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Original Research Paper

Path dependency theory and Iran's 1962 land reforms: How initial goals shaped the current situation

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Abstract

When the Pahlavi regime launched its land reform program in 1962 as the centerpiece of the White Revolution, the official narrative promised a transformation of Iranian society through equitable land distribution, social justice, increased agricultural productivity, and improved living conditions for rural communities. Decades later, however, the outcomes present a different picture. This article examines how and why the reforms diverged from their original objectives and became increasingly resistant to change. Using path dependency as an analytical framework, the study draws on archival records, government reports, and scholarly literature to trace the mechanisms that placed agricultural policy on a trajectory from which it could not easily deviate. The findings indicate that, despite the developmental rhetoric surrounding the reforms, they were never fully implemented as intended. Political considerations shaped the process from the outset, while rising oil revenues, ineffective policies, and the growing influence of interest groups with a stake in maintaining the status quo reinforced the established trajectory over time. The 1979 Revolution, the Iran–Iraq War, and prolonged economic sanctions further reinforced this path, making fundamental changes to agricultural policy increasingly costly and politically difficult. What began as a transformative political choice, shaped by both Cold War geopolitics and domestic political objectives, gradually became an institutional constraint on subsequent policy change. The resulting outcomes diverged substantially from the original development objectives. By illuminating this process, the article contributes to an understanding of the political economy of reform in resource-dependent states and provides an analytical framework that may be applicable to the study of other institutional trajectories in modern Iran.

Keywords: Iran, development, land reform, path dependency, institutional lock-in, agricultural policy

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مقاله پژوهشی

نظریه وابستگی به مسیر و اصلاحات ارضی ۱۳۴۱ ایران: چگونه اهداف اولیه وضعیت کنونی را شکل دادند؟

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چکیده:

زمانی‌که رژیم پهلوی در سال ۱۳۴۱ برنامه اصلاحات ارضی را به‌عنوان محور اصلی انقلاب سفید آغاز کرد، روایت رسمی از تحولی عمیق در جامعه ایران سخن می‌گفت: تقسیم عادلانه زمین، عدالت اجتماعی، بهره‌وری بالاتر کشاورزی و زندگی بهتر برای روستاییان. اما دهه‌ها بعد، واقعیت چیز دیگری نشان می‌دهد. پرسش اصلی این است که اصلاحات چگونه و چرا از مسیر اولیه‌اش فاصله گرفت و چرا امروز تا این اندازه در برابر تغییر مقاومت می‌کند. این پژوهش با به‌کارگیری نظریه وابستگی به مسیر، و با تکیه بر اسناد آرشیوی، گزارش‌های دولتی و منابع علمی، به دنبال ردیابی سازوکارهایی است که سیاست کشاورزی را به مسیری کشاند که خارج‌شدن از آن دشوار شد. یافته‌ها نشان می‌دهند که اصلاحات ارضی باوجود شعارهای توسعه‌خواهانه، هیچ‌گاه به‌طور کامل و مطابق با نیات اولیه اجرا نشد. از همان ابتدا، محاسبات سیاسی موتور محرک این فرایند بود و به‌مرور، افزایش درآمدهای نفتی، سیاست‌های اشتباه و قدرت‌یابی گروه‌های ذی‌نفعی که به وضع موجود دل بسته بودند، مسیر تعیین‌شده را تقویت کردند. انقلاب ۱۳۵۷، جنگ با عراق و تحریم‌های اقتصادی پیوسته نیز بر شدت این قفل‌شدگی افزودند و هرگونه اصلاح بنیادین در سیاست کشاورزی را پرهزینه‌تر و از نظر سیاسی ناممکن‌تر ساختند. آنچه به‌عنوان یک تصمیم تحول‌آفرین آغاز شد – که به‌اندازه جبر جغرافیای سیاسی جنگ سرد از جاه‌طلبی‌های داخلی تأثیر پذیرفته بود – کم‌کم به قالبی نهادی تبدیل شد که هیچ‌گونه تغییری را برنمی‌تابد. نتایج کنونی شباهت چندانی به چشم‌انداز توسعه‌ای اولیه ندارند. این مقاله با روشن‌کردن این فرایند، به درک بهتر اقتصاد سیاسی اصلاحات در کشورهای وابسته به منابع طبیعی کمک می‌کند و چارچوبی برای بررسی سایر مسیرهای نهادی در ایران معاصر ارائه می‌دهد.

واژه‌های کلیدی: ایران، توسعه، اصلاحات ارضی، وابستگی به مسیر، قفل‌شدگی نهادی، سیاست کشاورزی

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Original-Forschungsarbeit

Pfadabhängigkeitstheorie und die iranische Bodenreform von 1962: Wie ursprüngliche Ziele die gegenwärtige Situation prägten

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Zusammenfassung:

Als das Pahlavi-Regime 1962 sein Bodenreformprogramm als Kernstück der Weißen Revolution startete, versprach die offizielle Erzählung eine tiefgreifende Transformation der iranischen Gesellschaft: gerechte Landverteilung, soziale Gerechtigkeit, höhere landwirtschaftliche Produktivität und bessere Lebensbedingungen für die ländliche Bevölkerung. Jahrzehnte später zeichnet die Realität ein anderes Bild. Dieser Artikel untersucht, wie und warum die Reformen von ihrem ursprünglichen Kurs abdrifteten und warum sie gegenüber Veränderungen resistent bleiben. Mit der Pfadabhängigkeit als Rahmen stützt sich die Studie auf Archivmaterialien, Regierungsberichte und Literatur, um die Mechanismen nachzuzeichnen, die die Agrarpolitik auf einen schwer veränderbaren Pfad drängten. Die Befunde zeigen, dass die Reformen trotz ihrer entwicklungsorientierten Rhetorik nie vollständig wie beabsichtigt umgesetzt wurden. Von Anfang an prägten politische Kalküle den Prozess. Im Laufe der Zeit verstärkten steigende Öleinnahmen, fehlgeleitete Politiken und die wachsende Macht von Status-quo-Interessengruppen den eingeschlagenen Pfad. Die Revolution von 1979, der Krieg mit dem Irak und Wirtschaftssanktionen vertieften die Blockade und machten grundlegende Agrarreformen zunehmend kostspielig und politisch undurchführbar. Was als transformative politische Entscheidung begann, geprägt von der Geopolitik des Kalten Krieges und innenpolitischen Ambitionen, verhärtete sich allmählich zu einem institutionellen Korsett. Die Ergebnisse haben wenig Ähnlichkeit mit der ursprünglichen Entwicklungsperspektive. Der Artikel trägt damit zum Verständnis der politischen Ökonomie von Reformen in rohstoffabhängigen Staaten bei und bietet einen Rahmen für die Analyse anderer institutioneller Entwicklungen im modernen Iran.

Schlüsselwörter: Iran, Entwicklung, Bodenreform, Pfadabhängigkeit, institutionelle Blockade, Agrarpolitik

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1. Introduction

The 1962 Land Reform is regarded as the most significant program of the White Revolution under the second Pahlavi regime and was implemented with multiple objectives related to development and modernization. In Iran, this policy was initiated in the 1960s and was accompanied by ambitious promises, including equitable land distribution, social justice, increased agricultural productivity, and improved rural livelihoods. However, decades later, a fundamental question arises: Do the current outcomes of these reforms correspond to their original objectives? In many respects, the policy not only failed to achieve its intended goals but also produced unintended consequences, including land fragmentation, declining agricultural output, increased dependence on food imports, rural-to-urban migration, and the expansion of urban slums. Therefore, analyzing the causes of the gap between the original objectives and subsequent outcomes is essential from economic, political, and social perspectives. While many existing studies are primarily historical and descriptive in nature, the present research seeks, through a critical analysis of land reform, to propose a model that can also be generalized to the analysis of other structural reforms in Iran.

The primary objective of this study is to compare the original goals of the Land Reform with its current outcomes across various dimensions and to explain the present situation. In this regard, the following specific objectives are pursued:

1. Examining the policymakers' primary objectives in implementing the Land Reform;

2. Assessing the current outcomes of the Land Reform;

3. Analyzing the gap between the initial goals and present outcomes based on path dependence theory; and

4. Proposing policy recommendations.

In this research, the original objectives of the Land Reform programs are reviewed and their tangible outcomes in contemporary Iran are evaluated. A comparison between the initial goals and current outcomes is then conducted, providing a basis for developing corrective policy recommendations for future decision-making.

Research on the topic of this article can be examined from two perspectives:

1. Official and governmental documents, memoirs of executive officials, and critical analyses, including reports from the Ministry of Agriculture during the Pahlavi era, the memoirs of Alam and Arsanjani, the proceedings of the National Consultative Assembly, the political notes of Dr. Ali Amini, and critical analyses by Ervand Abrahamian. These sources examine the reasons for and methods of implementing the Land Reform and, in other words, its initial objectives during the Pahlavi era.

2. Research examining the outcomes of the Land Reform in subsequent decades. For example, Mostafa Azkia, in *Sociology of Development and Rural Underdevelopment in Iran*, examines the Land Reform from a sociological perspective. In his book, he analyzes patterns of land ownership before and after the reforms and discusses their effects on rural areas. This work provides valuable assistance in examining the social conditions of the areas under study, although it largely approaches the issue from a general perspective (Azkia, 1991).

Ahmed Ashraf, in his historical and sociological writings, such as *Social Classes, State and Revolution in Iran*, has attempted to analyze the socioeconomic causes of the Land Reform, as well as the views and theories concerning land reform in Iran. He points to various pressures surrounding the implementation of the reforms and argues that the implementation of reform programs brought about extensive changes in different social and economic spheres of Iranian society (Ashraf, 2007).

John Foran, in his book *Fragile Resistance*, adopts a structural perspective and uses development theory to provide a comprehensive examination of Iranian history from the pre-Qajar period through the Pahlavi era and beyond. In the third part of the book, he analyzes the social structure of Iran during the Pahlavi period and thereafter within the framework of development theory (Foran, 1999).

Nikki Keddie, in her book *Roots of the Iranian Revolution*, examines the modern history of Iran and refers to the impact of agricultural problems and the implementation of reforms, including the Land Reform, as an introduction to and prelude to the Islamic Revolution. She considers the

role of the Kennedy administration in initiating the Land Reform to have been significant (Keddie, 1990).

Ann Lambton, in *Land Reform in Iran*, approaches the Land Reform from a modernization, exogenous, and developmental perspective. In Chapters 3–11, she examines the law, implementation, and various stages of the Iranian reforms from a village-centered perspective and discusses their effects on rural society (Lambton, 2015).

Eric Hooglund, in *Land and Revolution in Iran*, examines the problems associated with the implementation of the Land Reform and discusses the limited influence of foreign governments on the reform process. The book addresses Iran's economic and governmental policies during the period from 1961 to 1981 and examines transformations in the country's economic and political structures during and after the reform period. It also analyzes the effects of the Land Reform on rural society, patterns of landownership following the implementation of land laws, associated problems, and the role of various actors during the Pahlavi period (Hooglund, 2002).

These works, which approach the 1962 Land Reform from both positive and critical perspectives, have primarily focused on two main dimensions: either the examination of its short-term economic consequences, such as changes in agricultural production, or its sociopolitical consequences, such as the transformation of the landlord–peasant system and migration to urban areas. The innovation of the present research is based on two main dimensions: (1) applying the theoretical framework of path dependence, which views the reforms as a "beginning" of a long-term trajectory shaped at various stages by factors such as oil revenues, war, and sanctions; and (2) explaining the transition from "incomplete implementation" to "lock-in." Rather than simply addressing the failure of the Land Reform, this research seeks to explain how a set of political, economic, and war-related factors has caused the country's agricultural structure to become trapped in a "policy trap" from which it appears difficult and costly for policymakers to escape. In other words, the study establishes an analytical bridge between traditional variables, such as the 1962 Land Reform, and modern structural variables, including oil revenues, sanctions, and institutional conflicts of interest, an integrated relationship that has received limited attention in previous studies.

2. Materials and Methods

The theory of path dependence gained prominence in the late 1950s and, within less than two decades, became one of the most significant theories in academic circles for explaining development-related issues, particularly in Third World countries. In Iran, it attracted serious attention from the early 1970s, especially after the Islamic Revolution. Despite the passage of decades and the decline in its initial importance, it continues to have proponents who use it to analyze historical developments and their influence on future trajectories (Salimi, 2011, p. 171).

Path dependence was initially introduced by scholars in the fields of political science and economics and gradually became a common explanatory approach in the social sciences. Its core principle is that past decisions and policies influence current patterns of thought, reinforcement, and conditions because path dependence constrains potential courses of action and shapes future developments. Thus, the theory explains how paths become reinforced, increasingly complex, and constrained over time (Kay, 2005, p. 571).

Based on the theory of path dependence, the 1962 Land Reform under the Pahlavi regime can be considered a political project that influenced both economic and political objectives. These reforms sought to expand the government's control and social base in rural areas through externally imposed, Western-modeled land redistribution, while simultaneously preventing a peasant revolution and the spread of communist influence. Therefore, the framework of path dependence is used to examine the political economy of these land reforms and to demonstrate how a historical decision and policy became reinforced over time, thereby limiting future possible trajectories.

three analytical phases operationalized in this study, which are as follows:

The first stage of path dependence theory is the formation of an initial event—that is, a policy or decision made at an earlier point in time that influences subsequent events and developments (Mahoney, 2000, p. 545).

The second principle occurs when the initial conditions of a policy decision become increasingly stabilized and reinforced over time, as alternative options are constrained through a self-reinforcing process

(Sydow., 2012, p. 157). In practice, the initial path is reinforced by interest groups and policymakers, thereby ensuring its continuation.

The third stage arises when the prolonged implementation of a policy over several decades leads to a state of lock-in, a phase in which changing course becomes extremely difficult because of the limited availability of alternatives (Rose, 2011, p. 205).

In essence, path dependence theory serves as an analytical framework for demonstrating how the Pahlavi regime's past policies and decisions shaped the trajectory of land reforms and directed them toward the formation of the current situation.

3. Results and Discussion

During the reign of Mohammad Reza Pahlavi, the government of Manouchehr Eghbal seriously considered drafting land reform legislation for the first time. The proposal was presented to Parliament in the form of a bill during the tenure of Brigadier General Akhavi and, subsequently, Amouzegar, as Ministers of Agriculture. 1962 marked the beginning of the implementation of the main program within the framework of the White Revolution, although legal reforms had already existed prior to tha. Although the bill underwent several revisions in Special Parliamentary Commission 19, particularly concerning landownership limits and the method of implementation, the Minister of Agriculture, in defending the bill before the parliamentary commission, referred to its gradual, region-by-region implementation and the avoidance of simultaneous implementation nationwide. Eventually, the Land Reform Bill was approved by the National Consultative Assembly on March 14, 1959, and by the Senate on May 16, 1959. Later, in January 1960, the Amendment to the Land Reform Law, which had been approved by Parliament in 1958, was finally approved by the government during the premiership of Ali Amini (Shahbazi & Norouzi, 2016, pp. 61–106).

Ali Amini needed financial assistance to implement the reforms desired by the Kennedy administration. Based on his doctrine, Kennedy took two measures to provide the necessary financial resources: (1) He ordered the oil consortium to increase production so that Iran could become the third-largest oil exporter and, using the resulting revenues, provide part of the financial resources required to implement the land reform program (Farsi, 1994, p. 52). (2) The Kennedy administration

reconsidered arms sales to Iran and sought to limit the arms sales program; it also pressured the Amini government to reduce military expenditures (Ali Amini as Documented by SAVAK, 2000, p. 27).

Although the White Revolution program, particularly its most important component—the land reform—was implemented under external pressure and at the explicit request of the Kennedy administration, the Americans did not interfere in the manner of its implementation. Rather, its initiation and implementation were carried out by Iranians, particularly by Arsanjani within the Ministry of Agriculture and by individuals such as Hossein Malek and Amir Parviz in the Department of Economics (Shahbazi & Norouzi, 2016, p. 60).

The implementation of land reforms took place gradually in three stages between 1962(Beginning)and 1972(End)and was not uniform across all regions due to factors such as natural and agricultural conditions, a lack of trained personnel, budgetary constraints, and differences in the circumstances of farmers across regions. There were significant geographical differences between northern and southern Iran. The southern provinces exhibited considerable diversity, while the northwestern regions were characterized by abundant fertility. In contrast, the southern regions had predominantly dry and semi-arid climates. In addition, the cold mountains of the northwest and the elevated areas of the southwest contributed to differences in the implementation process (Lambton, 2015, p. 151).

Furthermore, because nationwide implementation was considered impractical due to the possibility of unrest and adverse consequences for the government, it was decided that the land reform program should initially be implemented on a regional basis (Hooglund, 2002, p. 111). Accordingly, the law was first implemented in Maragheh and subsequently in other regions of Azerbaijan Province. It was then extended to the provinces of Qazvin, Gilan, Arak, East Azerbaijan, Fars, Ardabil, Kermanshah, and Kurdistan (Avery, 1989, p. 78).

3.1. Initial Goals of the 1962 Land Reforms

The land reform program was driven by external pressure and aimed to advance the goals of the capitalist system within the framework of Wallerstein's world-systems theory. This was because the implementation

of land reforms was expected to eliminate two potential dangers: (1) the occurrence of a peasant revolution in Iran and (2) the spread of communism.

Huntington argued that the fear of a peasant revolution in Iran, similar to the revolution that had occurred in Cuba, together with the desire to create the necessary conditions for the development of capitalist structures, contributed to the implementation of land reforms as a means of preventing revolution. According to this perspective, the middle class needed to be strengthened, which required land reform and greater government control over rural areas (Huntington, 1968, p. 292).

The second concern was the danger of communism. Salour argues that, when discussing external pressure, attention should not be limited to the United States; the interests of the Soviet Union and the external conditions arising from the disintegration and obsolescence of the landlord–peasant system, as well as the desire to establish a smallholder system in different countries, should also be considered (Rasoulipour, 1997, p. 249).

To achieve these two objectives, land reforms were implemented in oil-rich countries within the framework of the Kennedy Doctrine (Ambrose, 1991, p. 254). John F. Kennedy of the Democratic Party was elected President of the United States in November 1960. In response to the political, economic, and social crises in Third World countries, he proposed a new strategy entitled "Flexible Response," which envisaged reducing military and financial assistance while emphasizing the need for economic and social reforms in oil-rich Third World countries, including Iran (Azghandi, 2011, p. 280).

The goals of land reform in Iran constitute a complex and multifaceted issue that can be examined from political, economic, social, and historical perspectives.

Some scholars consider the reforms to have resulted from the need for economic development through modernization. From this perspective, the reforms were intended to bring about structural changes in the Iranian economy, particularly in the agricultural and rural sectors. The principal objectives included economic development, industrialization, increased agricultural production and productivity, food security and reduced dependence on agricultural imports, a more equitable distribution of agricultural land, the incorporation of surplus agricultural labor into

urban industries, and, ultimately, the reduction of poverty and economic inequality. This perspective holds that the Pahlavi II regime sought economic transformation and modernization through various reforms, including land reform (Voshmeh , 2017, p. 69). Accordingly, the need for structural transformation of the economy, particularly the transition from traditional to modern agriculture, has been identified as an overarching objective of Mohammad Reza Pahlavi's reforms (Momeni, 1980, p. 181).

Others regard the objectives of the reforms as responses to political, external, and international pressures aimed at preventing the spread of communism in Iran. According to this perspective, the principal impetus behind land reform was external pressure, particularly from the Kennedy administration. This position is reflected in the message to Congress: "No amount of weapons and military force can give stability and continuity to regimes that do not want or cannot carry out reforms" (Kazemi, 2005, p. 3).

Others have interpreted the objectives of land reform primarily in political terms, arguing that the reforms were implemented as a means of preventing peasant revolutions similar to those that had occurred in countries such as China and Cuba. From a political perspective, other objectives have also been identified, including consolidating the power of the Pahlavi regime, preventing the influence of communism and left-wing movements in Iran, responding to pressure from Western allies, particularly the United States, promoting modernization and political modernization, and enhancing the international image of the Pahlavi regime. From this perspective, the principal objectives of the reforms promoted by the Kennedy administration were to prevent imminent peasant uprisings in Iran and to undermine the main social base of the left-wing movement (Razmjou & Razmjou, 2023, p. 61).

Some scholars have approached land reform from a social perspective, emphasizing objectives such as reducing social inequality, reducing migration to cities, preventing revolution, and responding to popular pressures. From this perspective, agricultural land in the traditional Iranian system was concentrated in the hands of a limited number of large landowners, while most farmers (peasants) lived in conditions of poverty and dependency. Land reform was therefore implemented with the aim of achieving a more equitable distribution of land and improving the living conditions of rural populations.

Overall, the most important initial goals of land reform were as follows:

A) Political Goals

- Preventing peasant revolution and the spread of communism (Kennedy Doctrine)
- Eliminating the influence of large landowners (Huntington, 1991, p. 410)

B) Economic Goals

- Transforming the agricultural structure from traditional to industrial in order to promote rural development (Halliday, 1979, p. 113)
- Achieving a more equitable distribution of land between landowners and farmers
- Mechanizing agriculture and increasing agricultural production

C) Social Goals

- Expanding the government's social base and control over rural areas through the involvement of villagers (Majd, 1991, p. 74)
- Creating a new middle class (Ashtiani, 2009, p. 38)
- Promoting social justice (Sullivan, 1982, p. 313)

3.2. Current Outcomes of the 1962 Land Reforms

The consequences of the land reform program in Iran can be examined from various perspectives. Some scholars, including Marxists, argue that the primary outcome of the reforms was an increase in the power of the central government and the strengthening of capitalist relations in rural areas. Others, including opponents of the reforms such as conservatives and domestic clerics, argue that the reforms resulted in the destruction of and loss of independence in Iranian agriculture. Still others, particularly Western-oriented supporters, maintain that land reforms resulted in a more equitable distribution of land.

Thus, the land reforms not only produced numerous consequences in the economic and political spheres following their implementation but also laid the groundwork for political and economic developments in subsequent decades in Iran.

3.2.1. Economic Outcomes

- Fragmentation of landholdings (Azkia, 1991, p. 212)
- Weakening of the traditional agricultural structure (Hooglund, 2002, p. 101; Foran, 1999, p. 479)
- Expansion of mechanization (Naraghi, 1989, p. 48)
- Widening of the gap between the agricultural sector and other economic sectors (Amid, 2002, pp. 191–195)
- Increased dependence on the oil-based economy (Behnoud, 1991, p. 146)
- Increased imports of food products (Majd, 1991, p. 74)

3.2.2. Political Outcomes

- Laying the groundwork for the emergence of the Islamic Revolution (Rezapour et al., 2003, p. 4)
- Elimination of the political power of large landowners
- Increased government presence in rural areas (Hooglund,2002, p. 228)

3.2.3. Social Outcomes

- Rural-to-urban migration (Huntington, 1991, p. 410)
- Formation of shantytowns (marginal settlements)
- Increased rural unemployment (Naraghi, 1989, pp. 44–48)

4. Analysis of Initial Goals, Outcomes, and Current Status Based on Path Dependency Theory

The objective of the present study is to analyze the process of land reform within the framework of path dependency theory. Accordingly, the study examines the initial goals of the land reforms as a policy adopted by the Pahlavi government in the 1960s in order to provide a more precise analysis of the impact of the land reform trajectory on the current situation. Within path dependency theory, several stages can be identified for analyzing the development of a policy, including the following:

4.1. First Stage: Formation (1960–1962)

According to path dependency theory, the first stage of decision-making involves the formation of initial goals, which play a crucial role in determining and sustaining a particular path. Regarding the intellectual origins of land reform, two general perspectives can be identified.

The first perspective emphasizes the necessity of implementing reforms across various sectors in order to transform societies into quasi-European societies in economic terms, while emphasizing national independence and sovereignty.

The second perspective holds that no country is inherently inferior to others and that, therefore, countries should pursue land reform (Hooglund, 2002, p. 75). Accordingly, two factors appear to have been influential in the adoption of land reform as a development policy in twentieth-century countries:

1. The occurrence of World Wars I and II shifted global economic and political power from the European powers to the United States.

2. The fall of Tsarist Russia and the establishment of the Soviet Union under communist ideology generated concerns that led Western countries, particularly the United States, to prevent developing and Third World countries from aligning with communism.

Additionally, the emergence of the global economic system encouraged developing countries to seek models of development and economic growth. The responsibility for formulating such a program was assumed by the renowned sociologist Walt Whitman Rostow, a professor at the University of Massachusetts. In addition to his academic research and publications, Rostow was involved in formulating U.S. foreign and military policies. This position provided him with a broader perspective on the development of his theories.

The most significant aspect of Rostow's development theories, concerning the structural transition from traditional to industrial societies, was presented in his five-stage model of economic growth, first introduced in his book *The Stages of Economic Growth*. The core of Rostow's theory was incorporated into U.S. economic aid programs for developing countries, ostensibly to promote development and growth but, in reality,

also to prevent their alignment with the Soviet Union (Khormashad & Musanejad, 2017, p. 150).

More specifically, land reform in Iran was the result of a combination of domestic and international roots and objectives. On the one hand, the Pahlavi regime sought to consolidate its power and reduce the influence of domestic rivals, such as large landowners and clerics. On the other hand, external pressures, particularly those exerted by the United States, and concerns about the spread of communism played a significant role in the implementation of these reforms.

Overall, the findings of the study indicate that the initial policy choice made in 1962 placed Iran's agricultural trajectory—despite all subsequent efforts and policies after the Revolution—on a path toward lock-in. Following the reinforcement and stabilization of this path over subsequent decades, the possibility of change and transformation became increasingly difficult.

4.2. Stage of Consolidation and Strengthening (1961–1977)

Based on path dependency theory, the second stage involves the consolidation and strengthening of the policy established during the previous stage. The initial stages of a policy can place specific aspects of a political system on a particular path, which is subsequently reinforced over time (Pierson, 2014, p. 88). The initial goals of the 1962 land reforms were not only consolidated during the 1970s but were also strengthened by several factors, the most important of which are discussed below.

4.2.1. Decline of the Agricultural Economy and the Expansion of the Oil Economy

Historically, the economic livelihood of the people and governments of Iran, particularly in rural areas, was largely based on land. Although production and trade also existed alongside agriculture, agriculture was more significant in terms of scale (Hashemi, 2001, p. 35).

With the implementation of land reforms and the subsequent expansion of capitalism, together with the increase in oil revenues during the 1950s and at various periods during the Islamic Republic, the decline of the agricultural economy and the increasingly dominant role of oil and oil rents in the Iranian economy became more apparent. Governments no longer regarded agriculture as the principal economic source; instead,

they increasingly relied on an oil-based and industrial economy, giving greater importance to urban areas than to rural areas (Hojjat, 2006, p. 78).

4.2.2. Expansion of Self-Reinforcing Institutions

Following the land reforms, the government implemented various mechanisms, including the establishment of agricultural corporations and cooperatives, to support farmers and increase agricultural productivity. Although these measures had positive short-term effects, in the long term—particularly during the Islamic Republic era—they contributed to widespread problems associated with quasi-state (public–private) companies.

Initially, cooperatives played a beneficial role by assisting farmers with the purchase of seeds and fertilizers, the repair of qanats (underground irrigation systems), the marketing of agricultural products, and the management of food processing. However, in subsequent decades, the absence of a comprehensive support system capable of replacing the former landlords created significant challenges, particularly with regard to government control over agriculture.

These ostensibly private companies were involved in the distribution of products, the provision of agricultural credit, and retail activities. Over time, however, they exerted pressure to purchase crops at lower prices while also acquiring the capacity to hoard products and create artificial shortages, thereby securing substantial profits. Gradually, they assumed the role of quasi-state (public–private) companies (Agricultural Research, Education and Extension Organization,1998, p. 37).

Chart 1 examines the distribution of landownership before and after the reforms. Before the reforms, the largest share of land—approximately 70%—was held by large and medium-sized landowners, while smallholders owned only 20%. During the 1960s and 1970s, the immediate short-term outcomes of the reforms presented a different picture: smallholders held the largest share, at approximately 50%, while the government controlled only 20%, primarily through cooperatives.

By the 2020s, the situation had changed again. The largest share of land, approximately 50%, was once again held by large and medium-sized landowners, with the key difference being that these were now state-

affiliated entities or quasi-state companies. Meanwhile, small-scale landownership had declined slightly compared with the reform period.

In essence, the land reforms resulted in a major transformation in the management structure rather than in the distribution of ownership. While large landowners were replaced by quasi-state companies, land fragmentation increased, shifting the agricultural structure from consolidated estates toward small-scale holdings (Chart 1).

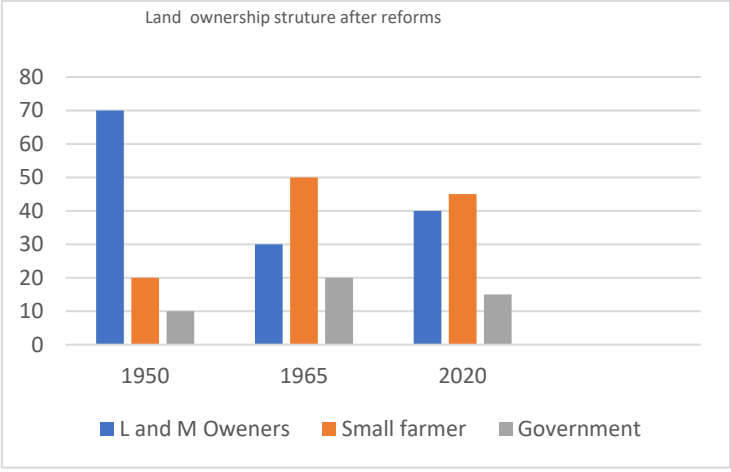

Chart 1. Changes in the Structure of Land Ownership Before, During, and After the 1962 Land Reforms (Agrarian and Peasant Issues, *1982*).

4.2.3. Rural-to-Urban Migration and the Formation of Slums in Iran's Major Cities

After acquiring land, many farmers—owing to their inability to manage the land effectively and the attraction of urban employment opportunities—chose to migrate to cities. This migration not only placed additional pressure on urban resources but also played a fundamental role in transforming traditional family structures and generating social challenges in subsequent decades (Rastandeh, 2009, p. 15).

Furthermore, the outmigration of labor from rural areas contributed to a decline in agricultural productivity. By 1976, Iran had become one of the largest importers of agricultural products (Chart 2). Although factors such as rising oil prices and increasing national income contributed to this

development, flawed economic policies during the Pahlavi era—particularly the White Revolution and land reforms, which sought to accelerate Iran's industrialization—also played a significant role (Sadrolashrafi & Sud, 1979, p. 23).

These agricultural policies continued even during the early years following the Islamic Revolution in 1979, as the government continued to prioritize non-agricultural industries, particularly the oil sector, thereby maintaining high levels of food imports (Central Bank of the Islamic Republic of Iran, Chart 3). However, from the 1990s onward, under the slogan "Agriculture as the Foundation of Development," greater attention was devoted to restoring the role of agriculture in national development (Agricultural Research, Education, and Extension Organization, 1998, p. 83).

*Chart 2. Trends in Agricultural Imports in Iran Following the 1962 Land Reforms (*The Structural and Functional Trends of Political and Economic Development from Land Reform to the Islamic Revolution, *2010).*

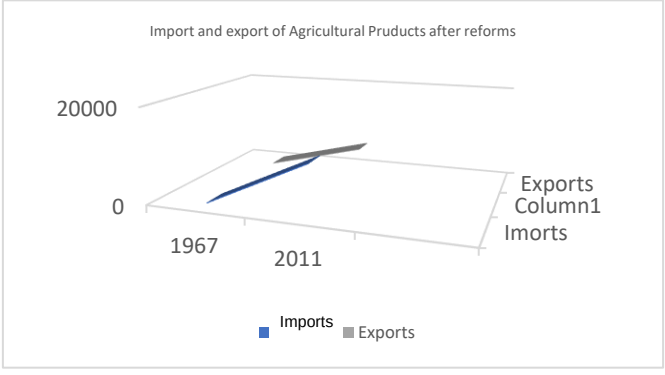

Chart 3. Trends in Agricultural Imports in Iran, 1979–Present

4.2.4. The Rise of Worker-Peasant Movements and the Formation of the Revolution

One of the most influential groups in the 1979 Islamic Revolution was the working class, which, following the 1962 land reforms and subsequent rural-to-urban migration, assumed an increasingly revolutionary character.

Following the land reforms, the decline of agriculture and the resulting rural unemployment, coupled with the expansion of industries and factories, led dissatisfied peasants to migrate to cities in search of employment. Over time, this process contributed to the formation of a large coalition of dissatisfied migrant workers and peasants (Tanhaei., 2013, p. 201).

Regarding the role of peasants who were dissatisfied with the land reforms, Samuel Huntington wrote:

"The main source of urban revolts must seemingly be sought in the slums and shantytowns that emerged after land reforms as a result of the influx of poor and unemployed villagers into cities." (Huntington, 1991, p. 405)

4.3. Path Dependency and Institutional Lock-In: The Lock-In Phase (1979–Present)

The stabilization phase of path dependency theory indicates that, following the land reforms—particularly during the 1970s—Iran increasingly prioritized a non-agricultural, oil-based economy. This process included the establishment of agricultural cooperatives and state-affiliated corporations as self-reinforcing institutions intended to expand the government's social base in rural areas.

Over time, a network of vested interest groups emerged and was further consolidated by post-revolutionary conditions, the Iran–Iraq War, and the state's centralized economic policies. These factors facilitated the emergence of quasi-state (public–private) entities, thereby reinforcing the initial policy path. The long-term consequences of this path dependency have been substantial.

Within path dependency theory, the lock-in phase occurs when an initial policy becomes deeply entrenched over time, making a change in

direction extremely difficult because of resistance from vested interest groups (Alavian & Ebrahimi, 2024, p. 499). Many of the current challenges facing Iran's agricultural sector can be traced to the initial land reform policies, which have become institutionalized and have consequently made systemic change extremely difficult.

4.3.1. The Water Crisis

The Pahlavi-era land reforms, together with population growth and drought, have significantly contributed to Iran's current water crisis (Ghaffari & Rezazadeh, 2023, p. 176).

Following the reforms, new landowners—often lacking expertise in water management—fragmented agricultural plots, dug illegal wells, and overexploited groundwater because of inadequate oversight (Javan & Fal Soleiman, 2008, p. 122) and the absence of modern irrigation technologies. These unsustainable practices resulted in severe groundwater depletion (Chart 4).

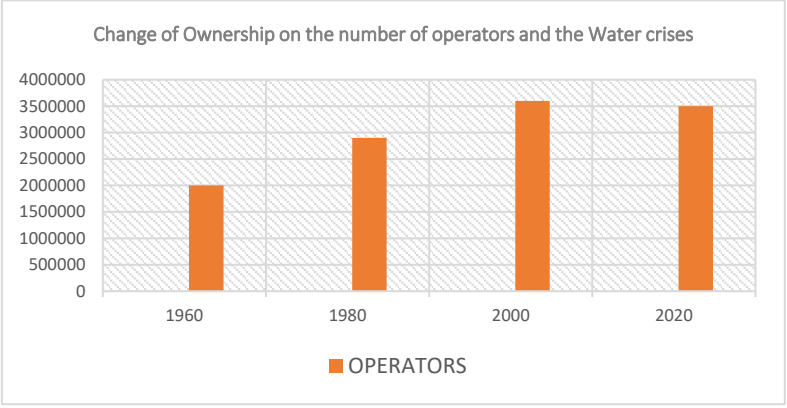

Chart 4. Groundwater Depletion Resulting from Unsustainable Agricultural Practices (Javan & Fal Soleiman, 2008, p. 122)

4.3.2. Environmental Crisis

Following the land reforms, many farmers—facing fragmented plots or seeking additional land—encroached upon forests and pastures. In some cases, these lands were legally allocated to farmers or certain landowners. Over time, this process resulted in the degradation of vegetation and pastures. Destruction continued in subsequent decades, particularly

during the Islamic Republic era, exacerbating desertification and disrupting traditional livelihood systems (Gharavi et al., 2023, p. 302).

In addition, the decades following the reforms witnessed population growth and the expansion of an industry-driven economy, which accelerated the conversion of agricultural land for urban and industrial development. Although this process helped meet housing demands and generated high land prices, thereby benefiting speculators, it caused long-term damage to agriculture and the environment (Yazdani & Hashemi Bonab, 2014, p. 46).

In essence, the 1962 land reforms, together with their subsequent iterations, reflected a lack of serious commitment to agriculture as a cornerstone of rural development. The consequences—including rural migration, urban population growth, land-use changes, and environmental degradation—are now clearly evident (Mehrabi et al., 2013, pp. 20–307).

4.3.3. Shift in Cropping Patterns

Following the reforms, land fragmentation dismantled consolidated farms and encouraged farmers to cultivate water-intensive cash crops in pursuit of higher profits. This process shifted cropping patterns toward subsistence farming rather than commercial production. This type of agriculture, characterized by simple technologies, small plot sizes, and low yields, focuses on self-sufficiency but has become economically unsustainable (Lobeau, 1975, p. 356). Although subsistence farming may meet short-term needs, its long-term inefficiencies pose a threat to food security.

The excessive cultivation of water-intensive crops, facilitated by the availability of qanats (traditional irrigation systems), subsequently contributed to water crises. Although post-revolutionary development plans sought to privatize self-reinforcing institutions, the "lock-in" effect of path dependency hindered meaningful change. Instead, state-affiliated entities, including foundations and bank-owned investment firms, absorbed these assets, thereby perpetuating quasi-state control (Heidari, 2005, p. 104).

5. Conclusions

To comprehend the current state of Iran's agricultural sector, one may distinguish between its "stated objectives" and the "consequences of its political function" regarding the 1962 Land Reforms. While the primary goals—such as land redistribution and curbing the power of large landowners—were framed as instruments of modernization, evidence suggests that this process, either implicitly or explicitly, contributed to consolidating state centralization and mitigating the influence of rival political factions in rural areas. This may be identified as the starting point of a certain "path dependency," wherein agricultural policies were shaped not solely by economic efficiency, but by considerations of political and social stability at the time.

This experience indicates that the Land Reforms represented more than a mere change in land ownership; they marked the inception of a process in which conflicting stakeholder interests and the influx of oil revenues steered semi-coherent structures toward systems that proved increasingly resistant to fundamental change. Consequently, the current state of Iranian agriculture may be viewed as the outcome of a "historical trajectory" in which structural reforms have become costly due to the emergence of new stakeholders and deep-seated ties to rent-seeking mechanisms.

Within this framework, any attempt to reform agriculture solely through "executive policies" (such as altering cropping patterns or adjusting subsidies), without accounting for this historical context and path dependency, may likely remain limited to "palliative measures" rather than fostering structural transformation. Breaking this cycle arguably requires a reconsideration of macro-structures—an undertaking that could include:

- Redefining the state-agriculture relationship in a manner that strengthens the economic autonomy of producers.
- Adjusting the distribution mechanisms of macroeconomic revenues, thereby shifting economic incentives from "maintaining the status quo" toward productivity and competitiveness.
- In sum, transitioning from a rent-dependent agricultural sector toward a competitive system necessitates a deeper inquiry into the

formation of these institutions, enabling the conceptualization of strategies that transcend short-term policymaking.

Finding 1 (Distortion of Purpose): Land reform was initially implemented under the guise of "development," but in practice, it became a tool of "political engineering." This divergence between its stated and underlying purposes sowed the seeds of structural inefficiency in the 1960s.

Finding 2 (Reinforcing the Path through Oil Rents): The findings indicate that the increase in oil revenues in subsequent decades, rather than providing an opportunity to reform agricultural infrastructure, helped conceal the structural deficiencies created by the land reforms and reduced incentives to reconsider ineffective policies.

Finding 3 (Institutional Lock-In Mechanism): The most important finding is that conflicts of interest among stakeholder groups, which developed under conditions shaped by oil revenues and war, contributed to the creation of self-reinforcing institutions. In other words, the system has not only resisted reform but has also developed institutional mechanisms that constrain attempts to alter its established trajectory.

6. Recommendations

Based on the findings of dependency theory, it was shown that land reform from 1962 onward progressed in a direction that gradually became reinforced and entrenched. The post-revolution conditions, the imposed war, misguided policies along this path, increasing dependence on oil revenues, corruption, and the self-reinforcing interests of stakeholders made changes in this path difficult—even in the face of institutional shocks such as the 1979 revolution and deep structural transformations like multiple development plans. Therefore, the present study recommends the following:

- Examining past experiences and laws can improve current conditions, provided that any macro-level agricultural policymaking, relying on cropping patterns and the use of new technologies, is updated and strives to enhance social and environmental conditions—such as water resource management,

environmental impacts, and rural development—alongside primary economic objectives.

- Given the experience of land fragmentation during land reform and its irreversible consequences in the agricultural sector, governments must not only take serious measures against the division, fragmentation, and conversion of agricultural lands but also implement policies to consolidate land holdings.
- To counter self-reinforcing institutions (quasi-governmental entities), local institutions and councils involving farmers, experts, and villagers should be strengthened to reduce the power of self-reinforcing institutions that emerged after land reform.
- Institutional and long-term reforms for transforming the path should be gradual and modeled after the successful experiences of countries like Turkey or Brazil to facilitate a path shift.

Conflict of Interest

The authors declare that there is no conflict of interest regarding the publication of this article.

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