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RESISTANCE ECONOMY AND INDUSTRIAL DEVELOPMENT IN LAMERD CITY

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ABSTRACT

Resistance economy is a concept that arises after retrofitting, removing the crisis and restoring worn and inefficient existing economic structures and institutions, that public belief and participation and applying rational and strategic managements are certainly precondition and requirement of such an issue. In fact, industrial development and resistance economy are two sides of a coin that seek to approach the way of economic development in the Islamic republic of Iran. Resistance economy arises in order to reduce pressures, threats and international sanctions to have effectiveness and economic potential. The main objective of the study is to investigate the effect of industrial development of Lamerd city on institutionalization of resistance economy in the Islamic republic of Iran. The main hypothesis of the research is that the effect of industrial development on institutionalization of resistance economy as a symbol of self-sufficiency, increase of national wealth, Jihad management and its implications, can be an effective factor to create major change in economy of Iran in current situation of Iran.

Keywords: Resistance economy, industrial development, Lamerd, institutionalization

INTRODUCTION

With the advent of Islamic revolution, much effort was done in order to change Iran's underdevelopment status. It seems that despite these efforts structural changes in political economy of Iran has not been successful and rentier economic nature

continues to apply to Iran's government. For this reason, in the current situation, putting pressure on Iran's economy to force the Islamic Republic to give up against the global dominance has been on the enemies' agenda more than the past. With the end of war and non-victory of Arrogance in military ground, invasions were extended to other areas. One of these areas that especially in recent years have been accompanied by widespread strikes, is the economic area. Thus the Islamic revolution itself is responsible for innovation and theorizing and modeling in new economy areas. Any country that establishes the science of anti-arrogance needs such patterns. One of these concepts is resistance economy. On account of the Islamic Republic's dependence on oil revenues and consequently its dependence on the international economy, foreign powers with the weapon of sanction and as it was said with economic weapon are after a series of combat objectives, including changing the behavior of the Islamic republic of Iran in the international area that more explanation of this matter is not of our issue. But it must be noted that these economic pressures brought and will bring bad consequences for the economy of the country. So we are forced to adopt strategies and policies that while reducing the effects of

economic pressures, the country can continue its development and growth program and even turn the current threat into an opportunity for structural transformation in the political economy of the country in freedom from dependency on oil. In fact, resistance economy refers to adopting such policies. In situations of sanctions and pressures, each collection and system shall inevitably define a policy package to get out of these conditions and to turn the current threat into a chance for its structural change. In fact, resistance economy is a package of economic policies for economic and political management of the country in time of facing pressure and sanction. (Hezaveei et al, 2014)

1. Resistance economy

Regarding the content of outlook of the country, Islamic republic of Iran will be the first rank in the region in terms of economy, science and technology in 2025. On the other hand, to undermine Iran's economy has been set as the primary aim of western countries in order to reach their goals. In this condition, the supreme leader introduced the idea and concept of "resistance economy" as a plan and approach to face these threats and advancing the country toward the long-term goals mentioned in the outlook. Resistance economy is an economic pattern that provides

the people even if under pressure and sanction, with opportunity of growth and prosperity. With the increase of pressures and sanctions from western countries against our country, the leading problem is the issue of supplying financial sources needed by the country. To supply financial needs of the country's economy, solutions like increasing tax receipts, emphasis on reforming consumption pattern, implementation of the second phase of targeting and etc. have always been pointed out as solutions for supplying financial sources. But it seems like that resistance economy is something more than such common and well-known strategies. Considering orientation, resistance economy is placed faced and in opposition to the dependent economy and consumer. Thus, it is not passive and it stands out against economic goals of domination and tries to change existing economic structures and localize it based on worldview and objectives. The supreme leader has frequently emphasized on the issue of "economy" and economic war" that the enemies have adopted in order to oppose Islamic republic of Iran's progresses, in his speeches in the recent year and has also frequently mentioned the ways of dealing with it and has even considered this issue in his naming of the years. He with claiming that

one of the ways to pass through current crucial point is to take resistance economy serious and that is not a motto but a reality that shall happen. (Arabi, 2013) Resistance economy is a concept that arises after retrofitting, removing the crisis and restoring worn and inefficient existing economic structures and institutions, that public belief and participation and applying rational and strategic managements are certainly precondition and requirement of such an issue. Resistance economy is reducing dependency and focusing on advantages of domestic production and trying to be self-reliance. (Feshari, 2014) When it comes to resistance economy, our image of economy is a kind of Islamic economy that is rooted in monotheistic worldview and follows material categories, living and spirituality in a commentary and particular pattern. What is concluded from our hadiths and verses is that economy in concept of Islamic notion is a balance concept and category, both in material category and living category. In Islamic notion any effort to balance the living, is considered an economic matter. This balance has various domains. We live in a world that there is exchange, and in this exchange there is cost, interests and income. Therefore, in Islamic notion economy equals

balance in life and living. In this respect economy is a kind of independence. It means that we shall fix the needs with the help of balances. The first presumable concept of resistance economy is that we live in a world that enemy is present in different fields; One of these fields is economic business. In other words in a competitive, interactive and conflicted field that we shall manage this space to reach the goals. Hence, when we say resistance economy it means that we want to defend our dignity and identity against the enemy or rival and insert any requirement that this resistance and defense needs, into our economic planning and strategies. With this definition, resistance economy refers to economic system of the nation or resistance social group that fight in line with getting their rights or the pursuit of their political objectives that are legitimate in their opinion. The more people economy or resistant social group helps them in line with the realization of resistance objectives, the more resistive it is. Probably in such an atmosphere, there are both external enemies and internal enemies and on the other hand external and internal features are also provided. We call this resistance economy, it means an economy that understands these elements well and manages the society based on that. Resistance economy

is not a stranger to Islamic economy, rather it can be said that it is a kind of contingency supplement of it that is related to our current time necessity and in current sanction circumstances, its urgency is increased (Pitt and Alynm2009).

2. Rentier state (collector)

To explain better the resistance economy in Iran we need to have a glimpse of the concept of rent and rentier state in Iran. Rent literally means to get lease. The income that is blessing of nature is also called rent. In the beginning and before this word found a particular concept, it was referred to a regular income that was not the result of work, but derived from the patent the owner of a land or property has assigned to another (gains of the land or real income) or a fund he has placed in disposal of another (money interest). (Kiani, 2001) Rent from Adam Smith's point of view is a surplus that remains after the share of production factors, namely fund and labor. Ricardo also knew rent as a surplus that shall be more than the amount that is required to apply a factor of production. This surplus is received by the owner of a resource like a land. About colloquial meaning of rent it can be said that rent is: an income outside the activities field of economic generator that conceptually may spread to other areas as

well. Rent is referred to windfall property and to any payment that is greater than the actual value of the product or service. (Eshaghi, 2005) In modern economy, the term rent was adapted with industrial production and in the analysis of costs mechanism the supplementary benefit that the producer achieves as a result of his special and out of his production company properties, but in a legal and legitimate way, is referred to as rent. Accordingly rent is a greater pay than is necessary to maintain its current application. (Pearce, 1989) According to what was said, concerning political economy and in connection with the government, Bilavi and Lusiani believe that rent is the government income from external sources such as selling raw materials or receiving help from foreign institutions. Although this concept has a negative connotation in political economy articles, in fact the way the governments use the oil incomes is what has led to this word being notorious. Undoubtedly, dealing with the idea that what happened if this huge income was applied in the development instead of being used to maintain the dominance of the state over the society, will change our understanding of the concept rent. Any government that receives the major part of the income from external sources and as

rent is called a rentier government. In other words, a government is rentier when it has this feature that is a direct receiver of the income from sales of the goods and services with costs much higher than their cost of production. Rent is an income that is earned without effort and is used in front of concepts like wage and profit that is the outcome of economic effort and activity.

3. Defining development

Promotion is a process that potential abilities of the society whether in terms of manpower or in terms of resources and funds and knowledge and technology and skills and etc. become actual in it and as a result human living conditions improve and their standard of living will progress. In other words promotion is a process that a part of human needs gets high in it but this process itself creates new needs in a higher level. But since human needs are not limited to primary and materialistic needs, promotion can't be limited to economic and living issues either, but as a whole process covers all areas of human needs and hence targets of all spheres of human needs and changes that and along with changing needs, strategies and targets change. Because this concept has been raised in European societies linked to profound social changes, and those changes have had different

dimensions and aspect linked with each other, analysis of these dimensions and emphasis and administration on a dimension of it, with neglecting other dimensions of development, especially in third world countries including Iran, has had adverse impacts and side-effects. Michael Tudaro in connection with development claims that: development literally means to expand and in terms of economic and social science thinkers, is a multidimensional process and meaning uninterrupted improvement of the whole society and social order into a better or more humane life. (Tudaro, 1990) Therefore, the goal is to develop a good and optimal life aimed at welfare and better living. From Gunnar Myrdal, development means uninterrupted progress of the whole society and social system toward a better or more humane life. (Naraghi, 1991) Development is a comprehensive and dynamic process that constantly revises its directions and strategies in the context of time and coordinates it with changes in the environment of the society and its needs. Generally we should note that development as a planned and purposeful movement to promote the society, is a new phenomenon in human life and based on accepting the evolution and progress principle that have itself entered humanities from

biology. In other words, any type of development is the result of a change in the way of living, producing, consuming and thinking. Major change and civilization in human life started when experimental modern science as an effective tool for understanding the secrets and mysteries of nature was gradually developed from the late fifteenth century and with experimental science methods, technology as an applied knowledge was in revolution and mankind could change the world with the help of it and with changing, change his world and the society too.

4. Development goals

Since development has both a material reality and ideal concept, it shall at least have the three goals below in different societies:

A: Access to the life maintaining goods such as food, shelter, health and safety and wide distribution of this type of goods and services.

B: Increasing the standard of living, including higher incomes, provide more jobs, better education and more attention to the cultural and human values.

C: Expanding the economic choice and social desire of people through their liberation from slavery and dependence. (Ahmadi, Zendehtdel, 2000)

5. Development factors

Development economy experts in order to determine the rate of economic growth and development prefer to use measurable factors such as national income, per capita income, income distribution and... to be able to examine and evaluate it by using measurable factors for growth and development. In other words, experts in development economy are after factors that can show the performance of the society in statistics and numbers and provide the others with the chance of evaluating it. Maybe one of the methods of measuring economic growth and development is using factors that in time of economic growth make the income distribution of the society more balanced because in this case the amount of consuming goods and services will increase. So, economic growth along with income distribution can be considered as a proper measurable factor for economic development. In other dimensions of development, factors such as industrial structure, agriculture, health, demographics, education, level of productivity, employment and unemployment, business and trade, migration and ... are considered as effective and determining factors in studying the level of development of a society.(Tudaro) As it was implied, multilateral development includes dimensions such as poverty and

income, population and human resources, employment, economic and technological duality, agriculture and rural development, industry and producing, business and trade, health, education, communications, insurance and social security, welfare, culture and a society has a harmonious development that develops and grows in all of the above dimensions harmoniously. In studying the level of development of a society, we need a few indicators of all dimensions of development that adequate information about them is available. Indicators such as estimates of the population (according to employed and unemployed), the demographics (in terms of age, geographic location, etc.), national income and per capita income, the average annual cost of a household (food and non-food breakdown) the number of doctors, the number of hospital beds, number of students, the ratio of literate population to the total population, the number of students, the number of tourists entering the country, the volume of imports and exports, the amount of travel, the number of postal letters, the number of insured persons, the number of providers of services and Welfare, the number of industrial sites, the area of land under cultivation, the production amount of electricity and other energies, funding

research and higher education, the number of space units are of few indicators that can be used and studied in development debate.

6. Business strategies in Iran

In theoretical terms, two major strategies as import substitution and export promotion are proposed. Based on Bhagwati's definition: import substitution policy is included in economic-industrial development strategies, that are placed in the context of introvert strategies. This policy during which a country start to provide an appropriate background for its industry, instead of importation, especially importation of industrial goods, start to produce required industries in order to achieve domestic production of those goods. In other words during this strategy the country try to fill up imported goods place with doing domestic production and finally make itself independence of importation. Import substitution policy, has mainly spread in applied and practical form since two decades of 1960 and 1970, because decrease of global demand for basic goods and raw materials, increasing balance of payments deficits of developing countries and the idea of international institutions based on industrialization of these countries through the mentioned policy, resulted in intensity of applying this policy in the mentioned decades.

This policy has been applied, from the beginning of industrial revolution in European countries and big industrial countries such as England, and in third-world countries such as Brazil and India, after the second world-war and after political independence and moving toward economic independence. (Shoraka& Safavi, 1997) Adopting this strategy comes along with situation of customs restrictions, quota of import of particular goods and effort to create new industries in order to produce goods that were previously imported. The history of trade shows that continuation of import substitution policy has been done in order to provide balance of payments and with the goal of industrialization of a country, it was successful just in a few countries and in most of the countries it have not had a satisfying result.

Anytime the real price of currency for exportation is bigger than that for importation, it is a sign of actualization of export promotion. Export promotion policy (export encouragement) is of introvert is placed in the context of extrovert strategies. Export promotion is exportation of untraditional goods including basic goods, half-made and industrial made goods, in a way that they are substitution for basic traditional goods exportation. Export promotion, is the

introducer of willing to free trade and international trade. This policy shows to what extent a country is aware of global markets and follower of foreign needs and demands. Export promotion is the factor of reinforcement of free foreign trade. Based on the classics theory, free trade leads to leading the production and resources allotment toward goods with comparative advantage and since industrial growth is achieved for optimal use of production resources and in form of global markets, it is along with economic performance and results in creation of specialty, that this specialty can integrate with required scientific-practical trainings and become the grounds of economic development. These days, this policy has generalized into the strategy of effort for exportation with the least costs possible and replacement of exportation of industrial goods instead of traditional goods. In framework of this policy, a country should do the exportation that has potential comparative advantage in it, meaning the group of products that it is able to produce according to global standards and with relatively lower cost. The meaning of export promotion is the promotion of untraditional goods and mainly manufactured exportation in the framework of industrial growth and development. Thus,

export promotion policy is mainly about export promotion of made industrial goods (manufactured goods). Export promotion as a business policy, has been adopted by Taiwan, South Korea, Hong Kong and Singapore, toward relative advantages of these countries and mainly depending on consumer industry. After the victory of Islamic revolution, mainly trade, currency and industrial policies of the government changed and the basis of these policies were on monitoring and controlling the foreign trade and currency arrival and departure. Occurrence of economic sanction, taking hostages and then Iraq imposed war against Iran, prevented the implementation of a preplanned program for the country. In this period till the year 1993, trade policy of the country was: import substitution policy that at the same time with the third developmental program before the revolution was documented for the country in a specified way. By the end of the imposed war and application of the first economic, social and cultural development program of Iran (1989-1993), trade policy of the country was a combination of import substitution strategies and export promotion. Import substitution policy and imported levers of development program of the country was mainly limited to supporting production of domestic goods.

(Shoraka&Safavi) By the start of the first development program of the country, exportation and its spread was considered with quantified and qualified goals and creation of facilities and considerations in this regard was done. In line with this policy, goals such as contribution to strengthening the economic stamina of the country, improvement of the quality of export products and ... was under consideration.

CONCLUSION

Resistance economy is people economy in nature. It is necessary that people enter this area to prevent the rentiers from entering the economy. In field of resistance economy it is not only the government that is in charge but the role of other parts including sections of people of the society is also important. It seems that there are duties for the right management of this issue by the system, industry and people and with the proper implementation it can pass the country through the way of this historical maze safely and make it reach the ideal status. These roles are briefly as the following:

1. Pathology of the economy of the country and the constraints and requirements to achieve resistance economy.
2. Creating a center and focus for activity in the area of economy with the aim of sharing

the information and achievements for the use of practitioners in this field.

3. Building an intelligent system to observe and monitor the field of domestic and international economy and also to collect accurate and updated data statistics in order for entrepreneurs to decide.
4. Moving in line with the system outlook of 2025.
5. The special place of science and research: the possibility of using all the power of domestic forces of the country based on science and research is provided.
6. The readiness of education system of the country for training and upbringing children and teenagers and the youth by the approach of resistance economy.

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