took a further sharp turn upwards since the early 1970s. Alleviating the misery of the populations seemed an easy task for states. Secure state jobs were guaranteed to all applicants. This was facilitated by the fact that, unlike manufacturing or agriculture, creating jobs in the civil service required no additional inputs (Penrose 1971: 285) And as we noted in the two preceding chapters, states handed lavish subsidies to brokers, contractors, and mediators who supplied the requirements of their grandiose spending schemes.

But how could such inefficient systems prevail for relatively long periods of time? Under statism significant short-term achievements were made in the standards of living of the Mashreq population. One way of appreciating these achievements is to compare them with those made by other third world countries. However, people tend to measure the socio-economic performance of their regimes by comparing their present situation with the previous periods. And in this respect, there were palpable successes.

From the beginning of the twentieth century until the mid-1950s, Egypt’s per capita income did not rise beyond the meager annual rate of 0.1 percent. Under the Nasserite regime, this rose to 2 percent between 1956/1957 and 1970/1971. The climax of the rise occurred during the implementation of Egypt’s first five-year plan in the period 1960-1965, when the annual GDP growth rate (in constant prices) was an impressive 6.9 percent (Hussein 1985: 162). Thanks to this rise in the per capita incomes, Egypt could for the first time in the twentieth century deal with its chronic unemployment problem by creating more jobs than the rate of population rise and thus lowering the levels of unemployment. Thus, while the population increased by an annual rate of 2.2 percent between 1960 and 1976, the workforce increased by 2.81 while the annual rise in the gainfully employed population was 3.34 percent (ILO 1983: 69).

The decade preceding Syria’s adoption of an étatist path witnessed a deterioration in the real per capita income, which was in 1956 1.8 percent below the level of 1956 (Zakanyya 1990: 84). The deterioration continued until 1970, seven years after the rise of the statist regime in 1963. Throughout the 1970s however, real per capita GDP witnessed steady increases from 4131 Syrian Liras in 1970, to 6871 in 1975 and 8548 in 1980 (AAS 1996: 526).16

Like Syria, the standard of living of the Iraqi population gathered momentum only during the 1970s’, after a decade of semi-stagnation. The last five years under the monarchy (1953-1958) witnessed an annual per capita income growth of 3.7 percent. This was followed by a higher rise during the first three years of the republican period (the transitional and non-radical period) of 5.7 percent between

16 GDP at factor costs. Unlike Egypt, one can argue that statism was not responsible for the growth of real Syrian incomes during the 1970s. The opposite, i.e. that it hampered even the short-term growth of the Syrian economy, may be true.
1958 and 1961. A slump followed when the rise was only 1.5 percent in 1961-1964 and 0.02 percent in 1965-1969 (Mahdi 1977: 16). However the real per capita GDP of $ 1745 in 1970, jumped to $ 2703 in 1975, then reached its peak of $ 4219 in 1979 before slumping down again after the outbreak of the Iran-Iraq war in 1980 (UN 1985: 136).

But it was not the mere availability of foreign resources that turned the Mashreq into a textbook case of rentierism, but the nature of rent formation. Since oil fields are very close to the earth’s surface and labor is cheap, extracting Middle East oil is the cheapest in the world. This means that whereas additional production requires high operating and investment costs in say, Europe or the US, no such substantial additional costs are required in the Middle East. And the nature of revenues in this case is more similar to preferential rent extracted from land than to capitalist profits. Being the major (and sometimes the only) source of finance for many of the Mashreq countries, oil revenues extracted in this form left their deep effects on the performance of all other sectors in the economy and practically on all social strata.

For despite all the nationalist rhetoric of the revolutionary regimes and the strategies that were laid to encourage the protection of home markets, the oil producing countries had to perform as open, export economies. With the states competing for the scarce domestic entrepreneurial capacities and skilled and qualified workers, private initiative turned to cater for state needs. States offered higher profits for contractors, supplied their clients with cheap (and more often than not free) credits from state banks, and sometimes even offered employees salaries for non-existent tasks. The general rate of profit within these economies was determined by the rates of profits made by these types of middlemen and contractors. Under such circumstances, very few industrial or productive activities seemed worth establishing. And it is not by coincidence that in the rentier states only the production of non-tradables could flourish: bulky construction inputs whose transport costs are very high, military equipment whose exports are vulnerable to political constraints, or agricultural products destined to satisfy the needs of the newly rising strata.

Hence, while other third world countries were driven to maximize their hard currency earnings, the Mashreq regimes found it easy to pursue populist strategies that ended up with diminishing the productive capacity of their societies. In the meantime the 'destructive' task of the nationalist revolutions could not be complemented with a constructive one as the atomization of population was aggravated by linking individuals vertically to the state without allowing for the rise of any meaningful modern horizontal ties. The state was liberated from the need to tax the population and thus looked like a patron handing out largesse to its subjects rather than conceding their rights to them.

Whether we are approaching the twilight of rentierism as populations are increasing in numbers, their expectations are growing and the oil revenues are dwindling due to mismanagement, devastation and wars remains to be seen.

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Getekend bij het ontstaan: 
Overgang naar moderniteit 
in Europa en het Midden Oosten

Het thema van deze studie laat zich omschrijven als het kritisch herzien van vele van de aannames vooronderstellingen waarop een groot "bouwselwerk" van de "derde wereld", ontwikkelings/onderontwikkelings, en/of regio studies, studies over de routes naar moderniteit, en uiteindelijk ons begrip van de moderne wereldgeschiedenis berust. Dit bouwsel bestaat uit het tegenover elkaar plaatsen van de geavanceerde kapitalistische landen – en dan vooral Europa – met de rest van de wereld op de grond van de gedachte dat het ontwikkelingspad naar moderniteit van de eerstgenoemde uniek is.

Het is de mening van de auteur, dat het, om de heersende impasse in de ontwikkelingsstudies te doorbreken, het nodig is een nieuwe vergelijkende benadering van de geschiedenis van het moderne Europa te zoeken. Want, ondanks de vele doorbraken in studies die de opgang van het moderne Europa behandelen, of ook studies over enerzijds het Westers kapitalisme enerzijds, en anderzijds de sociaalo-economische structuren van verschillende regio's in Azië, Afrika en Latijns-Amerika anderzijds, hebben wetenschappers en studenten onderzoekers van het vroeg-moderne Europa bij voorbaat de mogelijkheid uitgesloten om hun bevindingen naar niet- Europese maatschappijen te vertalen uitgesloten.

Zo'n a priori ideologische vooringenomenheid tegen het verbinden van de geschiedenis van de derde wereld met die van de rest van de wereld kan de bijna totale onwetendheid van de processen die tot de formatie van het moderne Europa (en kapitalisme in het algemeen) onder derde wereld kenners verklaren. Een doelbewuste onwetendheid negeren van de Europese (en kapitalistische) geschiedenis heeft het zo 'gewoon' gemaakt om te beginnen met een paar paragrafen, waarin algemeen bekende gangbare (en maar ongefundamenteerde) generalisaties over een stereotype Europese geschiedenis worden herhaald om te laten zien waar en waarom "wij", dat is de derde wereld, niet konden, niet kunnen, en niet zullen worden zoals "zij". Een standaard tegenstelling houdt dan de volgende stellingen in:

In tegenstelling tot Europa, is de rol van "externe factoren", dat wil zeggen de incorporatie in de wereld kapitalistische orde en/of de kolonialistische annexatie, cruciaal geweest in:
- de creatie en vormgeving en creatie van een arbitrair gedefinieerde nationale territoriale eenheden in de derde wereld;
- het overbrengen van de manieren van productiewijzen, die gunstiger zijn voor de behoeftes van de wereldmarkt;
- de vorming van de locale klassenstructuren in de afhankelijke landen; en het veroorzaken van afhankelijkheid/onderontwikkeling.

Vanwege het bovenstaande, is de relatie die we bij de inheemse sociale structuren vinden anders dan die we in Europa aantreffen, en wel hierin:
- waar in Europa een opkomende productieve industriële bourgeoisie in conflict raakte met het feodale systeem, kwam de bourgeoisie in de derde wereld bourgeoisie juist voort uit het feodale landheerschap, en sloot het dus een verbond met dat systeem;
- waar de bourgeoisie in Europa de staatsmacht verkreeg greep en de bestaande instituties
transformeerde in democratische en pluralistische instituties, had de afhankelijke staat in
derde wereld belang bij het in stand houden van de afhankelijkheid van de wereld
capitalistische markt, en dus in het in stand houden van onderontwikkeling en autoritair
bestuur:
- de nationale revoluties van de derde wereld waren niet het product van soortgelijke
processen zoals die in Europa te onderscheiden zijn. Ze reageerden intussen daarentegen
zowel tegen kapitalisten als pre-kapitalisten en installeerden etatistische regimes, en dus:
geven, in tegenstelling tot Europa, in de derde wereld de staten vorm aan de lokale
classen en brengen eiden ze tot de dominante klassen voort, en niet vice versa. De
"klassieke" en "normale" relaties tussen dominante klassen en staten die bestonden voor
de revoluties, dat wil zeggen de welvarende klassen die het staatsapparaat aanwendden
voor hun belangen, werden in dit geval "op z'n kop gezet".

De uiteindelijke conclusie van dit soort typische benaderingen is dat het nutteloos
zou zijn, of in ieder geval irrelevant om de structuren, worstelingen en evolutie van derde
wereld maatschappijen in termen van "westerse" categorieën – zoals klassen,
classenbelangen, en op klassen gebaseerde ideologieën – te bestuderen, omdat deze
simpelweg niet toepasbaar zouden zijn op de context van de derde wereld.

Waar deze studie stelt zich nu op richt is ten doel te het laten zien dat de weg van
deur de derde wereld naar moderniteit, niet uniek is. Dat betekent tegelijkertijd, door z'n
implicaties, tevens dat het referentiepunt niet uniek is: in dit geval de Europese weg naar
moderniteit. Echter, een enorme bouwwerk van theorie, beschrijving en speculatie
gebaseerd op een priori vooronderstelde over a priori tegenstellingen in plaats van op
onbevooroordeeld vergelijking heeft het bijna onmogelijk gemaakt om verder te gaan
zonder eerst kritisch te kijken naar verscheidene standaardwerken over een aantal
onderwerpen.

Bovendien is er een bijkomend probleem wanneer men beslist om het Midden
Oosten als het onderzoekssubject voor onze studie te nemen. Theorieën over
onderontwikkeling startten van vond en hun oorsprong in Latijns Amerika, werden daarna
in passeerden over sub-Sahara Afrika omarmd, en eindigden in Oost-Azië, waarbij ze het
Midden Oosten voorbij schoten. De meeste, zoniet alle, Midden Oosten specialisten
waren politieke wetenschappers, sommigen met kwalificaties van het hoogste kaliber. Zij
hadden daardoor een afkeer voor van sociaal-economische generalisaties, vergelijkingen,
thoretiseringen, of het testen van een specifieke theoretische veronderstelling, zelfs als
ze ook al brachten ze sommige van de beste empirische studies produceerden voort –
waaraan ook dit werk verschuldigd is. Vandaar uit waren de pogingen om het Midden
Oosten te "redden" van zijn uitzonderlijkheid er op gericht op het te laten zien dat het
Midden Oosten dezelfde modaliteiten wegen volgt die ook de opkomst en , het
functioneren en de uitkomst van andere derde wereld formaties bepalen. Zover ik kan
overzien, heeft geen studie ooit geprobeerd de regio, of anders aspecten van zijn
structuren, te vergelijken met de ontwikkelde kapitalistische landen, of met Europa. Zo'n
geldiging is niet eens gemaakt met Oost Europa, waarmee het Midden Oosten zoveel
gemeen heeft: beide regio's maakten deel uit van een groot en gecentraliseerd rijk, het
Ottomaanse en het Habsburgse. Beiden waren het slachtoffer van de dreigende invallen
van nomaden. In beide regio's ontstonden de "moderne" staatsstructuren en
onafhankelijkheid pas rond de Eerste Wereldoorlog.

De uitkomst van dergelijke studies, die geprobeerd hebben de theorie in het hart
van de studie van het Midden Oosten theoretisch te plaatsenfunderen, laat zich niet moeilijk raden. Zelfs wanneer de betreffende auteur niet expliciet de afhankelijkheids-
/en/of wereld systeem benadering aanhang, vormt de veronderstelling dat kolonialisme /en
imperialisme de regio’s structuren hebben vervormd - - waardoor de regio het van zijn
“natuurlijke” pad van ontwikkeling afweek, wat hetgeen onderontwikkeling en
afhankelijkheid “creëerde”, en een perifeer kapitalisme voortbracht dat radicaal anders is
dan het kapitalisme van het centrum - bijna altijd de ruggengraat van het verhaal.

Dit werk is een poging om poog een wezenlijk andere uiteenzetting lezing van de
vorming van de huidige derde wereld te presenteren. Het uitgangspunt is dat sociale
verandering niet zou moeten worden gezien in termen van een valse dichotomie: interne
versus externe effecten. Iedere Geen enkele gemeenschap, maatschappij of entiteit kan
niet geïdentificeerd worden zonder het bestaan van een andere gemeenschap,
maatschappij of entiteit en de onderlinge betrekkingen in acht te nemen... die op elkaar
inwerken. Echter, de cruciale vragen zijn: Hoe verinnerlijkt een gegeven gemeenschap of
entiteit de omringende indrukkenimpulsen uit de omgeving? En, waarom verinnerlijkt
een gemeenschap of entiteit deze gebeurt dit op die bepaalde manier op een dat gegeven
moment in de tijd? Zoals ik heb proberen te laten zien, heeffibben noch het vroeg-
moderne Europa, noch – natuurlijk – de derde wereld zich geïsoleerd in isolement
ontwikkeld. Het waren, en zijn de bestaande sociale relaties verhoudingen binnen elke
maatschappij die de uitkomst van deze interactie bepaald en gedefinieerd hebben, die
hetgeen de botsing van twee, of meer, sets van belangen met zich meebrengt.

Dat wil niet zeggen dat de machtshverhoudingen tussen de twee, of meer,
botsende sets van belangen, onbelangrijk zijn, maar dat de sterkere van dit stelsel bij de
pogingen zijn overwicht te verzekeren alleen handelt binnen de beperkingen zoals die
neergelegd zijn door van het bestaande stelsel van sociale relaties verhoudingen binnen
de gegeven gemeenschap of maatschappij. Met andere woorden, men kan geen helder
begrif krijgen van een bepaalde maatschappij, of regio door het simpel oproepen van
zulke begrippen als “de belangen van de koloniale of imperialistische machten”, of
“processen van globalisering”, of “westere plannen”, etc.

Ondanks de uitgebreide referenties, het boven gestelde is het niet de ambitie van
dezelfde schrijver om een werk over “de derde wereld” te produceren, noch een theorie over
ontwikkeling/onderontwikkeling, noch over een specifiek gebied in de wereld, noch een
vergelijking tussen Europa en het Midden Oosten. Dit boek richt zich eerder op het
leveren van een bijdrage aan de theorievorming over sociale formaties, in het bijzonder
aan ons inzicht in de dynamiek van het kapitalisme: de oorsprong, het potentieel en de
modaliteiten van zijn verspreiding over door tijd en plaatsruimte. Anders gezegd
probeer ik de locale geschiedenissen te plaatsen binnen een algemeen kader van een
theorie over de kapitalistische expansie op wereldschaal. Dit houdt logischerwijs een
studie in naar de vormen, instituties, instrumenten en mechanismen waardoor en door
welke kapitalistische relaties van sociale productieverhoudingen wortel schieten binnen
verschillende uiteenlopende maatschappijen. Dus ‘Europa’ is hier niet behandeld als een
geografisch gebied, maar eerder als een abstract model. Dit is ook de verklaring waarom
Engeland, dat traditioneel gezien wordt als de uitzondering, hier bewust gekozen is als
een case voor vele vergelijkingen, gevolgd door verschillende naast andere Europese
landen. Het behoeft geen nadruk betoog dat veel beleid, processen en procedures, die zich
voordeden binnen een specifieke Europese context niet noodzakelijkerwijs bijdroegen

Maar voor het vaststellen van het bestaan (of de afwezigheid) van een universele trend in de ontwikkeling en sociale transformatie gedurende de moderne in verschillende historische tijdperken en door in verschillende gebieden heen, was het als eerste nodig een conceptueel apparaat te ontwikkelen dat kon worden toegepast op het onderwerp van deze studie. Dit conceptueel apparaat is niet beperkt gebleven tot het herdefinieren van abstracte categorieën, hoewel dit een belangrijke plaats in het onderzoek heeft ingenomen. Het probeert ook verder te gaan door vragen te stellen bij de betekenis en het belang van bepaalde structurele veranderingen die bepaalde Europese gebieden hebben gezien ervaren gedurende hun transformaties en daarbij te bekijken of deze toevallig van aard zijn geweest, of dat deze per definitie verenigd noodzakelijk verbonden waren met de moderne bourgeois burgerlijke transformatie. Dit is, denk ik, een essentiële stap geweest in het reconstrueren van een model van kapitalistische verandering dat gecontroleerd geverifieerd zou kunnen worden in de latere fases van het onderzoek, en wel in het licht van de ervaringen van de (late) laatkomers (misschien te laat?), inclusief het Midden Oosten.

Zo'n benadering heeft het mogelijk gemaakt de volgende vraag te beantwoorden: Waarom Europa? Waarom zouden we de processen van veranderingen in een gegeven enig gebied vergelijken met die van in het moderne Europa? De noodzaak voor zo'n zo'n vergelijkende benadering kwam zeker niet voort uit een geloof in de superioriteit van enig systeem of cultuur, noch van uit een politieke belang wens over hoe om een bepaald gebied de Europese weg te laten navolgen zou kunnen trachten te evenaren. Ik heb geprobeerd te laten zien dat lange-termijn processen van sociale verandering een eigen interne logica volgen die ongevoelig is voor politieke en beleids/politieke voorschriften en dat het werk van sociale wetenschappers er dus niet uit bestaat “vindingrijker” te zijn in het “ontwerpen” van nieuwe wegen, maar dat deze bestaat uit het bestuderen van de interne sociale structuren met het doel de meest waarschijnlijke wegen te onderscheiden die deze structuren geneigd zijn in te slaan, onafhankelijk van de politieke voorkeuren van de onderzoeker. Dit betekent natuurlijk niet dat de reikwijdte van bestuurlijke veranderingen nul is, maar intussen wel dat deze niet een vastomlijnd onbeperkt is.

Sinds het einde van de Tweede Wereldoorlog hebben veel delen van de derde wereld processen doorgemaakt die bijna identiek zijn met wat het moderne Europa in zijn vormende decennia heeft gezien ervaren. Daarom zou het naïef zijn je onder een voorwendsel zich af te wenden van die vergelijkende benadering, om welke reden ook. Een meer vruchtbare oefening zou het zijn juist een poging zijn te onderzoeken hoe gelijkmend deze manifestaties zijn, en of ze symptomen zijn van dezelfde of gelijksoortige fenomenen, en of de uitkomst dan noodzakelijkerwijs gelijkaardig zou zijn aan die in Europa.
Structuur van dit werk:

Gewoonlijk verwacht de lezer dat een schrijver zijn / haar werk begint met een opsomming van de theoretische zaken die in het boek aan bod komen. Na de "theoretische hoofdstukken" verwacht men dan dat de empirische volgen. Een alternatieve andere conventionele manier voor het indelen van een boek is te beginnen met de empirische data en te eindigen met de theoretische conclusies. De structuur van dit onderzoek volgt geen van beide aanpakken. De redenen hiervoor vloeien direct voort uit het type argumenten dat ik heb geprobeerd te ontwikkelen door het hele werk heen, dat, ondanks dat hoewel het leun op een rijkdom vaan empirische data, theoretisch van natuur is gebleven.

Het vaststellen van het bestaan van universele patronen voor de overgang naar moderniteit kan niet gemaakt worden vastgesteld zonder aandacht te schenken aan – ten minste – vier complexe en met elkaar verbonden onderwerpen:

1. De structuur en werkingsmechanismen van premoderne systemen in het Midden Oosten, waarvan de "typische eigenheid" bijna altijd als vanzelfsprekend is aangenomen door verschillende auteurs en stromingen. Deze zogenaamde "eigenheid" neemt twee overlappende, maar niet noodzakelijk per se elkaar uitsluitende vormen aan. Men gaat ervan uit dat de ene verankerd is in de prekoloniale geschiedenis van de regio, die de verschillende vormen van "orientaals despotisme", "Aziatische productiewijze", of de schapachtige structuren heeft gevormd.

De eerste drie hoofdstukken van dit boek zijn een poging deze hypotheses te onderzoeken door het vergelijken van de prekapitalistische structuren van de Mashreq enerzijds met de zogenaamd normaal functioninge prekapitalistische formaties in Europa anderzijds. Maar, het ontzenuwen van de mythe van het bijzondere de uitzonderlijke Mashreq kon niet direct gedaan ontzenuwd worden door het weergeven van een al bestaand prekapitalistisch "model", waartegen de achtergrond waarvan enkele concrete gevallen gestandaardiseerd konden worden zodat ze er netjes binnen zouden passen. Dat abstracte model moest eerst uitgewerkt worden. En dat is waar het tweede onderwerp naar voren komt.

2. De gestroomlijnde gestyleerde tekstboeken versie van Europa's prekapitalistische geschiedenis en Europa's diversiteit en complexiteit in de overgang naar de moderne era hebben het noodzakelijk gemaakt om enkele wijdverbreide "waarheden" hierover opnieuw te heronderzoeken: de klassenformaties en identiteiten onder het prekapitalisme, de relaties en conflicten onder de belangrijkste sociale groepen, de verhouding tussen politieke autoriteit en eigendom en de dynamiek van de transitie naar het kapitalisme.

Vandaar dat het eerste hoofdstuk begin met een analyse van agrarische klassenstructuren en relaties, aangezien zij de sociale werkelijkheid van de prekapitalistische systemen bepaalden. De agrarische klassenstructuren plaatsten limieten en beperkingen op de dynamiek van de urbane structuren, waarover de twee volgende hoofdstukken handelen. Het is daarbij de bedoeling na te gaan wat klopt van de wijdverspreide mening dat de "derde wereld bourgeoisie" anders zou zijn dan zijn haar Europese tegenhanger, waarbij de eerste profeoudaal en parasitair zou zijn, en de tweede antifeoudaal en productief.

3. De analyse van de eerste drie hoofdstukken, die vooral op empirisch van aard
is gebaseerd, heeft het basis materiaal geleverd om het derde onderwerp aan te snijden: namelijk een analyse van de zeer abstracte concepten van sociale formaties, macht en autoriteit, klassen, klassenidentiteit en klassenposities onder het prekapitalisme. Het behandelen van deze onderwerpen in de hoofdstukken vier en vijf staat ons dan toe een aantal belangrijke conclusies te trekken over het functioneren, de logica en structuren van de systemen in het Midden Oosten. Eén conclusie luidt dat het plaatsen van de laatstgenoemde in een kwalitatief unieke categorie die verschilt van de Europese formaties, het product is van een dubbel foutief (maar helaas dominante) lezing van de geschiedenis.

4. Het vierde belangrijke onderwerp van deze studie handelt over is de andere variant van het “apart plaatsenuitzonderen” van de Mashreq; namelijk die variant die de rol van het kolonialisme/imperialisme in het “verstoren” van de “interne logica” van de ontwikkeling benadrukt. Of de voorstanders van de “oorspronkelijke uitzonderingvreemdheid” these geloven dat de formaties in het Midden Oosten een inherente tendens tot het ontwikkelen van kapitalisme bezaten of juist niet, wordt een onbelangrijke vraag in het licht van het feit dat zei (gevolgd door vele anderen die niet deze theses voorschrijven) het er bijna allemaal (gevolgd door vele anderen die niet deze theses voorschrijven) over eens zijn dat het tijdperk van het kolonialisme, en later het imperialisme, het lot van het Midden Oosten en de hele niet-kapitalistische wereld drastisch heeft hvervormd. Nu waren het de geindustrialiseerde landen van het “centrum” die de rest van de wereld aan het “onderontwikkelen” waren. De opgang – of soms het niet-opgaan – naar moderniteit was voor het laatstgenoemde deel van de wereld enkel een functie van koloniale/imperialistische belangen, en van de specifieke blik van een gegeven auteur op de moderniserende of niet-moderniserende rol van het kolonialisme/imperialisme. Hoofdstuk zes tot en met negen proberen de vergelijkbare reis van zowel het Midden Oosten als Europa van het prekapitalisme tot de opkomst van moderniteit te behandelen. Hoewel men zou verwachten dat het Midden Oosten van na de Tweede Wereldoorlog geanalyseerd zou worden in termen die hetzelfde zijn als die toegepast worden bij analyses van andere derde wereld formaties, zijn er verschillende auteurs die nog steeds de neiging vertonen deze regio af te schermen door het maken van wisselende claims op ten aanzien van zijn “exceptionele” kenmerken, zoals derol van de Islam, of de zogenaamde weerstand tegen democratisering. Daarentegen is het mijn opvatting dat de meeste van de argumenten in hoofdstuk zes tot en met negen toegepast kunnen worden op andere gevallen buiten het Midden Oosten. Deze vier hoofdstukken proberen de Midden-Oosterse weg naar moderniteit te situeren binnen een universele weg. Het universele pad is, nogmaals, geabstraheerd uit het enige historische patroon dat we tot nu toe voor handen hebben: West Europa, Japan, de VS, en nu de NISs (de Nieuwe Industrialiserende Staten).

Hoewel de vermeende bijzonderheden van het Midden Oosten expliciet en in detail behandeld worden in deze hoofdstukken, was het mijn overkoepelende voornaamste zorg geweest om te laten zien dat veel van de overdrijvingen over de zogenaamde specifieke karakter eigenschappen van het Midden Oosten in feite niet-specifiek iszijn, wanneer we de rol van religie als een baken van identiteit in Europa’s opkomst naar moderniteit, of de rol van politiek in de opgang naar moderniteit met zorg bestuderen. Vandaar ook dat de conclusies en methodologie van de hoofdstukken zes tot en met negen ook toegepast kunnen worden op andere delen van de derde wereld.
Op het eerste gezicht kan hoofdstuk tien er wat vreemd uitzien, en wel om tweeledig redenen. Ten eerste is het geen samenvatting van de gedane arbeid en de daaruit bereikte conclusies. Daarbij is de En ten tweede is dit hoofdstuk reden voor zijn vreemdheid dat, terwijl het hele boek toch een poging is om het bestaan van universele trends in de wegen van verschillende formaties naar moderniteit vast te stellen, dit hoofdstuk juist een poging is de ironie uit te leggen dat ondanks de opvallend gelijke processen die het Midden Oosten en grote delen van Europa hebben ondergaan, de eerste regio vandaag de dag alleen Sub-Sahara Afrika voor achter zich laat in termen van de meeste armoede en ontwikkelings indicatoren voor ontwikkeling.

Hoofdstuk tien bouwt voort op de analyse zoals die in eerdere hoofdstukken is neergezet, vooral uitin hoofdstuk zeven, waar ik geprobeerd heb een onderscheid te maken tussen modernisering en bourgeoissvorming verburgerlijking enerzijds, en kapitalisme anderzijds. In dit laatste hoofdstuk heb ik aangegeven dat, ondanks de overeenkomsten tussen de Midden-Oosterse weg naar moderniteit en vele andere succesvolle gevallen, een volledig sociale structuur volledig gebaseerd op een systeem van rentierschappen elke poging tot industrialisatie zinloos en niet winstverliesgevend maakte. De auteur is zich ervan bewust dat de methodologische en empirische zaken die komen kijken bij het analyseren van rentenier formaties zeker meer vragen dan één concluderend hoofdstuk. Maar, mijn intentie is altijd geweest om er nogmaals erop te wijzen dat er niets in de afgelegde trajecten naar moderniteit in het Midden Oosten te vinden is duidt op het noodzakelijk bij herhaling voortduren van onderontwikkeling. Dat herinnert ons opnieuw eraan dat vergelijkbare soortgelijke beginpunten en afgelegde trajecten wegen en beginpunten niet noodzakelijkerwijs tot gelijkesoortige uitkomsten leiden.