

# **Impact of Imperialism and Western Influence on Middle East: A Case Study of Iraq and Iran**

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## **ABSTRACT**

Imperialism, which is the practice by powerful country or group of countries gaining control over weaker one through dominance or influence, can be traced to the 18th century. Western imperialism, characterized by a colossal power inequality between the colonizers, located in the west, and the colonized, located in the East, was owing to the Middle East regions' potentials of industrialization, geographical locations and most importantly, oil. Iraq and Iran, both situated in the Middle East, are areas blessed with a large oil deposits which made them those of the most desirable territories in the Middle East and vulnerable to western imperialism.

Therefore, this study focuses on Iraq and Iran as cases study, sought to investigate the dynamics behind the rise of imperialism in the Middle East and the impacts of imperialism in this region as well as how Iraq and Iran struggled against the Western exploitation. Driven by World-System and Dependency theories, qualitative and descriptive case study method was adopted for this study.

The impacts of imperialism on Iraq include current redrawing of the Iraqi borders into boundaries of Shia majority, a large Sunni minority, a Kurdish region, the creation of the state of Iraq and the high dependent of Iraq on the west, despite being an oil producing country; while Iran, though was never officially subject to imperial power, was indirectly and by proxy, ruled and controlled by the west, having had its democratically-elected leader eliminated.

This study concludes that besides oil, poverty, low technological development and poor governance contributed to the rise of imperialism in the Middle East. However,

despite the exploitations by the West, Iran and Iraq benefitted positively in terms of industrialization of oil industry and evolution of infrastructure. Therefore, government of developing countries should encourage self-development and self-reliance to avoid any form of imperialism.

**Keywords:** Dependency theory, Imperialism, Iran, Iraq, Middle East, World-System Theory

## ÖZ

Güçlü ülke veya ülkelerin, zayıf ülkeler üzerinde, domine etme veya etkileme yolu ile kontrol kazanma uygulaması olan emperyalizm 18.nci yüzyıla dayandırılabilir. Batıdaki kolonize edenler ile doğudaki kolonize edilenler arasındaki muazzam güç dengesizliği ile karakterize edilen batı emperyalizmi, Ortadoğu bölgesinin endüstrileşme, coğrafik yerleşimler, ve en önemlisi petrol kaynaklarını elinde tutuyordu. Ortadoğu'da bulunan İran ve Irak büyük petrol kaynakları ile donanmış olup bu kaynaklar onları Ortadoğu'da en fazla istenen, ve batı emperyalizmine karşı korumasız bir duruma getirdi.

Bu nedenle bu çalışma vaka çalışması anlamında İran ve Irak üstüne odaklanmış olup emperyalizm'in Ortadoğu'daki yükselişi, bu bölgedeki etkileri, ve İran ve Irak'ın batının istismarına karşı nasıl mücadele ettiklerini anlatmaktadır. Bu çalışma için, Dünya Sistemi ve Bağımlılık teorileri tarafından yönlendirilen niteleyici ve açıklayıcı vaka çalışma yöntemleri benimsenmiştir.

Emperyalizm'in Irak üzerinde etkileri halen Irak sınırının Sheia çoğunluğunun sınırının içine doğru çekilmesi, büyük bir Sünni azınlığı, bir Kürt bölgesi, petrol üreten bir ülke olmak yerine batıya çok fazla bağımlı bir Irak devleti kurulmasını ihtiva eder ; diğer taraftan İran ise resmi olarak hiç bir zaman emperyal güce bağlı olmamış, dolaylı yoldan ve vekaleten batı tarafından kontrol edilip yönetilmiş ve demokratik yoldan seçilmiş bulunan başkanı bertaraf edilmiştir.

Sonuç olarak denilebilir ki, petrolün yanısıra güç, düşük teknolojik gelişim, ve zayıf yönetimler emperyalizm'in Ortadoğu'daki yükselmesine katkı sağlamıştır. Bunun

yanında batının istismarlarına rağmen İran ve Irak, petrol endüstrisinin büyümesi ve altyapının gelişimi konularında olumlu kazanımlar sağlamışlardır, bu yüzden gelişmekte olan ülkelerin hükümetleri ülkesel gelişim ve ülkesel güveni özendirerek emperyalizm'in her çeşitinden kaçınma yoluna gitmelidirler.

**Anahtar kelimeler :** Bağımlılık teorisi, Emperyalizm, İran, Irak, Ortadoğu, Dünya Sistemi teorisi.

## DEDICATION

*Dedicated to God Almighty and to My  
Family*

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# Chapter 1

## INTRODUCTION

### 1.1 Background to the Study

This thesis argues that Western imperialism and modern hegemony in the Middle East are linked in part to oil and this can be best understood by looking to dependency theory and World System's theory. The case of Iran and Iraq are particularly applicable as they have encountered historically a great deal of Western interest from British and French imperialism to American hegemony. This thesis asks. What are the dynamics behind the rise of imperialism in Iraq and Iran? What are the impacts of imperialism in the Middle East? What is the value of the dependency theory model and World systems theory in the case of Iran and Iraq? It will conclude that oil has historically been the driving factor in imperialism and hegemony and these theoretical concepts most accurately conceptualize the issue.

The major areas that comprise of modern day Middle East have deeply been affected by the historic expansion of Western imperialism which for (Hinnebusch, 2012) dates back to the Ottoman collapse of 1924 during which the Middle East became an exporter of major products and an importer of manufactured goods and technology of which scholars like (Amin, 1978; Owen, 1981; Issawi, 1982; Bromley, cited in Hinnebusch, 2011) all agreed in their write-up that "By the 1700s, the Ottoman Empire was in decline as the East–West trade routes on which its civilisation was built were lost to the West" (Rosenberg 1994:98; Hinnebusch, 2011:218). According

to Amin, the Middle East, after the Western invasion, was being measured with the neighboring areas of the Caucasus and ex-Soviet Central Asia, which made them an important geo-strategy and geo-political tool of imperialism, employed mainly in the U.S. post WWII hegemonic project.

The reason for this can be linked to three factors: its oil wealth, its geographical position in the heart of the Old World and lastly, its constituent of vulnerable part of the world. The Middle East remains significant to the United States because of its political, military and economic resources, as well as the flow of Middle Eastern oil which is vital to the West. The West, as a result, has a vast interest in the region's stable development. They also invested strong interest in sustaining alliance with Greece, Turkey and Iran, as these three countries stood between the Soviet Union and the warm water ports and oil resources of the Middle East (Trabulsi, n.d).

The state of Iraq is an old civilization of people who mainly struggled for their freedom to have a better life for themselves and their children. The working class in Iraq has always struggled against foreign domination and exploitation by the Iraqi ruling classes. The U.S. imperialism is fighting a war for control of a key resource – Oil. This war is in part a struggle by the capitalists to control the world's resources. Invasion by Western military was constant, beginning with Russian advances on its northern frontiers. European powers through force and bribery of corruptible elites, enforced unequal treaties on the Ottomans and on Iran, allowing them to overflow which exposed local markets with foreign manufactured importations. This caused local industrial decline and unemployment, the Middle East began exporting raw materials, leading to deterioration in trade.

According to Robinson cited in Gelvin (n.d:88) “Imperialism is the process whereby agents of an expanding society gain inordinate influence or control over the vitals of weaker societies by... diplomacy, ideology suasion, conquest and rule, or by planting colonies of its own people abroad.” It is a practice by which a powerful country or group of countries gain control over other areas of the world by changing or influencing the way people live in other “poorer” countries. Imperialism is a process of amassing and the acquisition of lands, resources, labour and revenue. It was held by a philosophy that proposed certain peoples and certain territories required dominance, assistance, and “civilization.” The Western nations did not create empires, and overseas subjugation was not new. Empires were owned by the Chinese, Turks, Persians, Aztecs, Incas, and many African countries.

However, Lenin (cited in Fuchs, 2010:222), identified five characteristics of imperialism, namely: 1) The concentration of production and capital developed to such a stage that it creates monopolies which play a decisive role in economic life. 2) The merging of bank capital with industrial capital, and the creation, based on “finance capital,” of a financial oligarchy. 3) The export of capital, which has become extremely important, has been distinguished from the export of commodities. 4) The formation of international capitalist monopolies which share the world among themselves. 5) The territorial division of the whole world among the greatest capitalist powers is completed.

Scholars like (Gelvin, n.d, Zayar, n.d, Karsh, 2006) traced the origin of European imperialism to the 18th century, which was characterized by a colossal inequality in power between the colonizers and the colonized, owing to industrialization.

European imperialism however did not commence in the 1800s, it has begun since the sixteenth to the early nineteenth century, and this era was dominated by what is now referred as Old Imperialism. European nations wanted trade routes with the Far East, explored the New World and established new territories in North, South America as well as Southeast Asia. European nations established colonies in the Americas, India, South Africa, and the East Indies, and gained territory along the coasts of Africa and China. Alongside nationalist goals, industrialization inspired European countries to acquire cheap and profitable raw materials and labour, to become more autonomous. They sought out newer territories to relieve their overpopulated countries and new markets for their manufactured goods as well as to civilize the inhabitants with their so-called Western ways, and convert them to Christianity. Not long after the Europeans began the process, the United States and Japan followed suit, establishing their own overseas territories. The Muslim Empires, Africans, Chinese, Indians, and many other peoples were collectively dominated during the Age of Imperialism (The age of imperialism, 2015).

Iran and Iraq, the subjects of this inquiry experienced distinct Western intervention. Iraq, a country in the Middle East north of the Persian Gulf. It is hugely a desert area, but the area between the Tigris and Euphrates Rivers is a fertile plain with a rocky northern region. The discovery of large oil deposits in 1908 made Iraq one of the most desirable territories in the Middle East. The world was on its way to an oil-based economy and the great imperial powers began to struggle to dominate the oil reserves of the world. In 1912, a British-dominated consortium, the Turkish Petroleum Company, was established to develop an oil industry in and around Iraq. The invasion of southern Iraq by the British led to an all-out occupation of the country. The British perceived an occupation of Iraq as the means to ensure their

hold over the oil of the Persian Gulf region. By the end of the war in 1918, the British forces controlled the territory of Iraq up to the northern city of Mosul (rand.org, 2010).

On the other hand, Iran, similar to Iraq, is one of the world's oldest countries. It is situated at a strategic juncture in the Middle East region of South West Asia. It has large oil deposits. Iran was one of the earliest sources of oil for the British who established an oil corporation, the Anglo-Persian (Iranian) Oil Company in 1909 to build up an oil industry in Iran. The modern era in Iran, consist of three sub-periods. The 19th century opens the first period; Iran is described as a small colony with little or no participation in the world market. The second period is marked by increasing oil production and industrialization as well as increasing awareness of the working class while the third period is characterized by the growing involvement of Iran in the world market as an autonomous state with total control of its oil resources, increase in oil revenue and speedy economic growth (Zayar, u.d).

During the Second World War, the Middle East became a theatre of western imperialism, despite Iran's disinterest in the war, western supporters wanted to use the Trans-Iranian Railway to ship war supplies from Britain to Stalinist Russia. However, Reza Shah was to some extent under the pressure of Hitler's Germany. By late 1930, almost all of Iranian foreign trade was with Germany which provided the needed machinery for Iran's industrialization projects. Reza Shah refused to cooperate, therefore causing the British imperialists and Stalinist Russia invasion of Iran in 1941. They were successful at forcing him to abdicate, placing his son Mohammad Reza Pahalavi on the throne. The new Shah allowed them to use the railway and to keep troops in Iran until the end of the war.



The most historic event that gave awareness to most Iranians was the 1953 coup d'état against nationalist Prime Minister, Mohammad Mossadegh. He was a nationalist liberal who supported parliamentary democracy. The struggle at that time was over the nationalization of oil. Mossadegh himself was no great friend of the working class and tension between him, the trade unions, and the Tudeh party, which dominated the trade unions, grew. Strikes were banned, and anti-union legislation was enacted. Mossadegh became a symbol in many ways. The Anglo-Soviet invasion of Iran was the invasion of the Empire of Iran during World War II by Soviet, British and other Commonwealth armed forces. The invasion lasted from 25th August to 17th September 1941. The purpose was to secure Iranian oil fields and ensure Allied supply lines for the Soviets, fighting against Axis forces on the Eastern Front. Benab (2015) opined that the advent of the commercial activities of the European imperial nations in Iran goes back to the Safavid period (1500-1722). However, the Iranians were able to resist the projected colonial penetration, instead developed commercial relations with the Europeans on an equal basis, and exported Iranian manufactured commodities to the European countries.

After the fall of the Safavid House, Iran went through a series of tribal and feudal conflicts which gave opportunity for colonial penetration and contention. The history of Iran from 1700 to 1800 can be considered as an ordinary sequence of military and political struggles among the rival khans, which resulted in further colonial penetration of Iran under the Qajar rule in the nineteenth century. According to Milinski (2010), the Iranian political perceptiveness revealed that anti-American sentiments run deep. Iranian nationalism was rather strengthened by globalization; they recognize foreign and Western interjection and want to create a counter-perspective on Iranian life and purpose as a nation state.

From the foregoing, it is imperative to study the impact of the Western imperialism in the Middle East. The impact of imperialism by the West was well felt in the Middle East especially in Iraq and Iran. Hence, the cases study for this current study.

## **1.2 Statement of the Problem**

Imperialism in the Middle East, especially in Iraq and Iran, was employed by the West to dominate the people, allowing them to be dependent on the West. World powers were attracted to their strategic location and products, especially oil. The Industrial Revolution stirred many European countries and renewed their confidence towards a path of aggressive expansion overseas. They took advantage of the revolutions during the Iranian revolution and the Iraq-Iran war. They invaded the economy and politics of the Middle East by controlling the oil reserves of the nations in order to acquiring more profits for their industries, investing in military industry, providing weapons for the war for both countries and creating political maps.

The different ways in which the West dominated Iraq and Iran, were culturally, politically, petrol-imperialism (dominating the oil reserve) and economic (through their exports). Although the people in these nations fought to gain back control of their countries, the West held on fast to their major resource – Oil. Western imperialism is still in action today and it is noticeable in cultural, political, economic and religious lives of the people, as its main purpose is to expand its ground of operation for internationalization of trade, cultural/media globalization, political and military dependence.

The foregoing therefore explains why Demont-Heinrich (2011) refers to imperialism as a global situation in which powerful culture industries and actors, located almost

exclusively in the West, dominate other local, national, and regional cultures and actors. This domination is understood as being largely the outcome of fundamental historical inequalities which have resulted in the bulk of political and economic power being concentrated in the West. According to some interpretations (Sepstrup 1989; Morris, 2002), imperialism also presumes a sort of hypodermic needle effect in which the values embedded in cultural products into local and national cultures and effectively overpower them. Sarmela (1977) concludes that imperialism is the economic, technological and political hegemony of the industrialized nations, which determines the direction of both economic and social progress, and standardizes the civilization, economic and political environment of the invaded or dominated nations.

It is on these premises that this current study aims at examining the impact of the imperialism by the West in the Middle East focusing on the circumstances of Iraq and Iran. Arguing that it is best conceptualized through Dependency Theory.

### **1.3 Research Questions**

The following research questions are the focus that this study seeks to answer through qualitative assessment of literature reviews on imperialism in Iraq and Iran:

1. What are the dynamics behind the rise of imperialism in Iraq and Iran?
2. What are the impacts of imperialism in the Middle East?
3. What is the value of the dependency theory and the World System's theory model in the case of Iran and Iraq?

## **1.4 Hypothesis**

Western imperialism and hegemony are driven primarily by an interest in oil resources and Dependency Theory and World System's theory offers persuasive cooperative models for understanding Western influence in Iran and Iraq.

## **1.5 Purpose of the Study**

The major purpose of this study is to explore the impact of the imperialism by the West in the Middle East. The specific purpose of this study is to examine the impact of imperialism by the West on Iraq and the impact of Western influence and domination on Iran.

## **1.6 Significance of the Study**

The potential value of this study is found in the idea as opined by Sarmela (1977) that the whole world is becoming a common place for both powerful and powerless nations in which the same kind of technical product development, knowledge, political and economic resources are valued equally; and the only way imperialism by the 'so-called' powerful nation can be work nowadays is when the 'so-called' local nation tend not to look inwards as to what resources they have and how best they could harness the resources maximally. Therefore, value of this study will provide an insight to the governments of developing countries regarding how they could avoid and/or stop imperialism, which is not necessarily through physical invasion or domination by developed countries nowadays.

The revelation from this study would also serve as enlightenment for policy makers in many ramifications – political, financial, economic and even socio-cultural – to knowing how best the nation can achieve self-development and self-reliance from the

development and maximal use of the national resources. This will enable them to know the best workable policy for the nation.

## **1.7 Research Methodology**

Due to the nature of this study which is to examine the impact of imperialism and Western influence on the Middle East using Iraq and Iran as case studies, the research method adopted for this study is case study method which is qualitative and descriptive in nature. According to Yin (1984), case study research method as an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not evident; and in which multiple sources of evidence are available and used. That is, the case study approach uses a number of data sources to investigate individuals, groups, organizations, nations and so on. Also, according to Babbie (2008), the nature of the case study approach is mostly descriptive.

In addition, this research adopts dependency theories and to a lesser extent World-Systems Theory. It is important to note that dependency theory entails the explanation of economic development of a state in terms external influence. It could also be recalled that imperialism concerns invasion and development from which the tenets of world systems and dependency theory emerged (Wallerstein, 1974; Chirot and Hall, 1982; Martínez-Vela, 2001).

Therefore, in understanding the impact of imperialism in the Middle East, the qualitative and described methods to the case study approach were adopted and considered appropriate for this study as it allows the researcher to deal with a wide spectrum of evidence including documents and historical arte-facts among others.

The techniques employed were the use of documents encyclopedias, relevant research work, articles, and report which were used to gather information about the topic under study.

## **1.8 Thesis Chapterization**

This study is organized into chapters. The first chapter, which introduces the study, gives general background information to the study. It also presents the gap that the study intends to fill in form of the statement of the problem, specific research questions and hypothesis to guide the study and the significance of the study. The second chapter presents a review of relevant literature on the imperialism and identifies the theories that are used to frame the research which was mainly the dependency theory, a subfield of Marxism. It also discussed important concepts used in explaining the study. These concepts are connected to the research objectives that directed the collection and analyses of data for this study.

The third chapter addresses the analysis of hypothesis using the case study method. In this chapter, background histories of the case studies nations are presented. The fourth chapter, titled Analysis of Imperialism Impact, presents the analysis and results of data gathered in the research. The result of the study was analysed using the case study method. Lastly, the fifth chapter is the conclusion for the study.

## **Chapter 2**

### **REVIEW OF SELECTED LITERATURE**

#### **2.1 Introduction**

This chapter presents a review of relevant literature for this study. It is a detailed discussion of imperialism its impacts and justification, appealing to the variety of aspects this has for socio-economic relations. It also presents theoretical framework and connects them to imperialism more broadly.

#### **2.2 The Concept of Imperialism**

Zhuol Enlai the late Chinese Premier proposed 20th century as the age of imperialism and proletarian revolution (Zhou, 1973). Imperialism and its theories have been the most basic interest of Marxist theorist. In describing imperialism, authors such as Lenin, John Hobson, Nikolai Bukharin, and Rudolf Hilfering describe imperialism as a concept that developed out of expansion of capitalism in the late 19th and 20th centuries. Thus, there was a swing from the competitive capitalism of British dominance of production in the 18th century to well concentrated and structured form in Germany and finally to the United States. John Hobson in his book “Imperialism, a Study” makes a connection between imperialism and development of economy of the developed capitalist state (Hobson, 1988). Bukharin also makes a connection amid capitalism and imperialism explicitly (Bukharin, 1973).

The authors who are the pioneers of the theory of imperialism conceived imperialism as a concept that was curved out by the capitalist political economic of the hegemony. Imperialism was and is capitalist imperialistic. It was and it is a historical phenomenon. According to Harvey (2005), it is an outcome of national and logic of power of the capitalist state where ‘the relations in interstate and the inflow of power are demonstrated within the system of world capital accumulation.

The explanation provided by Harvey (2005) of imperialism element and its existence in synergy captures the dynamics of capitalist imperialist which will be subsequently detailed in later part of this work. Marxist theories provide adequate insight explaining how the territorial logics and capitalist relate to form the economic and political features of the modern world more than the main theories of international relations like realism and liberalism.

### **2.3 Imperialism in Retrospect: Old and New Imperialism and Colonialism**

John Hobson, did not exclusively condemn imperialism, in that, there are vision of imperialism which are positive and negative, legitimate, aggressive, sane and insane (Townshend, 1988). For instance, earlier in the 1980s, imperialism guise was sane than the post 1980s which was referred to as new imperialism by Hobson. The difference between these periods emanated to the forms of policies instigated in the colonies.

New form of imperialism has an adopted strategy by a certain figure of authorities. The rivalries ensuring power between Europe and US for protectorate with trade barred the formation of hegemony influence. Hegemony convened benefit where



inter-imperial competition was not a concern in the earlier form of empire. Thus, imperialism contained a sincere form of internationalism.

The developed nation states had a vital role in the wide spread of civilization in which imperialism tool was a useful element in the lifting of the less civilized state where they could have access in the benefits that the advanced nation state could convene. On the one hand, according to Hilferding, imperialism came because of changes which had ensued in capitalism following the death of Marx. He believed that imperialism in the political realm could be overawed precisely by the initiation of social 'democratic majority parliament'. Imperialism was a policy that nation state and capitalist would see as misguided and not an essential phase of capitalism. According to Kautsky's perspective, imperialism was connected to agriculture and industrial sector.

In the late 1870s, industrial extension had ensued at a quick rate to the point that business sectors attempted to keep up. Transportation strategies were enhanced through the spread of rail line in both agrarian nation state and the industrial nation state. Deficient in the capital to invest in rail line building, agrarian nation state grow into the inheritors of foreign capital reserved for rail lines project and other infrastructure. Capitalist states sought to defend their capital export by the power of their state. Hence, political control over those zones ensued as more capital were deposited into the agrarian zone. (Kautsky, 1914).

In the industrialization of agrarian nations, states' capital export was not helpful. The agrarian nation states stayed on a supplier of horticulture items and raw material with the combination of political control and limited development (Kautsky, 1914). The

competition for the residual free areas of influence global and agricultural distinct was extensively creating an arm race, thus breaking out into war. Kautsky affirmed that there was no economic need for the continuation of weapon contest after war. Capitalist could observe that the economy was endangered by the inconsistency within its nation state (Kautsky, 1914). Capitalist did not only observe the problem of what imperialism policy caused. In the more advanced agrarian, opposition of imperialism arose as well as all the proletariat in the industrialized countries, chafing under the imposed tax burden because of costly arm race and imperial extension.

Imperialism hence was one distinct method of extension of capitalism according to Kausky. There was possibility towards the end of the world war that the immense imperialist power would go to some course of action, abstaining from the weapon contest and the like cartels achieving assertion on the management of their external strategies. Therefore he anticipated ultra- imperialism as the new phase of the cartelization of foreign polices as well as the appearance of a federation of powers (Kautsky, 1914).

In contrast to Lenin's views, Bukharin explains that imperialism is not a final phase of capitalism according to Kausky. Rather, Bukharin views imperialism as the fierce expansion of scope of influence or utter extension of agrarian areas by industrialized capital power. Imperialism was a violent policy pursued by industrial nation state particularly connected with the acquiring raw materials resources and horticultural product.

## **2.4 Economics of Imperialism**

Hobson's imperialism; a study published in the year 1888, has been acclaimed a model of political works (Townshend, 1988). Referring to Hobson's economic taproot of imperialism hypothesis, Wilshire (cited by Etherington, 1982) opined that there had been a persistent movement from competition to monopoly in the 1890s, which was a capital analysis that had obstructed the channel of investment leading to a capital surplus domestically searching for investment (Etherington, 1983). Gaylord claimed that, at that time, capitalist in America were so much in need of foreign investors.

Other countries like Germany, Holland, France and Britain were obliged to search for larger measure of their economic resources outside their political areas too. The expansion and opening up of a new market was the extension of protection by the host state to the new colonies and market. However, the competition between the developed countries for new territorial areas and new fields of foreign investment made extra impost on taxpayer, tariffs and cost through the way of governmental subsidies associated with administrative function and military function. Imperialism was partial economic which came in with series of benefit to ascertain interest classes or group in Hobson's view. Increasingly, state became entangled in policies, practices and militarism of the imperialist, nevertheless, the sources of imperialist policies and practices were based on the economy.

By 1870, European industrialized nations found the necessity to expand their markets universally in order to sell products that could not sell locally on their continent. Businessmen and bankers were willing to invest capital into investments which

offered the incentive of greater profits, in spite of the risks. The industrial nations maintain needed a firm control over the developing regions in order to acquire cheap labour and a steady supply of raw materials, such as oil, rubber, and manganese for steel. The imperialists thought by directly governing these regions; setting up colonies under their direct control, the industrial economy work effectively. America imperialists strategically penetrated the economy of the “lower nations” for regions in which to invest, manufacture cheaply, and find consumers or trade by substituting the dollars in trade and investment for the armies and bullets of wars and occupations.

Imperialism in its economic core is monopoly capitalism. Its focus on production and capital has developed to such a high stage that it has created monopolies which play a decisive role in economic life, such as the creation of international capitalists’ associations, alliances, groups and trusts which share the world among themselves (Lenin, 1999). Imperialism has been condemned as an industrial policy, in that it has allowed an irrelevant, bad, risky increase of markets, and has endangered the entire wealth of the nation in stimulating the strong antipathy of other nations (Hobson, 2011). These associations and groups were formed by advanced countries enjoying the benefits of high tariff (Germany, America, and Great Britain). The merging of bank capital with industrial capital, which created a monopolized basis for finance capital, of a financial oligarchy, this has allowed the cartels to have a concentrated control of the capital and incomes of entire countries with total economic dependence on the center.

Also, the big controlling capitalists of leading capitalist countries wanted to remove competition, because investment in the growth of a country might likely lead to

competition and these large monopolistic capitalists may lose interest in growing investment. Therefore, capitalists exploited natural resources to be used as raw materials in the industrially advanced countries (Maier, 1968). The export of capital is more significant as distinguished from the export of merchandises, that is, there is wider struggle for the sources of raw materials, for the export of capital for ‘spheres of influence’ for commercial transactions, franchises and monopolistic revenues and for dominance of the economic territory in general (Lenin, 1999).

Imperialism gave rise to demand for foreign markets for productions and investments which is openly responsible for its implementation as a political policy. The West needed Imperialism because of their yearning to use the public resources of their country to find gainful employment for the capital which if not would be redundant. Great Britain, Germany, Holland, France were forced to place increasing quotas of their economic resources separate from their present political domain, and then inspire a policy of political development in order to dominate new regions because of over-production as perceived by the undue manufacturing of plant, and excess capital which cannot be invested in the country. The economic sources of this measure are laid bare by sporadic recessions in trade due to the inability of producers to find acceptable and profitable markets for what they can manufacture (Hobson, 2011). Besides, Western Europe’s and America’s great trade surge and sustained growth should not have barred nor continued to check the economic growth in underdeveloped or developing countries.

However, through helpful interaction with the technologically and scientifically leading West European countries, these underdeveloped or developing countries might have become economically independent too. Nevertheless, through the nature

of capitalism as developed in Western Europe and in the United States, the developed countries became dependent on the exploitation of the undeveloped in order for capitalism to function. The exploitation of these countries involved the systematic transfer of labour from the poor country to the industrialized rich country. This decision to transfer labour had a shattering impact on these regions. It fiercely shook their whole development and severely transformed its progress. By violating the age-old system patterns of their rural economy, and by forcing shifts to the production of exportable crops, western capitalism ruined the autonomy of the underdeveloped country. As a result of the confiscation of peasant lands for plantation purposes, and by the removal of local handicrafts through the matchless struggle by the industrialized nation, a huge reserve of poor labourers was formed (Maier, 1968).

## **2.5 Political Imperialism**

Hobson claimed that Imperialism gave a more complete political realization to the domains that were occupied by the West. While natives were used for certain administrative works, industrial nations employed local agents wherever possible for exhaustive work of the administration, so that locals easily would adapt to the foreign government while using the conditions they are familiar. Liberal thought argued that England's imperial mission was to spread the arts of free government (Hobson, 2011).

European industrial nations also thought that colonies were essential to military power, national security and self-government. Therefore, to gain great power, military used naval vessels in the military bases around the world to take on coal and supplies. Islands or harbors were seized to satisfy these needs. Hobson agreed with

this assertion that Imperialist power retained a growing military accessible for Foreign Service; restructuring of borderlines, punitive expeditions, and other euphemisms for war are in continuous progress. Colonies made sure the growing European navies had safe ports and coaling stations, which they needed in time of war. National security was one of the reasons Great Britain dominated Egypt, they were protecting the Suez Canal which formally opened in 1869, because it was used as a short route for their voyage from Europe to South Africa and East Asia. Many people were of the opinion that controlling colonies was a sign of a nation's greatness; colonies were status symbols (The age of imperialism, 2015; Hobson, 2011).

The periods of imperialism have been prolific in wars, as most of these wars have been directly driven by antagonism of 'upper races' upon 'lower races' and have forcibly taken over the territory (Hobson, 2011). Maier (1968) added that the industrial nations gradually destroyed all the foundations of the ancient culture and nothing positive was established to replace them. Instead, legal and property relations related to a market economy and the administrative institutions to enforce these new laws were set up as substitutes. The well-functioned way of life, though largely agrarian, was replaced by opportunistic landlords, petty businessmen, investors, and slums of unhealthy and starved millions.

In other words, new classes of hierarchy, linked to the imperialist's rule and system, were created. Hinnebusch (2012) views that in the Middle East, the imperial powers conquered indigenous militaries and insurgences using weapons and aerial attack of cities, villages and tribes. In order to give the indigenous leaders a sense of autonomy, the metropolis encouraged their private appropriation of the collective

patrimony (land, oil), therefore turning tribal and merchant land owners and tribesman and farmers into agricultural working class. Native minorities were often appointed and armed, thus isolating them from the majority and making them dependent on the imperial powers.

## **2.6 Imperialism and Religion**

The Muslim world stretched from Western Africa to Southeast Asia. By the 1700, most countries in the Middle East such as Iraqis and Iranians were in deep decline. The years of development favoured the empires, nevertheless as more trade became concentrated along the Atlantic Ocean and away from the old Silk Road routes, the Muslim empires realised a decrease in their wealth and power (Global impact of imperialism, 2015). The Islamic religion provided a commonality for societies under Ottoman rule, whereas European Christianity remained a culturally superior, minority faith in the regions that have fewer European settlers or where religions of equal superiority, such as Islam, hindered religious conversion (Bulliet and Ruedy, 2007).

The year prior to World War I was the high point of Western missionary work in the Middle East. Roman Catholic missions thrived in the Middle East and North Africa and the Russians supported Greek Orthodox institutions in the wake of the Protestant challenge. The missionaries established health care centres, schools and colleges with Western curricula to encourage intellectual challenge and questioning as well as created an interest in biblical and pre-Islamic archaeology at a time when nationalism was throughout the region. The Middle East is mainly Islamic as the philosophical and theological developments within the missionary movement caused a shift from an emphasis on conversion to one of cooperation with existing churches and the



indigenization of the missionary churches. This shift caused the emigration of members of the Eastern churches to leave the Middle East, being more of a Muslim world.

## **2.7 Imperialism as the Consequence of Capitalist Development**

Revolutionaries Vladimir Lenin, Rosa Luxemburg and Nikolai Bukharin viewed capitalism as the consequence of imperialism. To begin with, imperialism, according to Luxemburg (1971), is the political expression of the amassing of capital in its competitive tussle for what remains for non-capitalist environment.

At the point when the processes of accumulation in capitalist nation state came up contrary to the limit levied, the non-capitalist state were integrated into the world capitalist economy in a way that the awareness of surplus values could proceed. Hence, accumulation was not only 'an interior affiliation between the outlets of capitalist economic, thus it was initially a rapport between capitalist and non-capitalist environs (Luxemburg, 1971). Rosa viewed imperialism like Lenin, and Bukharin as the final historic phase of capitalism. This phase she viewed as characterized by 'loaning abroad, railway development, revolt and war (Luxemburg, 1971). Furthermore, loans were decisive levers in opening and replacing the natural economies of the non-capitalist areas.

Recently developing nation states took advantage of finance to fund their economic growth, infrastructure and state erection. However, with the acceptance of loans, the inheritors found themselves in the supplicants' position. The old capitalist state as the creditors exercised pressure on the undeveloped states' foreign policies and commercial policies on their finances and customs, opening new ground of

investment and accumulating capital in the process. However, the negative side of this new field was the making of new contenders for capitalists in the old capitalist nation states (Luxemburg, 1971).

Luxemburg, from her view of the concept, and her historic analysis of capitalist development, traced the shift from 'free trade' to 'protectionism', protectionism being one of the characteristics of the advanced stage of imperialism. Britain as the oldest capitalist nation, she was able to defend and promote free trade therefore boasted a broad empire. Britain had a great gain over other European nation because of her access to her surroundings, which was broad in area and as well rich in natural resources.

Free trade, with the corresponding ideal of a harmony of interest, develops out of a definite set of circumstances. Luxemburg (1971) argues that the ideologues of free trade by the Manchester school of thought centered their theoretical considerations on the flawed assumption that accumulation of capital was found mainly on exchange commodity. Luxemburg was critical about the harmony of interest idea existing amongst goods producing state and between capital as well as labour. The ascendancy of the principle of free trade was thus short lived. The prospect of free trade did not prompt the capital accumulation interests in total thus; they were abandoned when in the main European countries, the industrial capitalist established itself (Luxemburg, 1971).

However, the times aftermath of free trade was not mainly due to the protective tariffs imposition by means of industrializing countries in Europe as a response to British industrialization. The cause for the decline of free trade were more

compound, including competition from united state industrial product and agricultural goods, competitive pressure by European state on one another and the development in influence of huge industrial capital. The protective tariff signaled the end of free trade and the increasing of the competitive struggles amongst the capitalist powers in Europe. The basic ground of competitive struggle according to Rosa, hinged on the procuring of access to the non-capitalist areas (Luxemburg, 1971). Levies or tariff were signs of the high competition between the far right, bound up closely to this was a particular form of imperial extension, with the military support, principally the naval power. Rosa Luxemburg summed up the major method used by the capitalist power in their correlation with the non-capitalist areas, these being like the colonial policy, the international loan system, the policy of spheres of interest as well as war.

## **2.8 Militarism as a Weapon of Accumulation**

At every phases of accumulation process, militarism has played an important role. As an act enforcer or executor, during the early stages of capitalism in Europe, the strength a nation acquires as military might was hugely significant. This Marx refers to as the ‘process of primitive accumulation’. The conquest of Indian and the conquering of the new world came through large use of force through its armed strength. The maintenance of law and order put in place in the colonies and primitive factors of production were effectively assumed. Therefore, ‘commodity exchange as well as the commodity based economy could be enforced of those countries in which the ‘social structure had been favorable to it (Luxemburg, 1971). Militarism too was critical in the focused tussles for the division of non-industrialist state between entrepreneur powers (Luxemburg, 1971).

Luxemburg, besides, made the fascinating case that militarism was a unique area of accumulation. Essentially, financing for militarism came through aberrant assessments imposed on specialists and labourers. For the state and capitalist, various advantages followed. The run of the mill lifestyle for the standard laborers was cut down, with resources possessed from wages (variable capital) and into the stores of the state. These advantages were put by the state in weapon production. In combining these earnings, the state amassed a considerable measure of obtaining power, making another field of gathering for income. The centralization of income empowered the state to submit substantial requests on a progressing premise, offering soundness to capitalist in the munitions industry. Thus, there seems to be normality towards development of the arms department, which made it show up as though it had the likelihood for endless augmentation. Rosa Luxemburg claimed that the production of ammunitions and militarism in general were all in control by capital. All the more along these lines, the control was expert through 'assembly and through trim of general media visibility (Luxemburg, 1971).

Similar to the accumulation procedure, militarism depended on the loose faith in regards to the way of life of workers and laborers, and along these lines, ought to at last; for short the reason for its nearness:

However, from Bukharin's point of view, the most urgent segment of modern capitalism was imperialism. It was an inexorable historical classification as a last stage in the expansion of capitalism (Cohen, 1970). In Bukharin's view, a characterizing component of the 20<sup>th</sup> century is capitalism significant to the global economy. His standpoint appeared differently in relation to Hilferding, whose center was the economies of the developed countries. As indicated, the progressive economies of nations worked as units of the world economy and were liable to the

laws of the world market (Howard, 1989). The domestic ability in terms of economies of states' developed industries focus to the laws of the world market, that is part of progressions to capitalism, monopolization, cartelization, concentration and centralization and state intervention which the law of value did not just function within national economies rather they performed well at the global level. The conclusion of Bukharin was that because capitalism had risen above the competitive tumult of its initial existence; competitive capitalism thus was succeeded by monopoly capitalism, which thusly had shaped the base of an organized state capitalism (Howard, 1989).

Recognizing the works of Hilferding and Hobson, Lenin built up his hypothesis of imperialism in light of some of their center discoveries. Beginning with the centralization of production and monopolies, Lenin gave exact proof of the development of vast partnerships in the US and Germany. The change of contention into monopoly, as indicated by Lenin, was an essential element of contemporary capitalist advancement. Hilferding had been the principal traditional Marxist author to highlight this component. Here, what were discrete fields of the manufacturing procedure were bound together under one corporate substance. Diverse branches of industry were gathered under a solitary venture. Combination presented advantage, assuring a steadier rate of benefit as the vagaries of trade vacillations were either leveled out or evacuated.

Concentration and intermingling was so intense in Germany that huge enterprises in different industries were meeting up to shape giant enterprise. The experience of concentration was not limited to the growing capitalist nations like Germany and the United States. Britain as well, felt the impact of concentration due to the extent of the

enterprise and the huge investment of capital within those enterprises, which foiled competition. Unlike German and United States capitalist advancement, where the development of cartels had been encouraged by defensive levies, British monopolist collusions happened when competition had decreased the quantity of head contending ventures to about a dozen (Lenin, 1973).

The concentration of production stated by Lenin was the essential and general law of capitalist advancement. Contrasts perceivable in national ways to deal with the topic of defensive levies or facilitated commerce for instance, did not change the developing of this general law. Subjectively capitalism had changed with the supersession of free competition by monopoly happening toward the beginning of the 20th century (Lenin, 1973).

The move in to ‘monopoly capitalism’ from free competition occur more than three stages. Starting from 1860s, monopoly was in a developing stage, with free competition the general standard. In 1873, the crisis year denoted the arrangement and consistent advancement of cartels. The late 19th century boom and later crisis of 1900-1903 saw cartelization get to be one of the establishments of economic life. The change was finished and completed and had transformed into imperialism (Lenin, 1973).

Already, attention had been drawn to the close associations between giant ventures in Germany and about the six main banks situated in Berlin, setting on one way information that Lenin gave on the expanded property of German banks (Lenin, 1973). The conclusion drawn was clear, in the sense that the rapid expansion of a close network of canals, which cover the whole country, centralized all capital and

all revenues, transformed thousands and thousands of scattered economic enterprises into a single national capitalist, and then into a world capitalist economy.

## **2.9 Justification for Imperialism**

Colonialism became rare in the first half of the nineteenth century with the advent of the struggle for nationalism, democracy, and the cost of industrialization. In the mid-nineteenth century however, Great Britain and France started an economic resurgence. During the Victorian Era, which lasted from 1837 to 1901, Great Britain and France invested in industrial products such as large-scale ventures, railroad building with Great Britain providing more than 25 percent of the world's output of industrial goods. This helped to promote prosperity.

Consequently, the industrial revolution inspired many other European countries and renewed their confidence to embark on a path of aggressive expansion overseas. The justifications for imperialism center on the assertion of the capital on riches, resources, markets or jobs; on the supply of targets for takeover; or on system-level factors that condition colonial opportunities or demand. Scholars such as Hobson and Lenin claimed that the imperial motivation comes from over-extended capitalism. Snyder claimed instead that political and military elites were the cause of imperialism, while the masses were deceived by antagonistic information (Gartzke and Rohner, 2011).

Other justifications for imperialism were economics (which include the need for markets, raw materials and source of investments), security (need for military base, nationalism), religion (spread of Christianity and Islam), and racial identification, technology (new medicine, new weapons, and transportation) (Buzzanco, 2015).

Hobson acknowledged that the justification for imperialism was at the base of economic needs of industrialized nations and that, whatever political, religious, or more committed explanations made, the real desire was always one of capitalistic need for raw materials, profitable markets, good investments, and fresh fields of exploitation.

## **2.10 Impacts of Imperialism**

Imperialism affected both Western society and its colonies. It allowed Western countries create a worldwide economy in which the transfer of goods, money, and technology required a well-ordered guideline to make sure there is a constant flow of natural resources and cheap labour for the industrialized world. There are many advantageous impacts of imperialism that are significant in a negative way for the underdeveloped country. However, the internal improvements in the underdeveloped country seem to benefit the imperialist country (Maier, 1968). They built railroads, enhanced education and even adopted autonomous restructuring of the government. The creation of this economy was a mixed blessing as populations boomed due to better medical care and farming methods, which led to increased struggle for land and more conflict (Buzzanco, 2015; 2015).

Imperialism negatively affected the colonies, under foreign rules, cultural values and trade was damaged. The industrial countries used the natives as sources of raw materials and markets for manufactured goods. Imported goods wiped out indigenous industries which prevented the colonies from growing their own industries. Imperialism also created conflict between the cultures. By 1900, Western nations controlled most of the world. Europeans believed the underdeveloped areas had superior cultures and forced the people to accept Western ways.



Also, imperialism created many political problems. European nations united conflicting societies under single governments and upset many traditional political units, such as in Nigeria and Rwanda. Racial conflicts that developed in the latter half of the twentieth century in many of these areas was because of these imperial policies. Tension among the Western powers could also be attributed to imperialism. Rivalries between France and Great Britain over the Sudan, between France and Germany over Morocco, and over the Ottoman Empire contributed to the hostile conditions that led to World War I in 1914.

### **2.11 Resistance to Imperialism**

Subjugation and exploitation using force brought about immediate resistance in all parts of the colonized continents (Goucher, LeGuin and Walton, 1998). Resistance came in the form of mass independence movements and revolts each time Western control seemed to waver (Hinnebusch, 2012). Attempts by the imperialist war engine to control Iraq have caused fierce resistance from nationalist and religious forces (Foster, 2007). Bulliet and Ruedy (2007) also suggested that due to the rapid growth of Western imperialism, anti-imperialist was birthed through sentiments that were expressed in widely held opposition to concessions, as in the Tobacco Revolt in Iran in 1891, Iranian Revolution of 1979, the Iran-Iraq war of 1979 and in the organisation of political action around religious symbols and leaders.

Resistance to imperialism also ignited political movements, most especially the Wafd in Egypt, whose supporters saw the end of World War I as a potential opportunity to escape British rule. In the west, the Young Tunisian and Young Algerian movements started challenging the imperialists for transformation and greater rights for natives.

Armenians and Kurds also wanted independence from outside control, even if it meant accepting some degree of European security.

The Iranian people showed mass resistance to imperialism such that in 1905, a democratic movement rose among the new urban middle class and by summer of 1906, nationwide demonstrations demanded a democratically-elected parliament and an ended the absolute rule of the Shah (Everest, 2007). The Elites, agrarian, labourers as well as the influential section of the Islamic clergy all participate. A constitution was drafted and by the end of 1906, the parliament opened.

## **2.12 Understanding Imperialism from World-System Theoretical Perspectives**

World-system theory is a macro-sociological perspective that seeks to explain the dynamics of the “capitalist world economy” as a “total social system” (Martínez-Vela, 2001). The first major articulation and classic example of this approach is associated with Immanuel Wallerstein in 1974, who aimed at achieving “a clear conceptual break with theories of ‘modernization’ and thus provide a new theoretical paradigm to guide our investigations of the emergence and development of capitalism, industrialism, and national states” (Skocpol, 1977:1075).

A world-system is what Wallerstein terms a “world-economy”, integrated through the market rather than a political center, in which two or more regions are interdependent with respect to necessities like food, fuel, and protection, and two or more polities compete for domination without the emergence of one single center forever” (Goldfrank, cited by Martínez-Vela, 2001:3). To understand these concepts properly, there is need to pick it from its origin. According to Wallerstein, the

modern nation state exists within a broad economic, political, and legal framework which he calls a “world-system.” Just as individual behavior cannot be understood without reference to the sociocultural system in which they are members, individual societies or nation states cannot be understood without reference to the world-system in which they are embedded. Modern nation states are all part of the world-system of capitalism, and this is what Wallerstein seeks to understand.

Wallerstein believes that there are only three basic types of social systems. The first he terms as mini-systems. These are the small, homogenous societies studied by anthropologists. Hunting and gathering, pastoral, and simple horticultural societies are relatively self-contained economic units, producing all goods and services within the sociocultural system itself (Wallerstein, 1974). The second type of social system he termed “world-empire.” This system has an economy that is based on the extraction of surplus goods and services from outlying districts. Much of this tribute goes to pay for the administrators who extract it and for the military to ensure continued domination; the rest goes to the political rulers at the head of the empire. The third type of social system, according to Wallerstein, is the world-economies. Unlike world-empires, the world-economies have no unified political system; nor are its dominance based on military power alone. However, like a world-empire, a world-economy is based on the extraction of surplus from outlying districts to those who rule at the center (Wallerstein, 1980).

From the start, Wallerstein argues that capitalism has had a division of labour that encompassed several nation states. In his own first definition, world-system is a “multicultural territorial division of labour in which the production and exchange of basic goods and raw materials is necessary for the everyday life of its inhabitants”

(Wallerstein, 1974:315). The division of labour, as opined by Wallerstein (1974) refers to the forces and relations of production of the world economy as a whole and it leads to the existence of two interdependent regions: the core and periphery. These are geographically and culturally different with the former focusing on labour-intensive, and the later on capital-intensive production (Goldfrank, 2000). However, the core-periphery relationship is structural, while the semi-peripheral states acts as a buffer zones between core and periphery, and has a mix of the kinds of activities and institutions that exist on them (Skocpol, 1977).

The capitalist world-system began in Europe in about 1500 and under the spur of the accumulation of capital, expanded over the next few centuries to cover the entire globe. In the process of this expansion, the capitalist world system has absorbed small mini-systems, world-empires, as well as competing world-economies. The capitalist world-economy as created by establishing long-distance trade in goods and linking production processes worldwide, all of which allowed the significant accumulation of capital in Europe. But these economic relationships were not created in a vacuum. The modern nation state was created in Europe along with capitalism to serve and to protect the interests of the capitalists. What was in the interest of early European capitalists was the establishment of a world-economy based on an extremely unequal division of labour between European states and the rest of the system. Also in the interest of early European capitalists was the establishment of strong European states that had the political and military power to enforce this inequality (Wallerstein, 1974; 1980).

Therefore, Wallerstein divides the capitalist world-economy into core states, semi-peripheral, and peripheral areas. The peripheral areas are the least developed; they

are exploited by the core for their cheap labour, raw materials, and agricultural production, while the semi-peripheral areas are intermediate, being both exploited by the core and take some role in the exploitation of the peripheral areas. Advanced or developed countries are the core, and the less developed are in the periphery. Peripheral countries are structurally constrained to experience a kind of development that reproduces their subordinate status (Chase-Dunn and Grimes, 1995).

The core states are in geographically advantaged areas of the world – Europe and North America. These core states promote capital accumulation internally through tax policy, government purchasing, sponsorship of research and development, financing infrastructural development (such as sewers, roads, airports – all privately constructed but publically financed), and maintaining social order to minimize class struggle. Core states also promote capital accumulation in the world-economy itself. These states have the political, economic, and military power to enforce unequal rates of exchange between the core and the periphery. These powers allow core states to dump unsafe goods in peripheral nations, pay lower prices for raw materials than would be possible in a free market, exploit the periphery nations for cheap labour, erect trade barriers and quotas, and establish as well as enforce patents; all of these leading to significant capital to be accumulated into the hands of the few, the capitalist world-system that produces and maintains the gross economic and political inequalities within and between nations (Wallerstein, 1989).

The differential strength of the multiple states within the system is crucial to maintain the system as a whole, because strong states reinforce and increase the differential flow of surplus to the core zone (Skocpol, 1977). This is what Wallerstein called unequal exchange, the systematic transfer of surplus from semi-

proletarian sectors in the periphery to the high-technology, industrialized core (Goldfrank, 2000). This leads to a process of capital accumulation at a global scale, and necessarily involves the appropriation and transformation of peripheral surplus.

However, in the recent past, the exploited periphery nations have been expanding their manufacturing activities particularly in products that core nations no longer find very profitable (Wallerstein, 1998; 2000). Therefore, as with capitalism within nation states, the unequal power between nation states is can be contested and cannot remain superior forever because it is the subject of struggle. There are internal contradictions that with the passage of time will cause political and economic instability and social unrest. Eventually, according to Wallerstein, a worldwide economic crisis will be reached and the capitalist world-system will collapse, opening the way for revolutionary change (Wallerstein, 1999; 2003), especially due to technological diffusion across nations, which will render the Western imperialism temporal and later powerless.

World-system theory by Wallerstein is in many ways an adaptation of dependency theory (Chirot and Hall, 1982). Wallerstein draws heavily from dependency theory; a neo-Marxist explanation of development processes, popular in the developing world, and among whose figures is the Brazilian, Fernando Henrique Cardoso (Martínez-Vela, 2001). Dependency theory focuses on understanding the “periphery” by looking at core-periphery relations, and it has flourished in peripheral regions like Latin America. It is from a dependency theory perspective that many contemporary critiques to global capitalism come from.

## **2.13 Understanding Western Imperialism from Dependency**

### **Theoretical Perspective**

Dependency can be defined as an “explanation of the economic development of a state in terms of the external influences – political, economic and cultural – on national development policies” (Sunkel, 1969:23; Ferraro, 1996:1). Dependency theory was developed in the late 1950s through the leadership of Director of the United Nations Economic Commission for Latin America, Raul Prebisch. Prebisch and his colleagues in their studies proposed that economic action in the richer countries often led to serious economic problems in the poorer countries (Ferraro, 2008). The theory sought to explain the persistent poverty rate of the poorer country in the face of the economic growth of the richer countries. However, Marxists theorists saw the persistent poverty because of capitalist exploitation. As the world-system theory argued, poverty was as a result of the development of the international political economy into an equally inflexible division of labour which favored the rich and penalized the poor (Ferraro, 2008 citing Wallerstein).

The essential features of the dependency approach the Centre and the periphery. The societies of the periphery are ‘dependent’, the dependent states are those states of Latin America, Asia, and Africa which have low per capita Gross National Products (GNPs) and which depend greatly on the export of a single commodity for foreign exchange earnings, while those of the Centre which are the ‘dominant’ do not. Dependency on the dominant states constrains development in the periphery in detrimental ways. The dominant states are the advanced industrial nations in the Organization of Economic Co-operation and Development (OECD) (Brewer, 2001; Ferraro, 2008).

Dependency theory argues that the entire international economic system is a reference to understanding the origins of persistent global poverty. Underdevelopment is not a situation on its own, it is an active procedure of poverty connected to development. This suggests that, some parts of the world are underdeveloped because others are developed. In other words, poverty in poorer countries was as a result of economic growth in advanced countries, this is because development of the industrial system in Western Europe and North America changed and impoverished many societies of Asia, Africa and Latin America, through colonialism, imperialism and extractive terms of trade (Joshi, 2005).

The influence of this theory cannot be over emphasized in the sense that it is evidently seen in the dealings of the developed world with developing nations as Iran and Iraq. Fareed Mohamedi (2010) noted the dependence of Iranian economy on oil and gas. The vagaries of oil markets and Iran's reliance on a single resource for most of its income have created disincentives to develop a more diversified and globally integrated economy. He further noted this as a weakness in the system as Iran is more potent to sanctions ([iranprimer.usip.org/resources/oil-and-gas-industry](http://iranprimer.usip.org/resources/oil-and-gas-industry)). The effect of this dependence is revealed by the recent nuclear deal signed by Iran in order to lift all nuclear-related economic sanctions, freeing up tens of billions of dollars in oil revenue and frozen assets.

Prebisch's introductory clarification for the phenomenon was extremely direct, poor nations traded essential items to the rich nations who then fabricated items out of those things and sold them back to the poorer nations. The quality added by assembling a usable item dependably cost more than the essential items used to make



those items. In this way, poorer nations would never be sufficiently winning from their fare profit to pay for their imports.

Prebisch's resolution was likewise clear: poorer nations ought to leave on projects of import exchange with the goal that they require not buy the fabricated items from the wealthier nations. The poorer nations would in any case offer their essential items on the world business sector, however their foreign exchange would not be utilized to buy their fabricates from abroad. Thus, certain factors made this approach from Prebisch's view hard to take after. Firstly, the inside business sectors of the poorer nations were not sufficiently huge to bolster the economies of scale utilized by the wealthier nations to keep their costs low. Secondly, issue concerned the political drive of the poorer nations regarding whether a change from being essential items makers was plausible or desirable. The last issue rotated around the degree to which the poorer nations really had control of their essential items, especially in the range of offering those items abroad. These snags to the import substitution approach drove others to think somewhat more inventively and truly at the relationship between of rich and poor nations.

Dependency theory at this point was seen as a conceivable method for clarifying the relentless destitution of the poorer nations. The customary neoclassical methodology said for all intents and purposes nothing on this inquiry but to attest that the poorer nations were late in coming to strong monetary practices and that when they took in the methods of present day financial matters, then the neediness would start to die down. Nonetheless, Marxists scholars saw the industrious destitution as an outcome of capitalist exploitation. The world system approach contended that the poverty was an immediate outcome of the advancement of the international political economy

into a genuinely inflexible division of work which supported the rich and punished the poor.

According to Theotonio Dos Santos, dependency as an historic situation which forms a specific structure of the global economy such that it supports a few nations to the detriment of other nation and limits the improvement potential outcome of the subsidiary economic, a circumstance in which the economy of a specific group of nations is adapted by the advancement and development of another economy theirs specifically is subjected (Santos, 1971). Majority of dependency scholar's regards international capitalism as the thought process power behind dependency connections. One of the earliest dependency scholars Andre Gunder Frank made a clear point that historic study shows that present underdevelopment is in expansive part the recorded result of past and proceeding with economic and different relations between the satellite undeveloped and the now created metropolitan nations. Moreover, these relations are a crucial part of the capitalist framework on a world scale overall (Frank, 1972).

According to this view, the capitalist system has enforced a rigid international division of labour which is responsible for the underdevelopment of many areas of the world. The dependent states supply cheap minerals, agricultural commodities, and cheap labour and serve as the repositories of surplus capital, obsolescent technologies, and manufactured goods. These functions orient the economies of the dependent states toward the outside: money, goods and services do flow into dependent states, but the allocations of these resources are determined by the economic interests of the dominant states, and not by the economic interests of the dependent state.

This division of labour is ultimately the explanation for poverty and there is little question but that capitalism regards the division of labour as a necessary condition for the efficient allocation of resources. The most explicit manifestation of this characteristic is in the doctrine of comparative advantage. Moreover, largely the dependency models rest upon the assumption that economic and political power are heavily concentrated and centralized in the industrialized countries, an assumption shared with Marxist theories of imperialism.

By perspective, the capitalist framework has authorized an unbending worldwide division of work which is in charge of the underdevelopment of numerous regions of the world. The indigent states supply shoddy minerals, rural items, and modest work, furthermore serve as the storehouses of surplus capital, old technology, and made merchandise. These capacities arrange the economies of the subordinate states toward the outside: cash, products and administrations do stream into ward states, yet the designations of these assets are dictated by the financial interests of the prevailing states, and not by the monetary interests of the ward state. This division of work is at last the clarification for destitution and there is little question in any case, that free enterprise sees the division of work as an important condition for the effective designation of resources. The express appearance of this trademark is in the principle of comparative advantage. In addition, to a huge degree, the dependence models rely upon the supposition that economic power and political power are concerted and compacted in industrialized nations, a supposition shared alongside Marxist theories of imperialism.

### **2.13.1 Oil and Dependency**

The economies of oil depend on the exportation of a particular commodity, which the demand is controlled by the economic policies and conditions in the industrialized nations over which they do not have control. Oil producing countries are persuaded by the multinational corporations to invest significant quota of their financial resources in oil and gas based petrochemical companies. As the oil generating countries saw the benefits of this, they failed not to identify the point that international trade is not free, barriers as well as protective measures may be obligatory by the importing countries which the industrialized nations did precisely (Alnasrawi, 1987).

The increase of oil prices and oil boom in the 1970s produced escalation in oil proceeds for the oil producing nations, which they saved with the international banking system. Non- producing Arab states officially associated to the oil state producers through personnel remittances, supply of oil, in a way to receive enormous measures of capital by means of grants, were likewise victimized by the recovering of the oil income by loans. The effect of huge external deficiencies was seeded, thus the dependency upon the system of western banking turned into a fact. Moreover, the decrease in oil costs caused a breakdown in income related to oil, in the way that the oil export incomes of most eleven states in the region fell from a record set from 240 billion dollars in 1980 to 110 billion dollars around 1985. To put it plainly, the increase and the decrease in the revenue of oil exportation have upsurge the whole dependency of Middle Eastern states.

### **2.13.2 Financial Dependency**

The countries that has financial reserves had to rely on it when the countries experienced trade deficit and those without had to fund their deficit by borrowing,

this is one of the main angle on how the Arab nations is relied on the industrialist nations, the most financial reliance of the middle eastern states regarding their debt issues (Niblock, 1999). In contradiction, the dependence on the foreign money markets which currently host significant Arab monetary reserves due to the enormous oil incomes, are compelling impacts which the holding of the reserves in the foreign markets has on the Arab power to take autonomous political and economic decisions.

Foreign assistance sounds generally so magnanimous and good natured, however, one dollar spent on support returns in three folds in the donor states in export form and jobs (Surin, 1998). In a sense, aid is dangerous because it makes one think one can survive after a standard of living that depend on external backing, and not from the income amassed from industrial wealth. Arab countries did not figure out how to disperse and invest back their new revenue effectually rather they lived on the figment that this would be on-going and when the recession set in they were not arranged and didn't have the important assets to come out of the crisis. Like the oil boom confirmed, the Arab nations did not figure out how to disperse and contribute their new pay or gives effectively, they lived on the figment that this would keep going forever, and when the retreat came, they were not arranged and did not have the important assets or learning to leave the emergency. The central nations had the capital the peripheral nations needed, so they loaned them many cash consequently for geo-political backing. International monetary fund and world is a clear example of financial dependency and how tied up the developing states are to the western states. Thus, this had prompted an improvement towards economic liberalization in the Middle Eastern state, which could be seen as persisting impact of the relationship amongst the two parties (Niblock, 1999).

Nearly all the international financial institutes are overseen by the rich western nations as they try to have in control the social life and economic of the developing state and the underdeveloped states through such financial aid and loan mechanism. Many third world countries, most particularly, the Middle Eastern state because of the conditionality of the loan facilities are under pressure for economic transformation which means more incorporation to the west in practice. For example, throughout 1987 to 1991 the negotiation that occurred between Egypt and in international monetary fund (IMF) that prompted a complete liberalization program for the state were mostly as a result of external partners pressure and not the willingness of the state of Egypt to introduce economic reforms (Niblock, 1993), concludes that it was the pressure from the external party through international monetary fund, due to the capital need of Egypt that led to economic strategy which ran counter to interest at the central of the state of Egypt.

### **2.13.3 Other forms of Dependency**

In the post-world war, the political realities in regards to the independence of most third world nations included the difficulty for the core states to impose dependence plainly on the peripheral states. The use of direct appropriation of economic surplus and the use of force were the techniques the core states abandoned. But the core countries had option to two new mechanisms, through which they could keep up their motive of economic domination. These include the transfer of a substantial part of their power into their private trans-national organization and the expert disguise round their enfolded round their personal influence and power.

During the gulf crisis, technological form of dependency and military form could be seen, when the Arab countries was in need for western mediation to end the hostility and reinstate order. The western countries had the equipment and the expertise the

Arabs states did not have. In any case, the essential perspective was that they interceded to maintain their interests regarding the oil supply to the western state which was a kind of self-service and exploitation. The need for a strong defense by the gulf state was felt after the gulf war while United States influenced the purchase all the military equipment.

## **2.14 Relationship between World-System Theory and Dependency Theory and their Relevance in the Context of this Current Study**

Clearly, the two theories – world-system theory and dependency theory – which driving the framework of this study are closely related in the sense that both theories propagate the existence of the dominant relationship between the core/center states and the peripheral states, where rich states comprise the core, while the poor under developed states, also known as third world countries, remain at the periphery. Resources are obtained by force and exploitative methods by the core from the periphery to maintain their financial development and prosperity (Ferraro, 1996). With the distinctive measures that characterize both theories, Middle East – Iran and Iraq as the case studies of this study – fit in perfectly in the proportional analysis. The dependent of Middle East countries upon the group of western advanced countries and the domination of the Western developed states over the Middle East (Iran and Iraq) may be viewed in various fields. Their entwined historic nature of dominator is old, beginning with the napoleons living of Egypt in the 1978, and turns up to recent current capitalist world.

The features of imperialism brought to the fore by the world-system and dependence theories can simply be found in various areas of the Middle East states such as importation of food and products, exportation of petrol chemicals, need of modern

technology to retain the standard of structures and for the advancement of the industrial region. For instance, when a state failed to pay their loans back to their creditor, the financial dependency occurs, either through the international monetary fund or through world work, the western financial institutions (Krueger, 1989), while the establishment of this long-distance trade in goods and the linking of production processes worldwide allowed the significant accumulation of capital in Europe with which the Middle East are being dominated.

Furthermore, the division of labour that encompassed several nation states as highlighted in both theories of this study, clearly put Iran and Iraq in the periphery category. While the periphery states have low per capita income because not only they depend greatly on the export of a single commodity for foreign exchange earnings but also because they are local, primitive and underdeveloped, the core or center, that is the Western, are developed politically and economically. The underdevelopment and poverty in the Third world states is not a consequence of tradition, but it is essential for the advancement of the core states (Bello, 1998). In simple terms, the development of the core states is the reason for the poverty of the peripheral states. In the present world of globalization, the dependency theory is finding its relevance as the divide between core and peripheral states is rooted in biased distribution of profits based on imperialism (Chossudovsky, 1998). This unequal distribution has not only facilitated the developed or core states to progress and obtain higher standards of living but also pave the way for them to keep doing it. The underdevelopment of Iran and Iraq makes them fit into the propositions of these theories such that their underdevelopments, though not a situation on its own, is an active procedure of poverty which was a result of economic and technological



backwardness. This thus led to an equally inflexible division of labour which favored the rich and penalized the poor (Ferraro, 2008 citing Wallerstein).

Lastly, the logical conclusions of both theories which propose that the dominated periphery states will at a point resist domination and exploitation from the so-called core or developed states, due to the fact that the periphery states will develop a certain internal contradictions that will cause political and economic instability as well as social unrest (Wallerstein, 1998; 2000) which will stir a desire for self-reliance especially because of the diffusion and proliferation of technological advancement and most importantly the need to protect their national markets (Hewison, 1999). Attempts by poor countries to protect their national markets and resources and become self-reliant can be seen as supporting a strategy of controlled relations with the world economy. Poor nations should only approve relations on the condition that the relations will enhance the societal and financial wellbeing of the larger population (Sen, 2010). The present thrive for self-reliance and resistance to imperialism and dependency by Iraq and Iran make them again fit well into the propositions of these two theories, and thus, all the foregoing points to the fact that these two theories are relevant to this current study and the case studies.

## **2.15 Conclusion**

The impact of globalization may have been significant economically, but it has brought the world-system and dependency theories to the fore, as poor are becoming poorer while the rich are getting richer. The divide between the north and south states is defining the new international developments and relation. Consequences of economic globalization are immense, whether these consequences prove the propositions of world-system and dependency theories right or otherwise, it is yet to

be discovered. Hence, as a way of analysis in subsequent chapters, attention will be placed these two theories as an integral instrument for analyzing imperialism or influence as the case may be.

## **Chapter 3**

### **HISTORICAL BACKGROUND OF IRAQ AND IRAN**

#### **3.1 Introduction**

This chapter presents the case studies. It explains the historical backgrounds of both Iraq and Iran within the context of their political and social-economic existence in relations to the main subject of the research – imperialism and western influence. Under political context, this chapter examines the different administrations at different periods of time in Iraq and Iran and the impact each administration had in each country; while under economies, the chapter gives a detailed account of the choices of economic policies of adopted by both countries at different point in time to create a sustainable development. Lastly, the reactions of both counties to external pressures from the West in the context of imperialism and well as the context of western influence are explained.

#### **3.2 Historical Background of Iraq from Ottoman Empire**

During the course of 16th and 17th century, the modern day states of Iraq, named Mosul, Baghdad and Basra, were steadily incorporated into the Ottoman Empire. They were then referred to as provinces. Al-Iraq (which means the shore of great river alongside its length, and the gazing land that surrounds it) since the eighth century, had been used by the Arab geographers to refer to the great ‘alluvial’ plain of the Tigris and Euphrates rivers, an area known in Europe as Mesopotamia (Tripp, 2000). During the period, Ottoman Sultan were spreading their own territories and trying to check the desire of the safavid shahs of Persia. Thus, the imperial and

doctrinal contentions between the Sunni ottoman and the shi'I safavads affected the histories of the societies of these frontier areas, requiring tactics of accommodation or evasion from their leaders which affected them in different ways (Tripp, 2000).

Understanding that Western forces, propagated by Britain, was rapidly extending their interest in the Middle East, the Ottoman sought after to associate with the Germans (Fromkin, 1989). The Ottomans additionally endeavoured to re-state their power and military abilities in the district by emphasizing 'Turkishness' and constraining political freedom (Fromkin, 1989).

### **3.2.1 Entry of Imperialism into Iraq**

First, the western imperialism on the part of Great Britain in particular paved way for industrialization of oil industry in the Middle East, despite the abundance of mineral assets in the region. This thus contributed essentially to the region's economic success. According to Grunwall and Ronald (1960), evolution of infrastructure such as roads, train ways, social amenities such as communication medium, banks makes the interest more visible as it was initiated by the European concession holders.

It was in the 19th century that the oil industry received a boom when the Europeans showed more interest in, building up the oil industry while the immensity of the oil stores in Iraq and Mesopotamia were noted. Oil was utilized for subsistence and device utilized were ancient and out-dated before the European intercession. At the point when capital started to stream in the Middle East, the European powers found in the oil assets a promising business potential. In the mid-1900s, German companies won concession to build railroad from turkey to Baghdad after German capital started to stream into the region (Yoingguist, 1999). The development of the railroad strengthened the exploitation of oil in Iran and copious British and German agents

were conceded concessions occupying almost 20 kilometre. The demand for oil thus increased in 1904 as the British royal navy change to oil from coal making oil transport cheaper and faster. The British political counsels provided full diplomatic cover for entrepreneurs bidding for concession in oil exploration after they saw the promising future of world geopolitics.

Introduction of new technology and companies for exploitation of oil for public use ensued significant riches among the Arab nations. These nations were so undeveloped before the introduction of these industries. The evolution of oil companies in this Arab nation promoted extraordinary wealth history in the world (Youngguidt 1999). Saudi Arabia transformed into high organized and wealthy nation within the range of 60years from a nomadic societal, and also extended to many destitute Middle East nations. This nation initially suffered from social activities such as poor medical facilities, lack of infrastructure, and lack of private and commercial means of transportation, lack of electricity supply prior to amassing oil prosperity. The expansion of the oil company which was introduced by the European concessionaires and administration gave rise to the development of social activities, services, welfare, and employment as well as advanced level of living.

### **3.2.2 Occupation of British in Iraq**

The British at first occupied southern Iraq with a specific end goal to secure their oil interest in contrast to the Ottomans and the Central forces. In 1958, July 14, a coup deposed Iraq's imposed monarchy with a republic. The military leader pioneer General Abd al-Karim Qasim immediately marginalized his adversaries, setting a point of reference of autocratic principle by Iraq's post-government administration. As Qasim's revolutionary administration took clearing activities in the interest of Iraqi long oppressed poor, he neglected moves to promote stable government or

national foundations in a nation long split along ethno sectarian lines (Dawisha, 2009). General Qasim was ousted in a military coup of 1963 which was led by armed force officers from Ba'ath Party, which upheld a fusion of Arab solidarity, imperviousness to Western impact and communism. Iraq was shaken by one military coup after another until 1986, July 17, when Ahmed Hassan al-Bakr the ba'ath party leader managed to merge in Iraq one-party rule (Dawisha).

### **3.2.3 Economy Background of Iraq**

Iraqi economy structure has been characterized by substantial state control and involvement since the period of the Ottoman Empire. Different administration from British mandate different and the government, to Ba'ath rule and Saddam Hussein have all had a common objective: to fix prices and to balance out consumption (Chaudhry, 2002). The economy control by government tightened from one administration to another. In any case, a hidden objective was to fulfil the vast sector of the populace that was employed, and reliant on, the state. Amid the 1970s, hard decisions were kept away as oil incomes financed improvement projects and obscured financial misconduct as a result from state control of the economy. The war with Iran that lasted for eight years exhausted the economy of its excess oil income and constrained the administration into debt.

Thus, the 1st Gulf war and economic sanctions forced new limitations on an effectively disabled economy. Financial statistics were considered state secret amid the Ba'ath administration and were also repressed or not kept by any means. This shows that since 1980 Iraqi economy has endured outright regression on GDP. Chronic inflation, wholesale devaluation of its cash, almost non-existent foreign investment, and the aggregation of a serious debt load were all outcomes of the regression.

As mentioned, the prevalence of the state in the economic issues of the state was affirmed by a series of nationalizations in the year 1950s to 1960s. In horticulture, expropriation of land happened quicker than redistribution to the detriment of that segment. The oil industry was nationalized from 1961 to 1973 in stages. In 1964 large scale industry, managing an account, protection and administrations were nationalized in 1964. These nationalizations likewise empowered the administration to debilitate rival power focuses, whether landowners, the Shia business group or foreign oil industries. The Ba'ath's administration from 1968 put accentuation that is more prominent on the industrialization of the economy. The administration set out on two five-year advancement plans between the year 1970 and 1980.

The economic growth of Iraq however became increasingly dependent on oil revenues. Other regions and sectors of the economy of the country did not experience a uniform pattern of growth due to the occurrence of war. The government tried to develop the country's communication, agriculture, petroleum industry and so on, but they were all destroyed during the war. Subsidization of public enterprise which provided little incentives for private investments in the industries affected the growth in the economy of Iran. Agriculture sector was also affected due to the fact that some people engage in agriculture (farming). The oil for food program allowed Iran as a country to sell oil in exchange for humanitarian imports but doing this brought about low income and it also reduced incentives for private economic activity by augmenting rationing system with imported food. The oil for food program (OFP) discouraged local production and distribution of food and other consumable item because Farmers could not compete with the Subsidized food items from Abroad provided by the UN.

Industrial structures could not function effectively after the outbreak of war with Iran and also due to the Bagdad revolutionaries which kept the Iran's industries backward and trivial. The Baathist being socialist placed major emphasis on industrialization of the economy in the economy independence of the country and the nationalization and investment in oil sectors. The funds that was supposed to be used in other to achieve these purposes in the economic independence and investing in oil sectors, was drained away by the war.

Due to inadequate planning, the government encountered some certain difficulties like problem of clear priorities for the development of these sectors, lack of technical and qualified workers (shortage or no ministerial and administrative) still to run these two sectors. The government did not relent in its effort to have or develop economy and make it more flexible. The government removed the prize control son good and added subsidiary. It also eases direct investment restricted, allowing limited foreign ownership of investment projects.

### **3.3 Historical Background of Iran**

Iran, which in the earlier times was referred to as Persia, lies in western Asia, on the north-eastern shore of the Persian Gulf and the Strait of Hormuz, key oceanic alleyways for crude oil transportation. It shares boundary with Iraq and Turkey toward the west, Azerbaijan, Armenia, the Caspian Sea and Turkmenistan toward the north, and Afghanistan and Pakistan toward the east (a map of iran). Iran with around 1,531,595 square kilometers it encompasses, is much bigger than that of any Western European nation, however quite a bit of its region is desert. Iran's territory consolidates a tough, sloping edge, a high focal basin with deserts as well as mountains, and little spasmodic fields along both its Persian Gulf and Caspian Sea



coasts. Iran's atmosphere is generally dry or semi -dry, however alongside the coast of the Caspian Sea the atmosphere is subtropical ( CIA world factbook).

Iran has a populace of around 66.43 million, the extensive greater part of whom eighty-nine percentages are of the Shi'a division of Islam which is the main religion of Iran. Around nine per cent are Sunni Muslim, with the minority of the Zoroastrian, the Jews, Christian, and Baha'i groups conforming to two per cent. The greater part ethnic group is Persian, which covers about fifty-one per cent of the populace, with a substantial Azeri minority of twenty-four per cent in the north-west. Other ethnic groups incorporate Gilaki and Mazandarani around eight per cent of the populace, the Kurds around seven per cent, Arabs three per cent, about two per cent of Lurs, and two per cent of both Baloch and Turkmen. Roughly, fifty-eight per cent of the populace communicates in Persian or Persian language, while the Turkic language represent twenty-six per cent, nine per cent of Kurdish, two per cent of Luri, one per cent of Balochi as well as Arabic and Turkish.

By the international standard Iran has an exceptionally young populace, the outcome, in substantial part, of Ayatollah Khomeini's calls for Iranians to propagate in the prompt repercussions of the revolution. Iran's populace has a suitable way of life due to the revenue generated from its oil reserves, a low mortality of infant, sensible life span, high proficiency and school enrolment which extended to women and for a large number of its natives, access not just to power supply, channeled water, and present day transportation, additionally to buyer merchandise, for example, fridges, mobile phones radio, TVs, and autos. Iran has a salaried middle class and an informed working class (Abrahamian, 2008).

Iran has a long and wealthy history coupled with a solid national identity. This appears differently in relation to some of its neighbours, which are frequently rather simulated manifestations with borders that were drawn by imperial powers with meagre respect for local history and practices. The key industries in Iran include taking advantage of the natural resources. Oil gives around eighty per cent of profit and fifty per cent of government income. Gas, petrochemicals, mining and agribusiness are the other key trading areas. Iran nation state after Russia has around ten per cent of the world's oil reserve also the second prime reserves of natural gas (CIA world factbook).

### **3.3.1 Iran under the Shah**

Under a Shah 'emperor' from the Sixteenth Century, Persia was ruled as an absolute monarchy through to the foundation of a national assembly and a constitution around 1906. The Qajar dynasty stayed in force until 1925 when the Shah was ousted in a coup driven by a Cossack officer, Reza Khan. Khan assumed the title Reza Shah Pahlavi and in 1935 the nations name was changed to Iran.

The concern of the allied over the shah's backing of Nazi Germany steered the occupation of Iran in 1941 by the allied forces. The Shah was compelled to surrender for his son, Muhammad Reza Pahlavi. Great Britain and the United States forces pulled back from Iran in 1945, and Soviet powers pulled back from the north-west the year after. Thus, the post-war era saw developing weight in Iran for the nationalization of the petroleum business, which was controlled by the Anglo-Iranian Oil Company. However, in 1951 the Majlis (national consultative assembly) voted for nationalization, despite obstruction from the British and other Western administrations. After two years the prime promoter of nationalization, Prime

Minister Mohammed Mossadeq, was dismissed in coup plotted by United State and British astuteness (Stephen, 2002).

The Shah stirred to increase his authority in the period of 1950s, accepting clearing oppressive forces in 1963 in the 'White Revolution. Resistance to his tenet started to mount, especially among the area owning class and the conventional Islam Clergy, who were enraged by the redeployment of vast estate to little scale agriculturists and the allowing of the privilege to vote to women. Prime Minister Hassan Ali Mansur in 1965 was killed, supposedly by an adherent of the conservative Shi'ite Islamist pioneer, Ayatollah Ruhollah Khomeini, who was Shah strong critic (Stephen, 2002). At the time Ayatollah was living in exile in Iraq, having been deported due to his opposition actions in Iran amid the mid-1970s popular discontent at the Shah's degenerated and oppressive principle lessened as Iran enjoyed in a time of impressive economic development, construct essentially with respect to expanded oil incomes.

However, by tail end of 1977, the failing economic atmosphere and continued suppression had fueled developing prominent discontent and resistance to the administration. Strikes and hostility to government protest became widespread uniting a general group of Islamist, left-wing and liberal rivals of the Shah. The Islamists drove by Ayatollah Khomeini (who was in France) were to develop as the most effective and composed resistance groups.

The Iranian public had enough reasons to be discontented with the administration of Shah Mohammed Reza Pahlavi in 1970s. Iran's riches had blasted on account of skyrocketing oil costs in the 1970s; however, a large portion of it went to the shah

and his courtiers. In the meantime, rural Iran preserved collectivization that constrained numerous Iranian ranchers onto 'government-run properties'. As labourers fled the rural area for Iran's urban communities, basic lodging deficiencies that left them living in slumping shantytowns. While the Iranians lived in neediness, a hefty portion of the occupations in the thriving oil area went to foreigners. On top of these issues, the education system of Iranians laid emphasis on Islamic studies, leaving numerous graduates not able to discover job. To put it plainly, most Iranians did not profit by the huge riches produced by the nation's oil boom (Pollack, 2002).

Partially in light of the fact that Iran was the main Shiite Muslim country, Iranians were profoundly religious individuals and considered it a wellspring of quality and direction. The 1960s and 1970s saw an extending of religious enthusiasm as labourers attempted to live in the new and stupefying ghettos. Holding onto religion likewise served as a way to challenge the common administration, which uncovered the Shiite clergy of their property and shut down religious associations. The Ayatollah Khomeini profited from these patterns. While he lived estranged life abroad in Najaf, mosques across Iran played his sermons on tapes. His assaults on the shah, his court and the mystery police became well known. Khomeini's acolytes inside Iran made a national network spread his message (Pollack, 2002).

### **3.2.2 Revolution in Iran**

In 1979, January, dissents broke out when the administration distributed a publication reprimanding Khomeini (Pollack, 2002). Multiple groups going from Marxists to administrative progressives and associations that embraced a blend of Marxism and Islam joined the dissents. Khomeini printed a seminar work in 1940s refers to as Hukumat-i Islami, where he dismisses Shiite orthodox belief and required the church to accept power. It likewise criticized any other means of power as

illegitimate. In 1979 February, Khomeini made his triumphant come back to Iran. Three million individuals came to welcome the imam (Ray Takeyh, 2009).

In November, a mix of huge dissents and a botching reaction by the shah cut down the regime (Pollack, 2002). Over the following two years, Khomeini utilized a mix of political moving and terrorism to outflank other progressive adversaries and force his vision upon Iran (Ray Takeyh, 2009).

Iranian policymakers of all stripes considered the United States to be in charge of the authoritarian and inefficient principle of Shah Mohammed Reza Pahlavi. Expecting that the United States administration would attempt to stop the upheaval, its pioneers routinely made incendiary hostile to United State statements (Ganji, 2005). For the US and the West, the loss of the shah was pulverizing. An American partner was supplanted by an administration which, despite the fact that it every so often made placating motions towards the Gulf States, was ideologically dedicated to overpowering the Gulf area. It was at first vague what the Ayatollah Khomeini planned to do in regards to the US (Ray Takeyh, 2009). Months between the start of the insurgency and the 1979 hostage captures saw relentlessly growing pressures between the US and Iran. In 1979, October, these tensions were climaxed, the America gave the shah refuge (Ray Takeyh, 2009). Prime minister at that time Bazargan and Khomeini's adherents were secured a critical confrontation. While Khomeini cliques had taken the wealth of the old administration and destabilized Bazargan's administration, they required an emergency to displace Bazargan.

On the 4th of November 1979, student group in Iran convinced the US was arranging a coup as it did in 1953, raged the America embassy and grabbed the sixty-six

hostages. Incapable to resolve this crisis emergency, Bazargan surrendered and an administrative sponsored constitution won a referendum less than a month later. The mullahs, disregarding the way that their tardy backing for taking United States hostages marked their country as a rebel state in the mind of policymakers in United States, savoured their mortification of the 'great Satan' (Ray Takeyh, 2009). The US President Carter was criticized by his political rivals for his weakness in the view of radical Islam. Carter, however, forced sanctions upon Iran, solidified their sizeable resources in the United State, developed an international accord against the Islamic Republic and declined to respect well known backing for military activity. It is significant that a military assault would have in all likelihood threatened the hostages. Other military alternatives, for example, mining Iranian harbours, would not have ended in the crisis (Ray Takeyh, 2009).

At the point when President Carter utilized the military, a disaster followed. This entangled operation included flying United State Exceptional Forces to a desert area, switch airplane and fly to Tehran, where they would attack the compound where the detainees were being held. It would have been hard to implement such an operation under any conditions. On 25<sup>th</sup> of April, 1980, a sand storm cut down one of the helicopters, slaughtering eight troopers. This disaster was likely drawn out the emergency. It was strictly, when the clerics took charge of the nation that they re-evaluated. The prisoners were discharged the day Ronald Reagan got to be president (Ray Takeyh, 2009).

Iran and Iraq war was one of the longest clashes ever in Middle Eastern history. Successful revolutionaries regularly try to spread yonder their borders and the Ayatollah Khomeini was the same. Given its religious nature, the clerical

administration, following up on this belief system, rapidly distanced its neighbours by brutally censoring mainstream Sunni sheikdoms in the Gulf for their binds to the America and for keeping their Shiite minorities in inferior status. (Ray Takeyh, 2009).

Khomeini's message of Shiite empowerment got an energetic response in Iraq. Riots softened out up the Shiite sacred urban areas of Najaf and Karbal. Shiite activists even endeavour to kill Vice President Tariq Aziz. Furthermore, Khomeini's claims to regional authority demoralised Hussein, who had comparable aspirations (Ray Takeyh, 2009). 1982 turned out to be crucial year in Iran's relations with a great part of the world. That year, Tehran spurned offers to intervene peace and continued with their own attack of Iraq. The Soviet Union expected that the Ba'ath Party would be supplanted with an Islamist state, turning them on Tehran. (Ray Takeyh, 2009).

In 1982, Iran built up itself as a maverick state to the United States, as well as in the eyes a great part of the world. Between the 1979 upheaval and 1982, Iran set up numerous points of reference for future conduct. Khomeini's hatred for world assessment, his backing for terrorism and flighty method for proliferating Iranian power set point of reference for future Iranian conduct. Besides, its grandiose cases to practice impact that were more prominent in the Persian Gulf affected Iranian policy for a considerable year.

The end of the revolution in Iran brought about a rapid and significant shift in the economic hubs in the country. This included sectors like the banking, mining, transport and utility. Although the government was still directly involved in the economic activities but it was gradually giving way to private sector in recent times.

Iran as a way for significant change had embarked on five year plan economic reformation which started in 1989. During this time, the country loosened its economic tight for many private investors while it reduced the total control of the economic apparatus. Hence, in recent times, there is more liberalisation in the economy as well as increased freedom given for privatization by the government and also the eight percentage increase target in the economy in a five-year period which has been of tremendous help in the strengthening of the economy of Iran.

### **3.4 Conclusion**

This chapter supported by the findings from the study, showed that Iran and Iraq had a rich background and put in place different measures in the ramifications to develop sustainable existence. Moreover, evidence from the chapter also shows resistance to imperialism which they had enough reasons to do so. Resistance came in the form of mass independence movements and revolts, until both regions became broke free of direct Western domination and even at some point to dictatorship within by the administration.

The result of the study is in relations to Hinnebusch (2012) and Bulliet and Ruedy (2007) claim of the region's oppositions to Western rules and protests by the people. The time of Iraq's colonial period under British control, she abandoned a legacy of two settled in examples of administration: the utilization of support to ensure monetary force; and the quick use of armed power to defeat any type of Iraqi resistance. While this worked in the short-term, it did not tackle Iraq's long haul issues brought on by the contending needs of a public that was turning out to be more mind boggling, assorted and complex in its capacity to propel its interests.



## **Chapter 4**

### **ANALYSIS AND DISCUSSION OF FINDINGS**

#### **4.1 Introduction**

In this chapter, analyses of the impact of imperialism on Iraq and the significant effects of Western influences on Iran are presented. It could be noted that Iran was not at any point in time colonized, yet Western influences came as a direct and indirect contact at different point in time. Hence, this chapter holds the largest part of the research where the influences were revealed in terms of the socio-political and economic aspects as far as Iraq and Iran are concerned. Also, the analyses in this chapter are discussed with the two theoretical frameworks of this study.

#### **4.2 Impact of Imperialism in Iraq**

The modern nation of Iraq was formed in 1932 when the Kingdom of Iraq gained independence from the United Kingdom. It had been placed under the authority of Great Britain as the British Mandate of Mesopotamia by the League of Nations in 1920. Prior to that, it was part of the Ottoman Empire. This delineates the history of imperialism in Iraq as beginning with the arrival of the Ottomans in the 15th century, through independence from the Great Britain. These two stages of imperial rule had several different impacts on modern-day Iraq.

The first is that the borders of the current state of Iraq were the direct result of British rule. The Ottomans had administered Iraq differently, with three main provinces. Under Ottoman rule, Baghdad, Mosul and Basra were all provinces within the

Ottoman Empire. Iraq was not Iraq in the sense of a modern nation-state, but governed territories that were delineated largely along ethnic lines. In Basra, the population consists of Shia Arabs, In Baghdad, the population was more mixed, predominantly Sunni, but with one-quarter Jewish population and a sizeable Shia presence as well, while in Mosul, the population has long been predominantly Sunni. All are Arabs in the country. The Ottomans recognized and respected the demographic split more, knowing that Shia holy sites, and therefore Shia population, are concentrated in the south of the country. There was no attempt made by the Ottomans to tie the different regions of modern Iraq together in any way – they were simply Ottoman provinces, and not related to each other.

The British redrew the internal boundaries of the region. The Sykes-Picot Agreement between England and France was the first attempt at creating such boundaries. The San Remo Agreement redrew the boundaries of the modern nations of Iraq and Syria (Stansfield, 2014). This resulted in the creation of what would become the modern state of Iraq. The country ended up with a Shia majority, a large Sunni minority, a Kurdish region, and in the post-colonial years the entire country bled minorities, especially the Jewish and Christian communities, to the point where modern Iraq is 99% Muslim of some denomination (Stansfield, 2014).

The governance structure of Iraq, the Kingdom of Iraq, was put into place by the British during their mandate. Stansfield (2014) argues that the British had greater trust in Sunni Arabs than they had in Shia Arabs at that time, and that is why they elected to put the Sunni in charge of the new country, though they were the minority. Stansfield also argued that the state of Iraq today would not exist without the British. They created the idea of it, and the Sunni who were put into power built up the

national story along their own vision. But a unified Iraq only came about because the British invented it.

The first question is why did the British set up the new government in Iraq as a monarchy? The British enjoyed a more democratic form of government, but the Arab countries in the mandate inherited a series of monarchies, some of which still exist today. One theory is that the Hashemite family, to whom power over Iraq (among others) was awarded, had assisted by way of the Arab Revolt with the conditions under which the British were able to take the areas from the Ottomans in the first place. The family was well-respected among Sunnis, tracing from the Prophet (pbuh) and having been governors of Mecca for centuries (Dawson, 2014).

The creation of the state of Iraq, comprising a mix of Sunni and Shia, and then conferring power to a Sunni family when that denomination was in the minority has had long lasting effects on Iraq. Through a succession of leadership, Iraq came to be ruled by the Baath Party, but was always under Sunni control. Privileges were often conveyed to Sunnis over Shiites, though this was less pronounced under Saddam Hussein's rule. The Sunni rulers built a narrative about the nation-state of Iraq in order to solidify their hold on the territory, which otherwise might have been prone to sectarian fracture (Stansfield, 2014). This narrative focused on the Sunni. However, this narrative created some alienation among the Shia, who under the Ottomans was not subjected to Sunni rule, at least not in the south around Basra, where they had local governors and rarely would have encountered an Ottoman Turk (Stansfield, 2014).

The poor governance in Iraq would eventually hurt the United States and its economic imperialism, specifically relating to the country's oil wealth. Saddam Hussein projected as a leader with strong support, but that support was relatively thin and mainly held by his own Baathist followers. Other ethnic groups, who had cowered out of fear of Hussein, left in the first chance they had. The rule that the Sunni had cultivated over decades since independence wilted very quickly, as other groups in Iraq never had particularly strong support for Sunni leadership, especially given the circumstances under which Sunni rule came to exist in the country – a legacy of the British.

The arrival of the Americans in the 2000s is an example of new imperialism. In this case, oil was the primary driver for the invasion. The United States may have been content to operate with economic imperialism, but had been shut out of the market in favour of European companies. Hussein was known to use oil – the main economic driver of Iraq – as a political tool for years. The 2000s were no exception. The rich oil reserves of the country provided Iraq with the power to avert economic imperialism. Hussein, in the days before the US invasion, reached out to European oil companies like Total, Fina, Elf and Repsol in order to sign extraction deals, as a means of maintaining the country's control over the critical resource, its internal finances, and the ability of the United States to influence Iraq's economic health (The Economist, 2002). In this sense, Iraq, being an oil producing country, was persuaded by the United States to invest significant quota of her financial resources in oil and gas based petrochemicals, yet without having enough well withal to produce and export the oil sufficiently, so Iraq depended on the United States for the technological know-how to do this, and Iraq failed to identify the selfish interest of

the United States in this persuasion (Alnasrawi, 1987). This is a form of dependency through oil as reviewed in the literature.

This Iraqi-United States relationship allowed trade union in goods, especially oil, which allowed a significant accumulation of capital by the United State. Thus, the moves by Iraq did not work well in the face of US military invasion. The subsequent occupation of the country by American forces ushered in a new era of imperialism. If oil wealth and a strong military had allowed Sunni to rule Iraq since independence, that era was over and a new era of imperialism had begun. The new era was characterized by the United States government implementing its own leaders in the country, and then seeking to control the transition of Iraq to a more democratic state. This invasion of US military into Iraq, as reviewed in Chapter two, was an accumulation process where militarism had an important role to play as an act enforcer or executor in order to conquer of the new world using military power and to gain control over the resources of the invaded territory.

This fractured state, and fractured governance, is another new era in Iraq's history with imperialism. The US decision to invade was based on an imperialistic agenda, as much was transparent from the outset, but the imperialistic invasion broke the strong governance that was built by the Baathists in Iraq. Once, again Iraq fell apart, and largely on sectarian lines, and Nordland and Al-Salhy (2014) note, the sectarian violence came in waves of post-invasion Iraq. The old hostilities that existed between Sunni and Shia in this artificially-created country were renewed in the absence of a strongman leader to enforce discipline.

#### **4.2.1 The Kurdish Quasi-Independence**

The area where the Kurds had lived under Ottoman rule was generally a singular area. At the end of the Ottoman Empire, the British, French and Turkish powers decided to split the Kurdish Territory. The Treaty of Sèvres in 1920 was never ratified, but it contained the blueprint for the partition of Kurdish territory, ostensibly to weaken the Kurds politically. This treaty proposed the creation of Iraq, Syria and Saudi Arabia as kingdoms, as well as autonomous states for the Armenians and the Kurds. The final treaty on the region, the Treaty of Lausanne, left out the latter two states. The reason for the change has been attributed to the oil interests of the British and the French. The British were intent on controlling the major oil-producing areas. Knowing that they were going to control Iraq at that point, the British sought to extend Iraqi territory into Kurdistan. The result of this is that Kurdistan would be split between Iraq, Syria and Turkey (Malanczuk, 1991).

The Kurdistan issue remains unresolved to this day, and therefore continues to have resonance in the context of modern Iraq. The Kurds have been able to maintain their own political and cultural identity over this period, for example, winning some measure of autonomy within the Iraqi state in 1970. This autonomy continued when the Americans invaded Iraq, with the Kurds taking the side of the coalition against Saddam Hussein. While political issues kept the issue of an independent Kurdistan off the table after the conflict, Kurdish Iraq became a *de facto* independent nation anyway. Kurdistan became the only secure part of the Iraqi state, with its own governance, and its own territorial integrity. Observers are skeptical that Kurdistan will ever be allowed to achieve full *de jure* independence, but the region still enjoys *de facto* independence from the rest of Iraq, even if the questions about regaining territorial sovereignty over Kurdish areas of Turkey and Syria remain muddled (The

Economist, 2015). The unresolved Kurdish issue is another example of the legacy of imperialist ambitions and colonial rule, nearly 100 years later.

The Kurds remain a strong force combating the Islamic State as well. While the US-backed government in Baghdad has been ineffective at combatting the rise of IS, the Kurds have been able to hold on to their critical territories for the most part, and have been able to expand southward towards Kirkuk when the Iraqi army fled the area under IS pressure. This has in turn created an opportunity for the Kurds to sell oil via pipelines that run through Turkey (The Economist, 2015).

All of these, in other words, linked to the imperialist's rule and system to conquer indigenous militaries and insurgences using weapons and aerial attack of cities, villages and tribes in order to cause splits and division and to give the indigenous leaders a sense of autonomy, therefore turning tribal and merchant land owners and tribesman and farmers into agricultural working class and to work against themselves. These were all part of the impact of political imperialism as reviewed in the literature.

#### **4.2.2 The Rise of ISIS**

The rise of ISIS is typically attributed to the destabilization brought about by the US invasion, an imperialist act, but it also has roots in older imperialism. Where the Ottomans had divided the different areas of modern-day Iraq into three provinces that reflected three unique demographics, the modern state of Iraq has always faced an uneasy ethnic mix. That the minority Sunni were put in charge of the country only exacerbated these challenges. ISIS is nominally a Sunni group, following Wahhabism. They were able to rise in the security vacuum created by the Syrian

Civil War, but moved into northern Iraq thereafter. The group's territory has waxed and waned since it entered Iraq but it remains a force in the area today.

ISIS has its own imperialist ambitions, though perhaps not so closely related to capitalism. They still, however, need money to fight their war, and that money comes from oil, same it is does for all other actors in the region. To that end, IS has sought to capture oil-rich territories and to otherwise expand its influence over these areas. Their behavior might differ in some ways from that of Western imperialists, but they are nonetheless outsiders seeking to exploit Iraq's resources for their own gain, and have little to offer the people of Iraq. Their moral authority is no greater or worse than Western nations that show up with guns, set up camp and take over key resources.

The modern Iraqi political landscape, with a de facto Kurdish state, IS, and a weak Iraqi central government in Baghdad, are all vestiges not only of the US invasion but also of the ancient rivalries that have bubbled up after Saddam Hussein was toppled (Stansfield, 2014). None of these groups had to live with each other under the Ottomans. They would have had little contact with one another outside of some light trade in those days.

The foregoing goes in line with the reviewed literature under imperialism and religion because though the Islamic religion provided a commonality for societies under Ottoman rule being the common religion that seemed to be binding them together, but due to such an internally weak Iraqi central and the division within the common religion, the IS, which had had an ancient rivalry with the country over the



oil region, was able to thrive and still strong till today (Bulliet and Ruedy, 2007; Global Impact of Imperialism, 2015).

Today, however, as part of one country and with a powerful resource (oil) at stake, things are different. Not only were these groups in contact, and thus conflict with each other more frequently, but there are also substantial economic stakes as well, to say nothing of the religious ones. The crisis that Iraq faces today may seem to have been precipitated by the US invasion and subsequent imperial conquest, but these conflicts have their roots in the ancient rivalries of the people living in this region. Were it not for the creation of a singular Iraqi state by the British, and the subsequent destabilization of that state by the Americans, doubtless some of this conflict would not exist, but there would still be the underpinnings of conflict in the region and some of the rivalries would have become heated, eventually, at some point in time because of their inherent intractability.

### **4.3 Impact of Western Influence in Iran**

Unlike Iraq, Iran was never subject to imperial power. It was, in fact, an imperial power in its own right at times during its history. Of course, Iran's apex was probably under Zoroastrian Achaemenid Empire. In the modern age, Persia was a rival to the Ottomans, with Kurdistan as a buffer between the two. Iran exercised imperial ambitions in a hundred-year occupation of Kurdistan, for example, bookended by Ottoman rule. The Persian Empire abutted not only the Ottomans but also the Russians. While it engaged in conflict with the Russians and suffered territorial losses as a result, the main heart of Persia was never subject to imperial conquest in the sense of it.

In 1951, Mohammed Mosaddegh rose to power and nationalized the country's oil industry. In 1953, a combined US-British effort overthrew him in response to their loss of Iranian oil interests. This overthrow was officially revealed in declassified documents in 2013 as an official act of US foreign policy. The British Anglo-Iranian Oil Company (BP) was the primary company that was nationalized by Mosaddagh, and British response was to defend its economic interests in the region. The only way it felt it could do that was to overthrow Mosaddagh and install a leader in the country that was friendlier to British and American interests (Dehghan and Taylor, 2013).

The US and UK effectively created the monarchy of the Shah by eliminating the democratically-elected leader of the country. This would have lasting repercussions in the country. First, those two nations were major economic beneficiaries of the arrangement. While they never officially took charge of Iran for themselves the way the US would eventually do in Iraq, the Shah owed them a great debt for his power and support, and was rather amenable to their needs. This sort of de facto economic imperialism worked just fine for the US and Britain in Iran for a few decades. They had no need to take on the political risk of colonizing Iran; the country was an example of a post-colonial imperialist state, controlled by nations via proxy rather than via direct rule.

As reviewed under dependency theory, the US and Britain, being industrialised and developed nations, maintain their firm control over the developing Iran with the rendering of support and power in order to acquire cheap labour and a steady supply of raw materials, especially oil. The US and Britain disguised this to indirectly govern these regions and strategically penetrated the Iranian economy from which they invested and manufactured with cheap labour (Buzzanco, undated). Although,

through helpful interaction with the technologically and scientifically developed US and Britain, Iran, a developing country, could have become economically independent too, but because the US and Britain were only interested in dominating, Iran became dependent on this exploitation in order for capitalism to function. This involved the systematic transfer of labour from Iran, especially those few intelligent Iranians, to the US and Britain. All of these were forms of economic imperialism and dependency.

However, the religious sector was perhaps the first to reject this imperialism in part because it clashed with their Islamic worldview but also in part because it reduced their political power, as Iran was essentially run as a secular state under the Shah. The underlying principle that modernity is associated with progress was not challenged by many, but it was within strict Islamist circles in Iran (Rouleau, 1980). The Iranian Revolution was therefore a rejection of both imperialism and modernity and the Shah also was too much like an imperialist ruler, the mullahs argued, and he was taking Iran in a social direction that ran counter to their religious worldview (Rouleau, 1980).

#### **4.3.1 Significance and Impact of Iran-Iraq War**

Shortly after the Islamic Revolution, Iran entered into a prolonged war with Iraq in the 1980s. A key underpinning of this war was the Revolution's rejection of Western values, essentially a rejection of pro-Western ruling elites. Such elites, common throughout the Arab world, were beholden to Western interests because it was either they were put in place by the British or they depended on Western purchases of their oil for their wealth and for their internal power or both. Many in the Arab world saw the Iranian Revolution as a cultural touchstone, and an opportunity for Arabs to rid themselves of the imperialist powers who were thought to run their countries.

The imperialists had no love for the side they were supporting, but saw that the conflict between Iraq and Iran was multifaceted, and they wanted to control the outcome. It was not only a conflict between secular values and religious ones, but also a conflict over control of a massive portion of the world's oil supply, so it was definitely an economic conflict. As such, the USSR and Western powers sided with Iraq in the conflict, both having reason to fear the religious power of Iran as a potential model for the Arab nations while China, a rival of the USSR, predominantly, sided Iran. The Gulf States, fearful of what Iranian victory would mean for their own imperialist-supported grips on power, chose to side Iraq. The conflict would ultimately end in a stalemate, but would have further repercussions. Iraq invaded Kuwait in 1991 as a means of extending Saddam Hussein's own imperialist ambitions that went nowhere during the war, only to be rebuffed by the United States, thus ending US support of Saddam Hussein's regime.

All of these forming of allies and taking sides in the Iran-Iraq war was the product of Wallerstein's world-system theory's division of world-economy into core states, semi-peripheral, and peripheral areas where the peripheral areas, now Iraq and Iran, are considered underdeveloped which had already being exploited by the core – the US – for their cheap labour and raw materials (oil especially), while the semi-peripheral – USSR, China and Gulf States – areas are intermediate. This thus explains why the USSR and Gulf states had to side Iraq, though not to because they actually like Iraq, but because of their allies with the US and the interest in exploiting Iraq.

#### **4.3.2 The Significance of Oil and its Influence on Iran**

The main cause for imperialism in the region has always been oil. The Ottoman Empire fell during the First World War, at a time when it had become apparent that

the way forward technologically for the world was going to be with internal combustion engines. Cars were becoming more common in wealthy countries. Airplanes, tanks, and ships were all critical to the war effort. It was evident at that point that oil was one of the most important resources in the world and would continue to be. The British, who were the world's leading imperialist power at that point in the time, seized the opportunity to capture the oil-rich areas of the Ottoman Empire. Ataturk was more focused on the creation of his Turkish Republic, and had little bargaining power, and the result of this was the various British mandates in the region. This was the most salient dawn of imperialism in the Middle East, and set up the rest of the conflicts in the region for the next 100 years. Therefore, because oil has not waned as a resource by then and Western powers have never like that felt motivated to relinquish their economic imperialist ambitions over the region, the British installed rulers favourable to trade with Western companies, and when the Americans ascended to be the world's dominant power they followed suit.

This earnest need of automobiles and technological engines by Iran from US and Britain aligns with the views of Joshi (2005), when talking about dependency theory, that underdevelopment is not a situation on its own but it is an active procedure of poverty connected to development such that some parts of the world (like Iran and the Middle East) are underdeveloped because others are developed (US and Britain and some other core areas). In other words, underdevelopment in Iran then was because of the advanced technological growth (Joshi, 2005) in Britain and US, which thus made Iran to depend solely on US and Britain for the supply of these technological engines and automobiles.

The interests of Western nations in both Iraq and Iran have always been focused on oil. They took an interest in the areas when they realized its strategic importance as an oil resource, and have maintained their interest ever since for the same reason. Without oil, neither of these countries would spend much time on the radar of the world's major powers. Therefore, it is true that dependency on the dominant states constrains development in the periphery in detrimental ways, and this thus justifies the hypothetical statement for this study that the imperialism in Iran and Iraq can be conceptualized by the dependency theory model.

#### **4.4 Western Influence and the Rise of China**

China's rise as an imperial power has been driven in the past couple of decades by its rise as an economic power. China has taken an interest in many countries around the world where it feels that it can gain access to critical resources. Not surprisingly, this has included the Middle East, given that China is not self-sufficient in terms of oil (CIA World Factbook, 2016). It has large oil supplies, but is a leading consumer, and uses more than it makes. This situation is only going to get worse for China as its economy grows, so it has begun to express its imperialistic ambitions in the oil-producing regions.

However, China has become involved in Iran's nuclear program negotiations, along with other major imperialist powers, to exert control over Iran's energy capabilities, and potentially to use Iran in the same way it uses North Korea as a cudgel against Western ambition (Jones, 2015). In the same way, China has also become involved in Iraq. Again, this is not out of the goodness of their hearts that they are contributing drones to the Iraq Army to help fight IS. Iraq plays a "pivotal role" in China's energy policy. The country has made considerable investments in Iraq since the American

invasion, in order to secure its own energy needs going forward. China is the largest importer of Iraqi crude (Butch, 2015). China has increased its military involvement as a means of securing Chinese interests, particular oil, its workers in the country and its investments.

The rise of China as an imperial power in both Iraq and Iran is reflective of its growing strength, and will likely shape the imperialist influence on these countries in the 21st century maybe differently from the way the arrival of the British in the post-Ottoman era characterized imperialist involvement in Iraq and Iran in the 20th century. This therefore calls for further studies.

#### **4.5 Conclusion**

Imperialism has characterized the entire history of Iraq since the end of the Ottoman Empire. The country is an artificial creation of the British, one that was predisposed to sectarian conflict. The fact that the country turned out to be blessed with oil wealth only exacerbated the problems that Iraq was going to have with respect to its internal politics. But with Iraq, the problems only became worse as imperialist nations sought to ensure control over the country's oil reserves. Foreign money, from both the US and the USSR, flooded into the county during the Iran-Iraq War, as a form of economic imperialism, the Iraqi state beholden to Western interests.

For its part, Iran has had a different history with imperialism. Iran first felt the imperialist force when Great Britain sought to retake BP after the Iranian government nationalized it. The overthrow of the government and the imposition of the Shah was an extension of imperialism in that the British in particular, felt like they had a right to Iranian oil. When the Iranian Revolution occurred, and Saddam

Hussein came into power at around the same time, this set about a chain of events that would have significant consequences for the region, even today. First, the two countries were set to war. Imperialist powers focused their attention on Iraq, because of how anti-imperialist the Iranian Revolution was. The West saw this as an opportunity to gain power in a weakened region, but ultimately it was not enough. After this conflict, imperialism continued. In Iran, it took the form of economic imperialism, where blockades and nuclear sanctions continued the West's economic control over Iran. In Iraq, imperialism was even more blatant, with the US invasion to overthrow Saddam Hussein.

The impacts of these actions are even more significant today. The destabilization of Iraq has contributed to the virulence of the IS. The IS may have arisen from a backdrop of the Islamic schism, but ultimately many of the issues in Iraq stem from the artificial nature of the country. The Kurdish issue today dates specifically back to the British decision to break up Kurdish territory to diffuse their political power, and in particular, to ensure that their oil ended up in British hands. Imperialism even affects Iran, which must deal with the proxy wars that the West fights (the Iran-Iraq War) and must deal with the economic imperialism that continues to this day.

Therefore, the foregoing analysis and discussion have revealed that the Wallerstein's world-system theory relates well with the dependency theory, and both focusing on imperialism, fit well for the conceptualization of imperialism in Iran and the Western influence on Iraq.



## **Chapter 5**

# **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter presents the summary, conclusion and recommendations. Under the summary, the researcher reiterates the research objectives, methodology employed in carrying out the study and the specific findings, while conclusion is derived from the various findings for the research questions that guided this study. Recommendations are made for the beneficiaries of this study and suggestion were made for where further studies are needed to further the discussion on any form of imperialism and Western influence in any country of the world.

### **5.2 Summary**

This study was designed to examine the impact of imperialism and Western influence on the Middle East using Iraq and Iran as case study. The first objective of the study is to examine the dynamics behind the rise of imperialism in Iraq and Iran. Also, this study seeks to investigate the impacts of imperialism in the Middle East. Moreover, the theory-guided hypothesis of the study is to test whether the imperialism in Iran and Iraq can be conceptualized by the dependency theory model.

To achieve the objectives of this study, qualitative and descriptive case study method was adopted for this study. The qualitative and described methods to the case study

approach allowed the researcher to deal with a collective of evidence in form of documents and historical arte-facts among others.

The findings revealed that there are two stages of imperialism in Iraq, and that these two stages had several different impacts on modern-day Iraq, among which is the redrawing of the current Iraqi borders – which were formerly a series of governed territories and provinces along ethnic lines of Baghdad, Mosul and Basra under Ottoman rule – into a largely regional boundaries of Shia majority, a large Sunni minority, a Kurdish region (and in the post-colonial years, the entire country bled minorities, especially the Jewish and Christian communities, and to the point where the modern Iraq is 99% Muslim of some denomination) (Stansfield, 2014); through the Sykes-Picot Agreement between England and France and the San Remo Agreement, all brought about by the impact of the direct result of British rule in Iraq. Other impacts, according to the findings, are the governance structure of Iraq which was put into place by the British during their mandate, thus what Iraq is today is the British invention (Stansfield, 2014); the creation of the state of Iraq, comprising a mix of Sunni and Shia, including the power conferment to a Sunni family; the high dependent of Iraq, despite being an oil producing country yet without having enough well withal to produce and export the oil sufficiently, on the United States for the technological know-how to maintain the Iraq's control over the critical resource, oil, and its internal finances, giving the US the ability to influence Iraq's economy (The Economist, 2002).

It is also found out that unlike Iraq, Iran was never subject to imperial power as it was an imperial power in its own right at times during its history. Although, the US and UK never officially took charge of Iran by themselves the way they would Iraq,

they succeeded to eliminate the democratically-elected leader of the country and effectively created the monarchy of the Shah, who owed them a great debt for his power and support, and in turn, enabled them rule and control Iran indirectly or by proxy without any need to take on the political risk of colonizing Iran. Thus, the US and Britain maintained their firm control over the developing Iran with disguises of rendering support and power, yet acquiring cheap labour and a steady supply of raw materials, especially oil, and strategically penetrated the Iranian economy from which they invested and manufactured with cheap labour (Buzzanco, undated). Through this, as revealed from the findings, Iran became dependent on this exploitation in order for capitalism to function, and this is a form of economic imperialism and dependency. Similarly, the findings show that in the war involving Iran and Iraq, the imperialists supported Iraq not only because they feared the religious power of Iran as a model for the Arab nations, but also because they saw the conflict as an economic one, as it was not only a mere secular and religious one but also as a conflict over the control of a massive portion of the world's oil supply, so they wanted to control the outcome.

### **5.3 Conclusion**

An overview of the findings of this study suggests that the main cause for imperialism in the regions of Iraq and Iran has always been oil and to take control of this oil supplies and distribution, but only as a disguise of helping the regions develop. Iraq and Iran were considered as peripheral areas, which were underdeveloped, but rich in oil yet without the well-witthal to explore the benefits of this oil to the fullest. Oil producing countries are persuaded by the multinational corporations to invest significant quota of their financial resources in oil and gas based petrochemical companies. As the oil generating countries saw the benefits of

this, they failed not to identify the point that international trade is not free, barriers as well as protective measures may be obligatory by the importing countries which the industrialized nations did precisely (Alnasrawi, 1987).

Another factor that encouraged these imperialism and influences on the Middle East regions was poverty, illiteracy and lack of technological development amongst others, despite their possession of raw material. Middle East regions, was as a result of economic growth in advanced countries. It could be concluded that other reasons for imperialism on the Middle East were economics (which include the need for markets, raw materials and source of investments), security (need for military base, nationalism), religion (spread of Christianity and Islam), and racial identification, technology (new medicine, new weapons, and transportation) (Buzzanco, 2015).

However, despite the exploitations of the Middle East by the West, this study wants to conclude that the Middle East, Iran and Iraq as case studies, also enjoyed positive impacts of the western imperialism as it paved way for industrialization of oil industry in the regions. This thus contributed essentially to the region's economic success, evolution of infrastructure such as roads, train ways, social amenities such as communication medium and banks. They built railroads, enhanced education and even adopted autonomous restructuring of the government, though, the internal improvements in the underdeveloped country also seem to benefit the imperialist countries too (Maier, 1968).

#### **5.4 Recommendations**

Based on the findings and conclusion reached, it is recommended that the government of developing countries, should look inwardly to ensuring that they

achieve growth in all ramifications (economic, political, financial, materials and so on), to boost their own economy and developments without the influence of the Western countries. This is pertinent, especially in this current situation of global economic meltdown, where the developed and highly industrialized countries are looking for developing countries whose economies they want exploit. Governments of developing countries should develop their local and indigenous technologies which will boost internal economy, local industries and exportations, which will later boost the country's global relevance.

Moreover, as discovered from the findings of this study that many, if not all, of the Western's assistance and intervention are exploitation in disguise, governments of developing nations should be vigilant, critical and analytical in relating with any western country to either sign pact or enter into any agreement. Any agreement which does not seem mutually and equally beneficial should not be signed, knowing that the western countries are usually only interested in exploiting resources of developing countries.

Finally, policy makers at all levels of government in developing countries, should, in many ramification – political, financial, economic and even socio-cultural – know how best their nations can achieve self-development and self-reliance for maximal use of their national resources and development. With workable policies, developing nations should try to survive on their own like the likes of China, Japan and India, whose economies are now triumphant globally.

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