

period. After years of “successful” market reforms, Russia has returned to the pattern of a crisis-ridden, inefficient economy, characteristic of the Soviet era. It is also important to take into consideration the poor quality of this growth. It is of an extensive character, increasing GNP, without adequate progress in the spheres of social and technological development. An inevitable consequence of this growth is an increase in social polarization and the enrichment of the elite, closely tied to the state bureaucracy.

I also want to especially dwell on the contribution of the last chapter: “The Lessons for the Future Socialism.” First, the authors are correct in mentioning that the Soviet economy was the first experience of national-scale non-capitalist planning that had some important positive features; these can offer useful lessons for future socialist efforts. Second, the demise of the Soviet Union is not the final collapse of the socialist project; the book proves this. Third, it is important to identify the real contradictions of the Soviet system: bureaucratization and too much centralization, an economy based on shortages, etc. Fourth, in contrast to many Western Left scholars, these authors do not think that only market socialism can solve the problems. Kotz and Weir argue that a combination of democratic planning and regulated markets are called for; this is the real lesson of the crisis of the USSR.

In conclusion, I want to stress the contribution of this book as a well-founded analysis of the main features of and reasons for the economic and social collapse of the Soviet Union and the crises of post-Soviet Russia. Once again, this analysis proves that neither a bureaucratic planned system nor the liberal capitalist model can meet the challenge building a socially-oriented, efficient development model for a modern economy. This book shows that a classical, socially-oriented political economy approach offers fruitful results when used creatively. I strongly recommend this book for those with an interest in the Russian experience as well as for those concerned with the fundamental problems of planning and the market as well as the prospects for both socialism and capitalism in the 21st century.

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Class and Labor in Iran: Did the Revolution Matter?

Farhad Noamani and Sohrab Behdad, Syracuse, NY: Syracuse University Press, 2006.
 ISBN: 0815630948; 268 pages, \$24.95.

DOI: 10.1177/0486613409335808

Accepted July 28, 2008

A strikingly thorough and nuanced examination, Farhad Nomani and Sohrab Behdad's *Class and Labor in Iran: Did the Revolution Matter?* offers deep insight into the changes in class configuration and employment from pre-revolutionary Iran through the post-revolutionary period. The authors follow in the Marxian tradition of class analysis, but to the careful reader their class analysis is much more thorough than the traditional workers vs. capitalists Marxian framework. The book also displays a wealth of historical,

statistical, and institutional analyses about the Iranian society and economy that is often absent or understated in economic analysis. An important lesson that the readers will draw from Iran's experience with revolutionary change is that the shock therapy-style rupture with capitalism and the West proved to be disastrous for the economy because there was no thought put into designing an alternative system of production and distribution.

The authors investigate the way the revolution, its petty bourgeoisie orientation in the period of anti-capitalist transformation (structural involution: 1979-1988), and the post-Khomeini turn towards economic liberalization (structural deinvolution: 1989-1996) have affected the lifetime opportunities and class divisions of the workforce (6). The authors are very successful in this respect. They first provide a conceptual framework with which the reader is then guided through their artful presentation and explanation of the data, illuminating the implications of the revolution and subsequent decades on the Iranian workforce.

Chapters 2 and 3 of the book provide a theoretical framework conceptualizing class structure and the political/socio-economic state of affairs in Iran's post-revolutionary crisis. The class analysis so central to this book is based on the differential ownership of resources. Before applying the class locations of capitalists, petty bourgeoisie, middle class, and working class, the authors provide a sketch of the post-revolutionary crisis in Iran.

After two decades of intensive capitalist development, Iran experienced a revolution which, propagated by Ayatollah Khomeini and Ali Shariati, led to the formation of the Islamic Republic of Iran. This new theocratic state sought to give rule to the oppressed class, the *mostazafan* (oppressed), and abolish the class of *taghotian* (wealth, power, and arrogance). The post-revolutionary crisis began in 1979 and extends to the present; the authors argue that this particular type of economic crisis is a unique phenomenon because it is a degenerative process, causing a decline in output and accumulation, and complications in the capitalist relations of production; specifically in the phase of what they term involution, "the elaboration and the entanglement of the existing [economic] pattern, without transformation of the pattern itself" (36).

Iran experienced a disturbance to the security of private property during the structural involution period (1979-1989). Economic assets deemed corrupt by religious authorities were confiscated and consolidated into publicly held *bonyads* (parastatal enterprises). This caused severe disruptions to production; the gross national product in 1986 was only 63 percent of what it had been in 1977; industry and mining sectors experienced no growth, and value-added in the service sector decreased by 9 percent. Amidst the disruptions in other sectors, agriculture experienced a great amount of growth (value-added increased by 62 percent). The authors attribute this to the redistribution and subsequent peasantization of land holdings and the rapid cultivation of this newly acquired land for the purpose of proving ownership. Furthermore, the average annual rate of investment for the 1979-86 period declined by 64 percent from the 1977 level. When the rate of investment is disaggregated, the authors call special attention to the rate of private investment in machinery which they assert is an indication of the rate of accumulation; in the 1979-1986 period this was only 38 percent of the 1977 level. The first post-revolutionary period in Iran was rightly termed a period of involution as it caused major disruptions to the economic order without realizing any transformations to it. This attempt of undoing capitalism was not accompanied by any serious plan for an alternative way of generating economic surplus, but rather it only led to more uncertainty, thus less risk-taking entrepreneurial activities.

The authors demarcate the second post-revolutionary period as beginning in 1989, the year of Ayatollah Khomeini's death, and continuing to the present. They have characterized this period as one of "deinvolvement": reversing the trends of the preceding decade and restoring capitalist relations of production. The Islamic Republic advanced towards economic liberalization as a result of public disenchantment with a declining standard of living and the inadequate level of domestic investment due to the foreign-exchange crisis. Despite the concerns of religious leaders, the Islamic state engaged in external financing which had two implications: the Islamic utopian economy had failed, and Iran's intention was to pursue a free-market economy. The World Bank-IMF prescriptions for Iran included adopting a floating exchange rate, privatizing enterprises, eliminating subsidies, and decontrolling prices. The adoption of these liberalization policies proved challenging because of various complications and their political implications; three decades after the Iranian Revolution, the nation has not yet wholly recovered from the post-revolutionary crisis. This near-complete reversal of economic policy during the deinvolvement period bears witness to the importance of the interplay between the political rhetoric of the Islamic Revolution and the economic realities that forced policymakers to reintroduce capitalist relations and undo the effects of the involution period.

The heart of this book is chapter 5, "Revolution and Reconfiguration of Classes," in which the trajectory of class configuration is traced from before the revolution through the political, social, and economic turmoil of the post-revolutionary periods. First, an overview of the class system existing in Iran prior to the revolution is provided as a reference for the changes that occurred in the subsequent decades. In 1976, there were 182,000 capitalists in Iran; however this designation of "capitalist" is not intended to imply that they, nor any other class distinction, were a homogeneous group. The authors have broken both capitalists and the petty-bourgeoisie class (2,810,000 in 1976) into modern and traditional categories. The modern category means that the capitalists and petty bourgeoisie have occupations similar to those one might see in a modern industrialized society such as managerial-administrative and professional-technical occupations (88). Both the middle class and working class are subdivided according to whether or not members were employed privately or by the state. In 1976, there were 477,000 members of the middle class and 3,536,000 members of the working class.

The first decade after the revolution brought about the deproletarianization, peasantization, and retraditionalization of labor in Iran. The size of the working class declined a great deal, particularly in the private sector where there was a 39.1 percent decline. While the number of state employees increased by 25 percent partly due to the state takeover of large private enterprises, this was not enough to offset the dramatic decline in working class members employed in the private sector. As the working class shrank, the number of smaller traditional capitalists grew by 87.4 percent. This is attributable to the increase of those engaged in agriculture and petty production as a result of land redistribution. Whereas large capitalist enterprises had been disrupted, smaller enterprises took advantage of this and seized market opportunities. The number of medium-sized firms declined in the period of involution; these shifts in capitalist configurations, according to the authors, both reflect and explain the decline in the rate of capital accumulation. The number of petty bourgeoisie increased by 52 percent from 1976 to 1986 overtaking the working class as the largest social class in Iran. Land redistribution increased the number of self-employed farmers which led to the decline of wage-earning agricultural laborers: the process of

peasantization of agriculture. The middle class grew in the post-revolutionary decade, a product of the increase in number of those employed by the state (88.8 percent), offsetting the private sector decline by 37.2 percent. Many in the private sector migrated as large enterprises were disbanded to seek better opportunities and security.

The period immediately following the Iranian Revolution led to major changes in class configuration as did the following decades in the post-Khomeini period of deinvolution and economic liberalization. While the process of deinvolution was not complete when the 1996 census was taken, the structure of social classes demonstrate a significant resemblance to the class structure before the revolution. This period was one of proletarianization and depeasantization and general reversal of trends emerging in the first post-revolutionary decade. The working class grew at a rate of 67.8 percent in the decade leading to 1996, which accounts for half of the total increase in employment in Iran (proletarianization). The number of petty bourgeoisie engaged in agriculture declined (depeasantization). The formerly agricultural petty bourgeoisie along with those previously in the military entered into the employed workforce, contributing to the overall increase in the size of the working class. Separate from this, Iran experienced two phenomena in the period of economic liberalization and deinvolution: increased managerial complexity and modernization of class locations. Increased accumulation in firms created larger firms which led to a more complex hierarchy in the workplace, necessitating more technical, managerial, and professional positions. The number of modern capitalists more than tripled from the period of involution, albeit the majority of capitalists still fell into the traditional category. Although distinctions exist, one can view the trend emerging from the 1996 census as moving toward reconstructing the 1976 class configuration.

One of the most remarkable sections of *Class and Labor in Iran* is the chapter on women's marginalization in employment, as it well demonstrates the sharp lens with which the authors conduct their analysis. Women not only experienced the turmoil of structural involution after the revolution, but also became the targets of the state's Islamization project. Regulations imposed about the presence of women in the workplace resulted in far fewer females in the workforce, save in gender-segregated positions. In examining the different aspects of women's marginalization, the authors do not merely rely on important statistics such as labor force participation rates, but on ownership, authority, and skills in economic activities in order to present a thorough description. Working-class women experienced the most severe exclusion because those with either special skills or financial resources could become involved as capitalists or self-employed petty bourgeoisie and better resist the imposed segregationist policies. In the period after Khomeini's death, liberalization policies made segregationist policies more costly to uphold and so it became slightly easier for women to enter the workforce, although still not quite encouraging. Although the authors do not claim to have a feminist perspective in this chapter, their analysis and findings are a must-read for any social scientist working on gender issues in Iran.

After mapping the patterns of class configuration and reconfiguration in Iran, the reader is left with a pointed message. Iran has not yet recovered from its crisis of the post-revolutionary sort despite the economic liberalization push. Unemployment, particularly among new entrants to the labor market, will remain the "Achilles heel of the regime" (213). With the peak of the baby boomers now entering the job market, a smaller proportion of the young educated workers will be able to secure a middle-class occupation; rather, the majority can expect a working-class position or unemployment. The authors

predict this vestige of the revolution will be the major social and political predicament of the current decade in Iran. In its detailed examination of Iranian census data, *Class and Labor in Iran* provides a construction and mapping of class configuration from the years before the revolution through the post-revolutionary crisis. Nomani and Behdad's analysis is deeply nuanced, strikingly thought-provoking, and pleasantly readable. This book is appropriate for graduate and undergraduate students in economics and other social sciences. The readers of this journal will not only enjoy the dynamic view of class structure that the authors present, but will also appreciate their rich and pluralistic theoretical basis that blends Marxian, institutionalist, and gender analysis.

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Understanding Commodity Cultures: Explorations in Economic Anthropology with Case Studies from Mexico

Scott Cook; New York: Rowman & Littlefield Publishers, Inc., 2004, 349 pp., \$97 (hardcover), \$37.95 (paperback).

DOI: 10.1177/0486613409335810

Accepted: May 26, 2008

A strong argument can be made to support the contention that economic anthropology and heterodox political economy share a similar epistemological domain. Heterodox political economists study the historic evolution of political structures, social institutions, and cultural experience in order to better understand economic phenomena. Economic anthropology focuses on the reversal of this line of causation. The strength of this epistemological bond underscores the ability of heterodox political economists and economic anthropologists to enrich each other's respective fields. Given this proposition, Scott Cook's book *Understanding Commodity Cultures* requires examination.

The strength of *Understanding Commodity Cultures* resides in Cook's thorough literature review. The book is loosely organized around a historic chronology that recognizes Mesoamerican/Mexican economic and anthropological history. As such, the book contains a veritable encyclopedic presentation of ideas in economic anthropology. Predominant among these is a focus on twentieth-century Mesoamerican/Mexican economic history and development, including ethnographic studies.

Consider the following examples. Cook's first point of inquiry is George Foster's 1930's research. Cook reflects on Foster's work, and carefully scrutinizes Foster's depiction of intra- and inter-community exchange relations among the Popolucan peasant artisans of Veracruz. This depiction includes external exchange with capitalists. Following