

# Socio-Economic Transformations in Iran and India (1857–1904) in Alignment with the Modernization Project

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The primary objective of the present article is to examine the socio-economic transformations in Iran and India from 1857 to 1904 in alignment with the theory or project of modernization. The author investigates whether the trajectory of socio-economic transformations in Iran and India during the second half of the 18th century was a path toward modernization. In response to this question, the hypothesis proposed suggests that the transformations in India and Iran indicate that India, influenced by governmental approaches, exhibited a greater inclination toward a modernizing transition—such as the establishment of universities, railways, and other infrastructure—compared to Iran. This hypothesis considers intervening factors that either facilitated or hindered transformations, such as the role of the state and reference groups, as dependent variables influenced by differing dynamics in Iran and India. The author's analysis reveals that modernization efforts were undertaken in both Iran and India. However, in Iran, these changes were short-lived, whereas in colonial India, modernization initiatives—such as the construction of a nationwide railway system, extensive irrigation canals, and the establishment of universities—were integrated into global modernization trends. In contrast, in Iran, the changes did not endure and were largely limited to newspaper publications and the establishment of a few schools. It appears that several factors contributed to either the advancement or stagnation of modernization in ostensibly independent Iran, with the state's structure and function, as well as the role of reference groups, playing a central role. In India, the British Viceroyalty governed, and while intellectuals resisted the colonial regime, they simultaneously supported its civilizational approach. In contrast, in Iran, progress remained largely framed within a traditionalist paradigm.

**Keywords:** *Socio-economic transformations, modernization, India, Iran.*

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## 1. Introduction

Among the key factors influencing a country's transformation are the state, reference groups, and foreign interactions. In this study, the author examines the necessity of both state intervention and international perspectives, alongside the role of reference groups, as principal drivers of transformation. It appears that, despite being a colony, India effectively utilized these capacities, whereas Iran, though ostensibly

independent, failed to do so, and any transformative efforts remained weak. In Western countries, modernity was established through distinct institutional and intellectual foundations, including the formation of the modern national state, the emergence of social classes, and the rise of instrumental and calculative rationality. In the short and medium term, these developments led to the establishment of imperfect democracies and early industrialization. However, in the long term, a



substantial portion of this modernization project was concretely realized in the West. In contrast, less developed countries did not strongly exhibit these foundational elements, yet their political and economic outcomes in the medium term—at least for nations like South Korea and Taiwan—do not significantly diverge from Western countries. These nations are now familiar with democracy and have achieved industrial progress, yet they have implemented a modernization project rather than adopting modernity itself (Keshavarz, 2004). During the reign of Fath-Ali Shah, which marked the beginning of extensive colonial activities in Iran, international relations underwent significant changes. The long reign of Naser al-Din Shah was characterized by numerous political and social events, including intense colonial rivalries between European powers, particularly Britain and Russia. These rivalries inflicted irreparable damage on Iranian society and resulted in several unfavorable trade concessions imposed on the country. Although European influence in Iran during this period brought numerous economic and political challenges, it was also significant in introducing Iranians to modern Western civilization.

As European interactions with Iran increased, Iranians gradually became acquainted with European advancements. The dispatch of the first group of Iranian students to Europe by Abbas Mirza facilitated the transfer of modern sciences and technologies to Iran. The establishment of Dar ul-Funun, ordered by Amir Kabir, also played a crucial role in familiarizing Iranians with contemporary knowledge. These developments collectively contributed to intellectual growth and the enhancement of social and political awareness. Consequently, a new social class, identifying as intellectuals, began to emerge. Over time, with increasing public awareness and intellectual efforts, the groundwork for the Constitutional Movement was laid, pushing Iranian society towards political and cultural reforms.

Although the Constitutional Revolution set the stage for fundamental political and cultural transformations, various factors—such as the lack of awareness among some intellectuals regarding the essence of constitutionalism, political conspiracies, and the interference of colonial agents—hindered the success of reformist ideals. Therefore, despite the efforts towards political and cultural transformation during this period,

both internal and external obstacles posed significant challenges to achieving these objectives (Moradi et al., 2015).

Understanding the economic and social structure of a country helps in identifying its strengths and weaknesses. If history teaches us where we stand today and how to plan for the future, then revisiting our past economic and social structures is essential. By studying the causes of economic and social underdevelopment or regression, we can better understand our strengths and weaknesses. Most domestic and foreign historians have characterized Qajar-era Iran as a declining society compared to its past and a backward society relative to other countries, as no significant changes occurred in its political, social, or economic structures.

## 2. Concepts

### 2.1. *The Concept of Transformation*

In the history of the past three centuries in the West, three terms—progress, evolution, and development—have been used to explain social transformation. The term development (Develop) literally means "emerging from the envelope" (envelope). Early development theorists, particularly after World War II, whose ideas later became known as modernization theory, believed that this "envelope" represented traditional society, along with its culture and values (Ghazi Soufiani et al., 2016).

At a certain point, this concept was analyzed from a pessimistic perspective, with some scholars arguing that transformations associated with industrialization and modernization led to various crises, including alienation and social disintegration. However, after World War II, optimism towards political development and social change increased. Researchers, influenced by the economic success and prosperity experienced in the West, began to analyze development from a more positive perspective.

Regarding the evolution of this concept, during the 1940s and 1950s, development was primarily associated with economic growth, defined as a process leading to an increase in per capita income and Gross National Product (GNP). However, despite economic growth, these changes did not necessarily result in improved living conditions for the underprivileged. While political development was considered in economic terms during

the 1940s and 1950s, by the late 1960s, political scientists increasingly emphasized social and political factors over economic indicators. Subsequently, in the 1970s, some researchers began to examine development primarily from an external perspective (Tohidfām, 2003).

## 2.2. *The State*

The state is the most central concept in the study of politics and political science. It can be understood as a structure of authority that includes a set of public institutions such as the government, parliament, military forces, judiciary, and administrative bodies. The general functions of the state include legislation and maintaining order and security. However, the nature of the state varies significantly across capitalist and developed Western nations due to differences in constitutional frameworks, political structures, social compositions, national wealth, and productive capacities.

At the same time, there are commonalities among these states, particularly in developed capitalist societies, in terms of their expansion, growth, and societal roles. These commonalities can be summarized in four key observations:

1. The nature and scope of the modern state have evolved significantly compared to its historical counterparts.
2. The functional responsibilities of the state have expanded dramatically, encompassing the provision of welfare, material security for citizens, and maintaining public order.
3. The modern state functions as a system of authority that has become highly fragmented and, in some cases, decentralized.
4. Given these observations, the question arises as to how these shared characteristics can be generalized across a diverse range of states.

## 2.3. *The Concept of Modernization*

Modernization refers to a set of transformations occurring in the superstructural aspects of society,

including the economy and the administrative-political system. These changes are directly linked to modernism and are also indirectly influenced by modernity. This section explores the definition of modernization, related concepts, and theories proposed by scholars in the context of modernization and renewal.

The term modernization has been translated into Persian literature with equivalents such as "renewal," "modernization," "contemporization," "becoming modern," and "innovation." Modernization is a concise term encompassing various perspectives that non-Marxists have applied to the Third World (Harrison, 1988). According to this approach, modernization occurs through technological advancement, industrialization, mass consumption, urbanization, suburbanization, mass communication, state centralization, metropolitan expansion, and the development of formal education systems (Soltanian & Moradi, 2012).

Modernization implies a complete transformation of a traditional or pre-modern society into a modern society, incorporating various technologies and related social organizations (Ashraf, 1980; Ashraf & Banu Azizi, 2008). It is a process through which less developed countries move away from traditional ways of life and experience development (Bowker, 2006).

The characteristics, features, and capacities of human societies—particularly their socio-economic attributes—are subject to change over time. The growth and development of societies depend on their alignment with the evolving economic and social environment. However, non-alignment is practically impossible, as societies must inevitably, either coercively or voluntarily, undergo this transformation. The expansion of developmental issues in societies and the formulation of multiple theories on the causes of development or underdevelopment have led to extensive studies. One of these theories is the modernization perspective, which draws from classical sociological theories regarding the "transition" of society from traditional to modern structures.

**Table 1**

*Definitions of Development and Modernization in Eleven Different Approaches*

Approach	Main Actors	Scale	Definition of Development	Explanation
Classical Economic Theory	Private Sector (Market)	National	Economic Growth	Focus on market forces as the most effective means of economic regulation.
Classical Marxism	State	National	Economic Growth, Industrialization, Urbanization, Increased Societal Complexity	The state is the key actor in organizing resource distribution and usage.
Keynesianism	State and Market	National	Economic Growth with Full Employment	State intervention in the economy to assist disadvantaged groups and regions.
Modernization Theory	State and Market	National	Economic Growth and Increased Complexity in Economic and Social Organization	Eurocentric assumptions that all countries should follow the development path of the Global North.
Structuralist Approaches	State	National	Economic Growth	National governments must protect local industries from global market competition due to economic inequalities.
Dependency Theories	State	National	Economic Growth	Underdeveloped regions suffer due to exploitation by the Global North, necessitating disengagement from the global economy.
Neoliberalism	Private Sector, Voluntary Organizations, and Individuals	National and Subnational	Economic Growth, Democracy, and Liberalism	The state should establish a structured framework within which corporations and voluntary associations can operate.
Sustainable Development	Depends on Perspective	Depends on Perspective	Preservation of the Natural Environment	Various perspectives range from market-oriented approaches to environmental sustainability and reduced consumption.
Ethnic Development	State and Ethnic Groups	National and Subnational	Recognition of Ethnic Diversity	Development decisions should account for different ethnic groups.
Gender and Development	Depends on Perspective	National and Subnational	Progress Towards Greater Gender Equality	Growing emphasis on local-level participation.
Post-Development	Local Organizations and Individuals	Very Small Scale	Focus on Local Community Activities	Critiques Eurocentrism for undermining local cultures and environments.

Source: Wills (2005, p. 201)

**3. The State and Social Groups in Iran**

Modernization and reforms in their new and modern forms began in the early 19th century (late 18th century in the Persian calendar) under the initiative of Abbas Mirza, following Iran's engagement with the West. Although Iran's exchanges with certain European countries date back to the 16th century (10th century in the Persian calendar), European influence was not significantly widespread until the 19th century (late 18th century in the Persian calendar).

During this period, the Safavid dynasty ruled Iran. The Safavid government was able to establish national unity and a centralized state by promoting Shi'ism as an ideological counterbalance to the Sunni Ottoman Empire. During Shah Abbas's reign, military and economic reforms were implemented based on Western models. However, these reforms did not continue beyond his reign. Additionally, during the Safavid era, Iran's trade

and exchanges with the West were relatively balanced (Jabbari et al., 2005).

In the Qajar era, particularly as intellectual and political elites advocated modernization and as Iran faced social, political, and economic crises, the necessity of reform became inevitable. The Qajar period coincided with the peak of the Industrial Revolution in Europe, marking Iran's deeper exposure to the Western world.

**4. The State and Social Groups in India**

Approximately 80% of India's population follows Hinduism, with about 30 million additional adherents living in other countries (Bowker, 2006). Hinduism emphasizes practice over belief and has an almost limitless ethical pluralism. Without a unified doctrinal system or a central sacred text, Hinduism does not divide the world into "believers" and "non-believers" (Gholami, 2000).

One of the most serious threats to British rule in India was the jihadi ideology and the resistance of Indian

Muslims against colonial control. Consequently, the British sought to eliminate this ideology completely, portraying jihad as an impractical or even harmful endeavor.

Religious schools established by Muslim scholars served as key centers for spreading jihadist thought. As a result, the British made extensive efforts to destroy these institutions. One of their primary strategies to curtail the influence of religious schools was to seize their endowments (waqf properties), which were their primary financial sources.

Realizing that state-controlled endowments were a major vulnerability, Indian Muslims decided to establish independent schools that did not rely on government funding or donations from elites under British influence. Their objective was to educate future generations with an independent curriculum free from colonial influence, preserving religious identity and fostering resistance against Western cultural assimilation.

Since Muslims had suffered military defeats, they turned to intellectual resistance, founding schools as centers of ideological and religious struggle. A key principle in the charter of these schools was a strict prohibition against accepting any financial aid from the colonial administration or individuals associated with it.

##### 5. Factors Influencing the Modernization Process in Iran

The economic transformations of the 19th century (13th century in the Persian calendar), coinciding with the Qajar rule in Iran, hold particular significance. During this period and the preceding century, the Industrial Revolution in Britain and the French Revolution, along with the rise of Napoleon, introduced new capitalist relations in Europe, later extending to the United States and many other regions, paving the way for industrial, scientific, and technological advancements (Saif, 2015). The expanding economic, military, and scientific relations between Iran and European countries, as well as Iran's inability to confront the industrial and scientific advancements of European nations, underscored the necessity of understanding and adopting these advancements. Consequently, the need to transfer knowledge and technology and to establish the foundations of modern industries in the country became increasingly emphasized. While this movement ultimately deviated from its intended path, it

nonetheless brought about changes in Iran's scientific and industrial landscape.

The dispatch of Iranian students to Europe, initiated by Abbas Mirza and continued by Qaem Maqam Farahani, was intensified during Amir Kabir's administration. Following the establishment of Dar ul-Funun, foreign professors were invited to Iran to teach modern sciences. Alongside the introduction of new knowledge, various industries began to emerge across the country. Military industries were first established during Abbas Mirza and Qaem Maqam Farahani's time and later expanded under Amir Kabir, leading to the establishment of textile, glassmaking, porcelain, and sugar production industries for the first time in Iran. However, spinning, weaving, and sugar industries failed due to their inability to compete with imported goods. The unbearable losses resulting from these bankruptcies—largely due to the interventions of colonial powers—discouraged Iranian investors from further participation in emerging industries.

##### 6. Commercial and Cultural Interactions Between Iranians and Indians

"Iran and India have maintained deep political, social, and cultural ties from ancient times until the period under discussion. In the second half of the 18th century, the British East India Company gained control over India, introducing elements of Western modernization and innovation to the subcontinent. Due to their close connections and interactions with India, Iranians became familiar with these manifestations of modern civilization, facilitating the transfer of new ideas to Iran. India—particularly Bombay and Calcutta—served as a key intermediary in receiving modernization waves from the West and transmitting them to Iran. A group of Iranian elites and merchants resided in or frequently traveled to India, experiencing firsthand Iran's decline in comparison. Additionally, Parsis and Iranian migrants from southern Iran maintained active connections with India, enabling the dissemination of new ideas and publications from India to Iran" (Soltanian & Moradi, 2012).

##### 7. Conclusion

The objective of this study was to examine the socioeconomic transformations in Iran and India from

1857 to 1904 in alignment with the modernization project. Given India's greater progress compared to Iran, the research aimed to analyze and compare the economic, social, political, and cultural conditions of Iran and India during this period, identify the factors influencing modernization efforts, and assess the outcomes of modernization and modernist initiatives in both countries. Accordingly, the study reviewed the historical background and conditions of Iran and India in the specified period, as well as the preceding decades, which undeniably shaped their exposure to modernization and modernist movements.

India experienced significantly greater progress compared to Iran and is now considered one of the world's leading economies and scientific powerhouses. "The internal barriers to capitalist growth in Iran stemmed from two intertwined conditions that evolved over time within Iranian society. First, the political and economic structure of urban society and its longstanding relationship with rural communities shaped its historical trajectory. Second, the intertwining of tribal production methods with other economic systems, along with the dominance of nomadic and tribal groups over urban and rural populations, played a crucial role in shaping Iran's historical economic landscape" (Ashraf, 1980, p. 127).

Prior to the reign of Elizabeth I, India was governed by an Eastern despotism. One of the primary obstacles preventing peasants and rural workers from revolting against the central government was the lack of political development and the feudal land ownership system. Under such governance structures, there was no foundation for political development or increased public participation in governance. This structural limitation also ensured that the Mughal government faced little opposition or significant political challenges.

The major obstacles to the establishment of democracy and public participation in governance included the weakness of the landowning class, which remained dependent on the royal court. Additionally, because government positions were not hereditary, two key outcomes emerged: first, power did not remain concentrated within specific elite families, preventing the formation of an independent or semi-independent rival political force; second, the wealth of government officials was returned to the state treasury upon their death, limiting the accumulation of power outside the ruling elite.

Another major issue was the lack of oversight mechanisms in the governmental and administrative structures. The governance system in India was simple and lacked mechanisms to prevent corruption and bureaucratic abuses. As a result, extravagance and luxury flourished, while no comprehensive plan for economic or political development was implemented.

Political development is closely linked to communication and transportation networks, which play a crucial role in facilitating the circulation of information and capital. During the Mughal period and before British colonization, several factors hindered political development, including banditry, heavy taxation on merchants, state confiscation of traders' assets, and the government's failure to maintain postal and trade routes. Additionally, the presence of autonomous local governments significantly impeded political centralization and development. These local rulers, who paid tributes to the central court, compensated for these financial obligations by raising taxes and tariffs. Notably, these local rulers lacked any unified opposition to the central government, preventing them from forming an alternative or balancing power structure. This, in turn, fueled political apathy among the populace, as they saw no incentive to participate in governance or political affairs.

British colonial rule in India emerged during the height of the Mughal Empire's power, under the guise of economic expansion, primarily through the British East India Company. The greatest impact of British presence in India occurred over a century-long period, from the mid-18th century to the mid-19th century. Within India's domestic political structure, there was insufficient political or cultural development to enable capitalists and landlords to form an independent power base alongside the peasantry and working class.

At the same time, extreme traditionalists opposed industrialization, seeing it as a threat to their interests. The period from the mid-19th to mid-20th century was relatively stable, benefiting landowners. The expansion of exploitative financial practices significantly improved the economic status of landowners, while worsening conditions for peasants and agricultural workers, leading to increased class disparities. As a result, despite the development of railway and irrigation networks, there was no significant reinvestment of economic surplus into industrial or political development.

Another crucial factor in India's development was its geography. Surrounded by the Indian Ocean and the Bay of Bengal, and bordered by the Himalayas, India benefited from a unique climate and fertile lands, which supported long-term agricultural and economic stability. Some attribute India's progress to its widespread English proficiency, arguing that linguistic familiarity with English facilitated access to scientific knowledge and technological advancements. However, while English proficiency contributed to India's modernization, it was merely one of many factors influencing the country's trajectory.

At the dawn of the 17th century, as European colonial competition intensified over Eastern resources, Queen Elizabeth I granted the charter for the British East India Company, allowing British merchants and naval forces to establish dominance in India. However, for the British to expand their economic and commercial influence in India, they needed to eliminate the prevailing Islamic culture and traditions, which were deeply ingrained in Indian society. A significant aspect of Islamic cultural influence in India was the widespread use of Persian, which functioned as the administrative and official language of the Indian subcontinent.

Modernization efforts took place in both Iran and India; however, while they were short-lived in Iran, they became deeply entrenched in colonial India. India witnessed substantial infrastructure development, including the construction of railways, nationwide irrigation canals, and universities, aligning with global modernization trends. In contrast, modernization efforts in Iran remained unstable and were largely confined to the establishment of newspapers and schools.

Several factors contributed to Iran's limited modernization, chief among them being the state's structure, governance mechanisms, and the role of influential reference groups. In India, despite opposition to colonial rule, many intellectuals supported the civilizational policies of the British viceroyalty. Conversely, in Iran, modernization remained deeply intertwined with a traditionalist worldview, preventing substantial and lasting reforms.

### Authors' Contributions

Authors contributed equally to this article.

### Declaration

In order to correct and improve the academic writing of our paper, we have used the language model ChatGPT.

### Transparency Statement

Data are available for research purposes upon reasonable request to the corresponding author.

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### Declaration of Interest

The authors report no conflict of interest.

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### Ethical Considerations

In this research, ethical standards including obtaining informed consent, ensuring privacy and confidentiality were observed.

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