Iran is a country of 1,648,000 s.q. k.m. It has been predominantly an agricultural country until very recent. There is variety of soil, variety of climates and varying degrees of rainfall in different regions of the country. The major part of Iran’s soil is uncultivable due to availability of mountains, deserts, forests and shortage of water as well. At present the total cultivable area does not exceed beyond 15 per cent. Although if sufficient investment can be made, this can increase almost to three fold. The most fertile region in the country comes under caspian sea, located in the north of Iran. On the other hand, the whole of the eastern part of the country is covered by two big deserts.

The large but uncultivated tracts of land have always suffered because of shortage in water supply which has been a limiting factor for Iranian agricultural activities. Throughout the centuries Iranians have learned to use different methods of irrigation. The most popular one which has been used very extensively was called qanat (Kariz). It consists of underground channel. About 75 per cent of irrigation
was done by this system. The cost of construction and
maintenance of which was enormous. Other methods of
irrigation are there including stream water, dams, rivers
and etc.

The important crops that are sown in the
country consists of wheat, barley, rice and tea.

Farming is dominated by the production of
wheat which covers about 60 per cent of total cultivated
land and barley which covers another 15 per cent of the
area. These two crops account for 3/4th of the entire
harvested area of the country.

In the remaining 25 per cent of arable land a
large variety of crops including rice, cotton,
sugerbeet, oilseeds, pulses, fruits, vegetables,
tobacco, corn and cereals are cultivated. Cotton and
rice which are more of cash crops in the case of Iran
are the top in the list by providing 3.5 and 3.3 per
cent of total land area respectively.

Prior to land reform programme Iran was an
agrarian society in its real terms. More than 65 per
cent of total population was engaged in agriculture and
related activities. Iranian agriculture has always been
partly settled and partly nomadic. At the beginning of
20th century the settled and nomadic rural population were almost equal. As a consequence of centralization during Reza Khan and later on by his son (Mohamad Reza Shah) forced settlement made drastic decline in the nomadic population. By the beginning of land reform programme there were only 1.5 million nomads in the country.

However, as the history proves, one form of ownership gives up its place to new ones. This was also the case when constitutional revolution of 1905-11 recognized the private land ownership in favour of landlord class during Qajar dynasty. There was no major change in land ownership until land reform programme of 1962. Prior to this, there were different types of land ownership prevailing all over the country. Among them the big absentee landlords were the most strong group who had control over the 80 per cent of total land under cultivation. The Shah, tribal leaders, merchants, government officials were included in this category.

Although there were different types of land ownership but they were common in one single thing. That was the exploitation of peasants, carried out in all the forms of land ownership. It was so due to absence of strong rural organisation who could struggle for their rights.
As far as distribution of production between landlord and peasant is concerned, no single rule was existing. The general pattern was based upon sharecropping methods. Other factors such as availability of water, seeds and fertilizers, draught animals and etc. were also equally important.

However, out of all the factors, land, labour, capital, water and seeds were placed as the most important ones. The division of production too was of significant importance specially for the poor peasants whose only source of income was from agriculture. The division of production could be in various degrees such as 2/5th for the peasant and 3/5th for the landlord and if more factors of production were involved the proportion would have been changed accordingly but always in favour of the landlord class. Another common method was called fixed payment system in which the cultivator had to pay a fixed amount per year to his landlord irrespective of the produce. There was also contract system through which a middleman playing the main role between the landlord (from whom he had to rent the land) and the cultivator (peasant) who had to work on it.

355
Before land reform programme Iranians agriculture did not show any significant improvement. It was much backward during the first quarter of 20th century. The reason for its poor performance can be summerized in the following manner.

1. The system of absentee landlordism.
2. Lack of transport facilities.
3. Lack of adequate irrigation facilities.
4. Poverty and indebtedness of peasants.
5. Indifferent to rural economic sector specially during Qajar rules.

It was only after 1930's that few steps were taken by government to improve the rural condition. Although most of the new plans were left on the paper only.

Before Reza Shah coming to power the country land faced several crisis due to Qajar’s rule. Beginning of 20th century was followed by influence of Russia and United Kindom in country’s socio-political and economic affairs. The central government was unable for the administration of the country. Foreign countries were getting concessions one after the other in different...
fields such as construction of railways, roads, ports, banks, custom and so on. The huge amount of borrowing by Iranian government had brought the country into such situation. From economic and political point of view Russia and United Kingdom had become the main rulers of the country by dividing the country into their respective share of influence.

Under such condition the foreign traders had brought their active participation by bringing the local markets under their influence. The weakness of central government was followed by several revolt in different parts of the country it showing the signs of downfall of Qajar’s dynasty.

The coupd’etat in 1921 by Reza Khan overthrown the last king of Qajar. Four years later he crown himself as a first king of Pahlavi dynasty. From 1921-30, Reza Shah built strong army and managed to centralize the state power. His ruthless repression of different tribes all over the country ended by 1930’s, almost 10 years after his coming to power. From this time onwards he focused on building up the country’s economy by using the oil money and increasing the trade relations with the western countries. Due to his close relation with Germans he was abducted from his crown in
1941 by allied forces. After his abduction his young son (Mohammad Reza Pahlavi) was appointed as a new king of Iran.

The new changes had brought much democratic atmosphere in the country. Several political groups emerged, including left parties as well as National Front party which was under the leadership of Dr. Mosadeq. It was under his leadership after that a long struggle and popular mass support. The oil industry was nationalized in 1952. The foreign powers, particularly the USA government came to conclusion that Iran is going to fall in the hands of communists soon or later. This made them to help the Shah for a military coup d'etat followed by over powering Mosadeq after a year of oil nationalisation.

[From this time onward the ruthless repression by Shah was exercised all over the country.] After a short while there was no opposition to stand against the new regime.

[The American advisers helped the Shah to built the Iranian dreaded secret intelligence service known as (Savak) to eliminate the oppositions.] The Savak was also known as eyes and ears of the Shah. There was
total absence of liberty in the country on behalf of Savak's strength. No Criticism by an individual or organization could be possible. The masses had nothing to do with decision making bodies. Every order was in the form of decree. In no way one could show a sign of democracy applied by the regime. The Shah's regime therefore was beyond doubt authoritarian, in the form of monarchical dictatorship.

With all his might the Shah was unable to control the crisis in the country which occurred in the form of economic recessions from 1958 onward. By the end of 1961 the economic stagnation resulted into further grave situation for the regime. By this time the USA government under the Kennedy's administration ordered the Shah to implement land reform programme in order to prevent the country from falling in the hands of communism at the same time it would be safeguard for the Shah to remain in power.

The Shah introduced the land reform programme known as white revolution under the slogan of "land to the tiller" in January 1962. By the time land reform programme was introduced, the oil money had shown its important role in the country's budget followed by two consecutive plans which had started in late 1940's and
were mainly supplied by oil revenue. While the land reform was introduced, the peasants did not take any part in the decision making of such historical events nor any other social group had a saying in the policy making process.

The land reform programme was intended to reduce the size of large holdings, to distribute lands among the peasants and form the rural co-operatives to fulfill the gap played by landlords in the villages and countryside. The land reform law of 1962 had hoped that those new changes would be helpful to increase agricultural productivity and the living standard of peasants as well. Dr. Arsanjani as a minister of agriculture was the real follower of land reform programme. It was him that through his reformist measures worried the Shah from fast growing consequences of the programme in return Shah forced the Arsanjani to resign from his post. From then onwards Shah became the only authority in the country who took far conservative measures to please the upper strata class of the rural society by turning its 2nd stage into a tenancy agreements as opposed to a land redistribution programme (1963-66). In later amendments further concessions were granted to big landlords under the mechanized
farming policy. His eagerness towards capitalisation of countryside increased when oil money led to further increase in the government budget followed by faster changes, in the country's socio-economic and political situation. The sustained and rapid rise in the oil revenue increased the spending power of the state. The state took the advantage of oil revenue for strengthening its own position, lateron switched over to deal with other sectors of economy. The agricultural sector with its so complicated nature became less and less attractive to tackle by the state.

Therefore the government took new steps in modernizing the whole economy. In agricultural sector farm corporations and later on agri-business units were introduced during 4th and 5th development plans. This trend was followed by mechanization of agricultural sectors by mid-1970s. The number of tractors and tillers used in the country was over half a million. The use of various chemical fertilizers grew in much higher proportions. The expenditure on dam construction took a large share of public investment projects. The so called farm corporationsses and agri-businesses which covered small proportion of the cultivated area, had a disproportionately large share of fertile land, water
resources and technical inputs. Parallel to this strategy was fast growing industrialization of urban economy. This sector was overlooked by the state right from the nationalisation of Iranian oil company. Both private and public sector had brought their active participation in fast growing economy under the influence of oil money.

With introduction of farm corporations and agri-business units, government took another turn in agricultural sector. The main reason for such capitalist farming as stated by officials was inefficiency of small holdings by peasant proprietors. The later experience showed that the performance of agri-business units was far behind its plan objectives.

Their unit cost of production was much higher than those in the peasant sector. Although they had professional management, best fertile land, modern technology and huge amount of financial resources provided by state and other local and foreign share holders, but they did not succeed to obtain their so called plan target after few years of their establishment. One after the other withdrew their capital from the business and left the plan to its own destiny.
However the very existence of such units was the prime cause of destruction for the peasants in several ways.

An important consequence of it was the disappearance of the Boneh system (the traditional production commune) which proved to be very efficient in putting small and fragmented holding under the same crop, maintaining the uplift of irrigation network (Qanats) and distributing of water among cultivators.

The land reform law of 1962 had created discriminatory policy because of exclusion of Khoshneshines who were about 40 per cent of total rural population. With implementation of land reform programme, The new form of ownership was introduced in agricultural sector. The government had managed to bring its active participation in rural society through various organisations. The peasants were informed to obey their new landlords in the form of state representatives.
Further intervention of government in rural economy was followed by more imbalanced growth of the countryside as well as unequal distribution of income between rural and urban population. The government reduced its share of fixed investment in agricultural sector in every plan. For example, during 3rd plan the government share of investment in agriculture was 60 per cent more than industry. This proportion was reversed in 4th plan and further decline was observed in the 5th plan. [Oil boom of 1974 which occurred during 5th development plan raised the unequal distribution of revenue among different sectors of economy.] The agricultural sector which had 28 per cent share in total government budget during first plan, had reduced its share to about 7 per cent by the end of 5th plan.

Throughout the 1960s and 1970s demand for agricultural products specially for food stuff grew very fast due to increase in population by 2.9 per cent per annum as well as high rate of growth of per capita (urban) income which was the result of increase in oil revenue and its investment in industry, construction and services sector.
On the other hand the capitalist farming units which had received the major part of financial and technical resources were unable to increase the production. Hence the government took advantage of relying on oil revenue without giving a chance to peasant for increase in production internally. The availability of oil revenue had permitted the state not only to import the foodstuff but also the latest technology available in the world market. The oil money was the major factor which influenced the state policies and brought structural changes in the country’s economy. In a way it was the reason for distruption of agricultural sector which led to continuous rise in the rate of rural urban migration due to its imbalanced growth. The development strategy of agricultural growth by the state authorities turned the social and economic scale against agriculture in general and that of peasants in particular.

An agrarian economy with about 65-70 per cent of total population engaged in agriculture and related activities was forcefully replaced by small and modern agricultural sector followed by dissolution of peasants farming rights. The employing capacity of modern
agriculture was hardly 3-5 per cent of total labour force due to its highly mechanized techniques. Where the rest of peasants had to go for work. There was only one way left to them, to urban centres where the concentration of public expenditure had already widened the income gap between rural and urban sectors. At the beginning of 20th century about 90 per cent of the labour force was estimated to be engaged in agriculture. In 1945, it was 75 per cent, by 1966 less than 50 per cent of economically active population was in agriculture and in the late 1970s it was only 33 per cent.

Out of total labour force of 10.6 million in 1977 about 6.8 million worked outside agricultural sector, of these about 2.5 million (or 25 per cent) were employed in manufacturing and related activities. The flow of population from rural to urban areas has been 250000 per year since land reform programme until its end. On the other hand the highly capital intensive technology of modern industry was unable to absorb the rural unskilled peasants. Uprooted from villages and wondering in towns was the outcome of land reform programme of Pahlavi's regime. This was the situation of immigrant peasants at the time of revolution in 1979.
The reason for the poor performance of agricultural sector can be summarised as below:

1. Reduction in the size of credit provided to agricultural sector during different plan periods, from 28 per cent during first plan reduced to 7.5 per cent during 5th plan period.

2. During the first plan, the major part of credit in agricultural sector was used for infrastructure such as construction of major dams and etc. These dams were mainly used to provide water to urban centres.

3. During 3rd, 4th and 5th plans about 38 per cent of total agricultural credit was provided to dam construction and the main users were large capital farming units which had very minor percentage of total agricultural land under cultivation.

4. The unequal distribution of credit among peasants. The access of credit for more prosperous peasants was easier than those who had smaller holdings. Also credit provided to large scale units in comparison with co-operative societies was
unequal. For example, the credit paid to agri-business units was 19 times more than co-operative societies.

5. The Koshneshines population which consists of 50 per cent had no access to credit facilities.

6. Under consideration of buneh system the government officials had no clear idea about the function of buneh among the small peasants who were common by participating in production.

They had also ignored their group working in maintaining the qanatas for irrigation purpose, the cost of which would have not been possible by a single peasant to pay.

Policy Measures:

1. Right form the beginning of plan period until the end of 1979 the Iranian agriculture was influenced by foreign policies, technologies and even with their capital. Throughout the plan they proved that their main intentions for participating in country's affairs was based on self profit which ruined not only the agriculture sector but also industry and other services as well. It is therefore suggested that
future planners should be from within the country who are in close contact with peasants' life, show a great knowledge and experience in the field.

2. The planning body should have no self interest motive. It is so because, it is done for the whole nation. If agriculture in rich, it can provide sufficient foodstuff to urban sector and gain from facilities available to urban population through natural transactions. The growth of Iranian agriculture is very important because it is still a major part of Iranian economy and its neglect will lead to further destruction of rural society.

3. Regionalization of planning: Iran is a country with different people, different cultures, different climates and so on. In each part of the country, there are possibilities of certain types of agricultural activities. Therefore it is required to have regionalisation of planning for more efficient use of our available resources throughout the country.

4. Providing sufficient funds is a must to agricultural sector. The lack of sufficient financial resources for most of the peasants has been the main cause of poorer investment in agricultural sector.
5. Reconsideration of rural population as a single units, for example the 40 per cent of Khoshneshin population have to have share in land onwership as well as enough financial support. Otherwise the sided agricultural sector will have no much chance to reduce the income gap within rural society as well as in ration with urban population.

6. Education, housing facilities and related services does play important role in increasing the efficiency of peasant work, therefore illiteracy should be considered as an important obstacle of growth process.

7. In the past absence of responsible organisation who would deal with their problems and provide necessary requirement was felt very strongly. This has to be tackled in future.

8. During the land reform programme government imposed all the plans in agricultural sector without taking into consideration the peasants own desires. It is important to let the peasants to take the decision by themselves. At the most an organization can play the role of adviser and suggest the best solutions to the concerned peasants.
9. No doubt mechanization can increase the production but also it can lead to higher unemployment in rural sector. If there would be opportunity of employment in other sectors then it can have positive effect in the economy. This would be possible through proper planning in the long period of time.