A Sociological Study on the Impacts of Iran's Oil Revenues with an Emphasis on Consumer Life Style

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Abstract
Investigating the subject of consumption from the theoretical aspect has turned into an important subject in sociology. The popularity and constancy of consumerism have caused waste of resources and lack of flourishing and in the long run, it can lead to undesirable political, economic and social consequences. Therefore, because of the importance of the consumer life style and the fluctuations in the oil revenues in recent years, this paper aims to investigate the social impacts of oil revenues in Iran, emphasizing consumer life style. To do this, in the theoretical basis section, the opinions of Simmel, Keynes and Rentier state theory from interpretations by Hazem Al Beblawi, Luciani and Mahdavy and also the Dutch disease theory are used. This is a descriptive-explanatory study that is done using scaling based on secondary data analysis and the data were collected by referring to the Central Bank website and statistics yearbooks of different years. According to the study's descriptive findings, oil revenues and consumer life style had a generally rising trend during the years 1971 to 2012 and with the increase in oil revenues, consumerism has also increased. The only falling trends took place during the governments after the revolution and the time of the war. According to evidences, governments during these years are categorized as Rentier states. Based on the study's explanatory findings, the urbanism coefficient, Rentier state and the government's consumptive policies were excluded from the regression equation and the two coefficients of oil revenues and imports cover all the coefficients.

Keywords: Oil revenues, consumer life style, Rentier state, government policies, urbanism, import

Introduction
These days, increase in the services, material objects and merchandise have led to the selective nature of routine life and the appearance of consumer society. This shows the ever-increasing importance of consumer life style as a set of choices, preferences and people's consumptive behaviors in relationship with material products and consumptive culture (Rabbani and Rastgar, 2008). Therefore, this paper aims to investigate the relationship between oil revenues and consumer life style. Although oil revenue is one of the society's important issues, it is followed by social consequences (including negative impact on social capital, lack of political development, increase in social gap and maladaptive social transformations, creation of middle class and consumer life style, etc.) that are yet to be investigated in this aspect.

In the past, the consumption pattern of the people of Iran was a set of internal products and goods that had close relationshipships and coordination with regional conditions and the society's cultural characteristics. With time and increase in the population, development of urbanism and increasing oil prices in some years, and with the increase in oil revenues, people's per capita income has also been increased. Through the expenditure of these incomes to import different merchandise,
imports have expanded and this has led to the society's lack of trust in traditional products and the infiltration of different imported consumptive goods everywhere and it has led to the change in the consumption pattern and people's tendency toward consuming deluxe and fancy products (Razaqi, 1995).

Since consumption culture affects the patterns and methods of identification (Golmohammadi, 2002: 106-110; Baqaei and Qahremanifard, 2009), it has turned into an important issue in people's routine life and plays a significant role in their directions of actions and their change of consumption pattern (Bocock, 1992; Moradi, 2008). With regard to the fact that each society's consumption pattern plays a prominent role in that society's capability to achieve development, in case there was no coordination between consumption and production in that society and consumption was more than production, that society is deemed to be import-oriented society and it will become the destructive factor of growth, development and waste of national resources (Mousaei, 2009). Therefore, this phenomenon has not only become a subject of interest to researchers of different fields, especially sociologists as a social damage, but it has also gained the attention of governmental officials and authorities. They believe that consumerism is a major disaster for the society and profusion increases and maximizes social gaps between the rich and the poor day by day. According to the presented statistics by Iran Energy Efficiency Organization (IEEO-SABA), total efficiency of primary energy in the energy balance of the year 2008 was 1493.1 million barrels of petroleum and the total ultimate energy consumption was 1115.1 million barrels of petroleum from which 254.8 million barrels of petroleum were consumed in the industry sector that accounts for 22.8 percent of the total energy consumption. Therefore, it can be said that with the increase of oil revenues, only 22.8 percent has been consumed in industrial development. Furthermore, Esmaeil Balali Ph.D. and Javad Afshar Kohan Ph.D. in their study entitled "Beauty and money: make-up and surgery", stated that there are no official statistics regarding the consumption of cosmetic products and the only official statistics in this field are the costs that urban families spend on purchasing cosmetic products. These statistics show that during the years 2004 to 2007, this numbers had a falling trend and approximately two billion Tomans were spent on cosmetic products in the year 2006.

In defense of the necessity of this issue, it can be said that the currency and constancy of consumer life style leads to people's increasing tendency toward purchasing and consumption and this causes consumption to become a value, and values such as contentment, moderation, asceticism, etc. to fade and profusion, spoilage, avarice, fashion-oriented nature, etc. face non-material values. It has led people to seek products and services that have turned into values. Affluent people expend as they see fit and poor people see themselves in comparison with them and feel excluded and injustice as they are not able to keep up with them in purchasing. Poverty and lack of wealth becomes inacceptable for them and this causes a sense of inequality and dissatisfaction and contradiction between rich and poor sectors of the society, and is followed by social gaps and social injustice.

With regard to the presented subjects and the issue's necessity, social impacts of Iran's oil revenues with emphasis on life style are investigated in this paper. Since oil revenues are specialized to countries of the Middle-East region, to investigate the above mentioned subject, no theoretical opinions was found in western theories and opinions. Therefore, this paper has faced difficulties in terms of providing a theoretical framework and has only been able to use the ideas of Hazem Al Beblawi and Hossein Mahdavy who are eastern theorists.

**Theoretical history and framework**

Analysis of the research history shows that no independent study has been incorporated and used official and major statistics and data with the subject of investigating social impacts of oil
revenues in Iran with emphasis on consumer life style. Only a few researchers (Varharami, 2010; Qazkourpi, 1998 and Mostafavi, 2012) have discussed this issue in an attributive form with theoretical assumptions. According to their views, oil revenues are effective on change in consumption pattern, the revenues of the government and families, import of intermediate and consumptive products, increase in the imports, increase in the consumption of luxury products instead of necessary goods, elimination of creativity and destruction of industry and agriculture. But in this paper, using statistics from Iran's center of statistics and the Central Bank, the relationship between the above mentioned coefficients and the consumer life style with regard to the importation of consumptive and luxury products and the government's revenues from oil revenues is investigated.

**Reviewing theoretical opinions**

Georg Simmel is one of the first theorists that have investigated the new form of consumption and its different functions (Simmel, 1993; Peterson, 2006: 21). Simmel's theory of consumption is more organized around the concept of "metropolitan" and the consequences that follow urbanism (Bocock, 2002: 24). He believes that when a person is free from the bonds of the traditional society, his or her individuality is emanated and he or she constantly feels that under the structural pressures of the metropolitan, his or her freedoms are disturbed and this causes a sense of pointlessness in that person. In such conditions, that person tries to deal with the residents of the metropolitan with caution. The outcome of such pressures is a kind of moderate repulsion, a type of alienation and mutual rejection that can turn into hatred and conflict at close encounters for any reason there might be (Simmel, 1993: 59). In this situation, that person tries to find his or her identity among the abundance of population in a metropolitan by a unique way of consumption.

Keynes pays close attention to the state's strategy and the government's policies. He and his followers believe that there is the possibility for the state to apply leverage in determining the level of national revenue and employment by intervening in their sections (consumption, saving and investment) and their determining factors and be effective in revenue distribution by stating a set of interconnected policies like taxes, amount of welfare services, subsidies and the likes which in turn, leads to increasing consumption (Esmelsar, 1997: 73-74).

To analyze the impacts of oil revenues on consumer life style, the study uses Rentier state theory, which has been presented by thinkers like Hossein Mahdavy, Al Beblawi and Luciani.

Iranian economist, Hossein Mahdavy, used the term Rentier state for the first time in its current sense by publishing a well-known article in 1970. In his view, Rentier state is a state that receives a notable amount of rent from people or foreign governments. He utilized the concept of Rentier State basically to explain the economic impacts and consequences of the dependence of Iran's government to oil revenues (Mirtorabi, 2012: 36).

Two other economists, Hazem Al Beblawi and Giacomo Luciani continued the work of Mahdavy and tried to present a pattern for studying states that are dependent on foreign rents in the Middle-East region, especially Arab countries that export oil by giving a more accurate description of the Rentier State. They presented a criterion for evaluating the Rentier State, which was based on the 42 percent share of the Rent revenues from the total government's revenues. These two researchers considered oil as a structural coefficient that leaves its impacts free from the social and political characteristics that are unique in each country (Mirtorabi, 2009: 165; Mirtorabi, 2012: 36). Among the consequences of oil revenues that were in the attention of this paper is the impact that it has on the society's economy, especially in intensifying the spirit of Rent-seeking and consumerism (Fazlinezhad and Ahmadian, 2010). In the shadow of the government's enjoyment of foreign rents, most Rentier states greatly import consumptive and luxury products. The prominent characteristic of
economy in such societies is the consumption of great amounts of goods for little production in the society. To satisfy the increasing needs of the newly-affluent community, the state increasingly imports, especially luxury goods and nutrition and as a result, the government's dependence on importation is very much (Shekari, 1998). The other theory that deals with the impact of oil revenues is the Dutch Disease theory. Dutch Disease is a concept and a disease in the field of economy that tries to define the relationship between the immethodical utilization of natural resources and recession in the industry sector. This concept states that the increase of revenue from natural resources can de-industrialize the national economy (Manouchehri Rad and Shams Qarene, 2013: 17) and lead to increase in imports (Paseban, 2004).

Now if we were to extract the study's coefficients based on the theoretical subjects, it can be said that Simmel accounts urbanism and Keynes accounts the role of the government's policies as important factors in the consumer life style. The oil revenues theories like the Rentier State focuses on the impact of these revenues on the increase in importation, change of consumption patterns, the formation of Rentier governments and the impact of these governments on consumer life style. The other theory that was discussed was the Dutch Disease theory that points to the impact of oil revenues on importations, government's policies and urbanism. By combining these approaches it can be said that oil revenues lead to the expansion of urbanism, increase in importation and formation of Rentier governments and it also affects the government's policies. On the other hand, oil revenues, urbanism, importations, government's policies and Rentier governments cause the formation of consumer life style. This process is presented through the following hypotheses

Main research hypothesis
• It seems that there is a relationship between the governments' oil revenues in Iran and the consumer life style.

Minor research hypotheses
• It seems that there is a relationship between oil revenues and urbanism.
• It seems that there is a relationship between urbanism and the consumer life style.
• It seems that there is a relationship between oil revenue and production/consumption policies of governments.
  • It seems that there is a relationship between oil revenues and importation.
  • It seems that there is a relationship between production/consumption policies of governments and the consumer life style.
• It seems that there is a relationship between importation and the consumer life style.
• It seems that there is a relationship between oil revenues and the formation of Rentier states.
• It seems that there is a relationship between Rentier states and the consumer life style.

We know that oil revenues are a type of the government's income that accounts for a great part of the governments' revenues and therefore, it is followed by significant socio-economic consequences. First it must be noted that increase in oil revenues in comparison with other government revenues causes the formation of the Rentier state. To keep their liability, governments try to keep their people content by increasing the levels of welfare and this leads to increase in consumption and expansion of importation.

Secondly, in a country such as Iran, which does not the same strong basis as for instance Germany, when oil revenues are easily made available to the public, rural people who often live on agriculture are no longer content with the conditions of a difficult process of production and expand urbanism by emigrating to the cities and form a life style that is highly dependent on consumption.
Methodology
This study has been done using scaling method based on secondary data analysis. Therefore, the researcher has referred to different offices and centers such as the Central Bank of the Islamic Republic of Iran, Iran's Statistics Center, Organization of Industry, Mining, Business and Customs of the Islamic Republic, but found no unified statistical records for the years expanding from 1971 to 2012. In the end, to collect the data, the statistical yearbook of Iran from different years and also the documents of the Central Bank of the Islamic Republic of Iran were referred to. Since the needed data were found in the two above mentioned valid sources, based on the attributive credibility of their place of registration, it can be claimed that the collected data have the needed stability and the proper formal credibility.

The statistical subjects of this study were the different governments of the second Pahlavi, post-revolution and war-era governments, the Constructivist Government, the Reformations Government and the Justice-oriented Government.

The analysis of the data was done using the SPSS software and it was done in the descriptive level (drawing diagrams, descriptive tables and central coefficients) and inferential (Pearson test). Furthermore, in the multi-standard analysis, with regard to the scaled nature of the dependent coefficient's evaluation level and the normal nature of this coefficient's data, the linear regression has been utilized.

Table 1: Major reagents and factors of evaluating the study's coefficients

<table>
<thead>
<tr>
<th>Factor</th>
<th>Reagents</th>
<th>Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>The result of dividing the sum of automobile, furniture, smokes and drinks, natural pearls and jewelry imports to the population</td>
<td>Amount of automobile, furniture, smoke and drinks, natural pearls and jewelry imports</td>
<td>Consumer life style</td>
</tr>
<tr>
<td>Amount of consumptive merchandise imports based on the statistics from the Central Bank for capital goods</td>
<td>Amount of consumptive merchandise importation</td>
<td>Government's consumption policy</td>
</tr>
<tr>
<td>Relationship of oil revenues to total oil, tax and other revenues of the government</td>
<td>Amount of the government's oil revenues, the government's tax revenues, other revenues of the government</td>
<td>Rentier state</td>
</tr>
</tbody>
</table>

Results

Consumer life style (dependent coefficient)
Figure 1 shows the trend of consumer life style during the years 1971 to 2012 and in it, the year is shown as in axis x and the relationship of the amount of consumptive merchandise (products that are used in this paper to evaluate the consumer life style) to the population in different years is shown in axis y. Since from the year 2001 onward the consumer life style has a great growth and this misrepresents the reflection of the changes in the diagram during the years prior to it, the second diagram for the years 1971 to 2001 is drawn separately so that the changes of that era are shown in a clearer way.

Figure 2 shows the average percentage of the growth in consumer life style in different governments. As it can be seen, the least average percentage of growth in consumer life style takes place in the post-revolution and war-era governments.
In the Pahlavi era, the consumption was high, but after the revolution and with the start of the war, for various reasons, consumptive values practically found no positions and simultaneously, the country's economic conditions did not allow the growth of consumerism either.

But after the war, with the increase in oil revenues and also to respond the increasing needs of the society and the increase in people's living standards, the average growth percentage of the consumer life style in the Constructivist Government has increased. However, since the goal of this government was to produce and construct, it seems that the results of the production basis foundations show in effect, show themselves in the next government, which is the Reformations Government. Therefore, the average growth percentage in the Reformations Government decreased. There were also policies based on the expansion of consumerism during the era of constructivism with the logic of the change from the atmosphere of war and the burdens that were caused by it, which in general became very prominent. In the Justice-oriented Government too, there is a drop in the growth percentage of consumerism.
Figure 2: Average growth percentage of consumer life style in different governments

In this government's second term however, increase in international sanctions in itself becomes another important factor causing reduction in consumerism.

**Oil revenues**

Figure 3 shows the trend of oil revenues from the year 1971 to 2012. In this diagram, years are shown in the x axis and the amounts of oil revenues in different years are shown in the y axis.
This diagram shows an increasing trend in oil revenues. Magnifying the trend of oil revenues during the years of 1971 to 1993 is shown in the diagram below by shortening the intervals.

As it can be seen in the diagram, in the government of the second Pahlavi (1971 to 1978), oil revenues had an increasing trend. In the year 1979 and with the victory of the revolution, these revenues decreased. At the time of the war, the country faced decrease in oil revenues because of less production and consequently, decrease in the amount of oil exports and also a drop in its global price. But after the war and with the sanctions that were over, revenues had a rising trend up until 2012 when once again, because of the sanctions and the drop in the oil prices, oil revenues decreased.

Figure 4 shows the average growth percentage of oil revenues in different governments.

![Average growth percentage of oil revenues in different governments](image)

**Figure 4: Average growth percentage of oil revenues in different governments**

Figure 4 shows that the least amount of average growth percentage in oil revenues was in the post-revolution and war-era governments and the highest percentages are those of the Constructivist Government as a result of the increase in oil production and exportations.

In the Justice-oriented Government, in spite of the increase in the oil prices, it is assumed that because of the imposed sanctions, the production capability decreased gradually and in the second term of this government, the possibility to receive currency in return for oil was also endangered, where even in some cases, barter instead of currency was a prominent form of foreign trading. Because of these reasons, there is stability in average growth percentage of oil revenues of this government.

As it is shown in figure 5 (simultaneous investigation of oil revenues trend and the trend of consumer lifestyle), the amount of the exportation of the studied consumptive merchandise also increased together with the increase in oil revenues.

The next coefficient that was investigated in this paper was the Rentier state, which as Mahdavy (1970) stated, is defined as states that have a regular foreign income in a notable sum. The foreign incomes in their turn are incomes that are given to a country’s companies or states by foreign people, companies or states. Therefore, oil revenues received by the countries that export oil is considered as foreign income.
Hazem Al Beblawi and Giacomo Luciani continued the work of Mahdavy and stated that any state with 42 percent or more of its income from foreign sources is a Rentier state. According to Al Beblawi and Luciani's definition of the Rentier state, the Rentier nature of Iran's states during the years 1971 to 2012 is investigated in table 2.

**Table 2: A Comparison of the Rentier nature of Iran's state as during the years 1971 to 2012**

<table>
<thead>
<tr>
<th>Conditions of the Rentier state (ratio of the state's oil revenues to the total income of the state)</th>
<th>Rentier conditions States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>Most ratio</td>
</tr>
<tr>
<td>71</td>
<td>86</td>
</tr>
<tr>
<td>53</td>
<td>72</td>
</tr>
<tr>
<td>62</td>
<td>73</td>
</tr>
<tr>
<td>56</td>
<td>62</td>
</tr>
<tr>
<td>42</td>
<td>53</td>
</tr>
</tbody>
</table>

The highest ratio and highest average ratio of oil revenues to the other incomes of the government is that of the second Pahlavi's government and the least oil revenues average ratio to the other incomes of the government is that of the Justice-oriented Government and the least oil revenues ratio of the government is that of the post-revolution, war-era and the Justice-oriented Governments.
Table 3: Two-standard analysis of the relationship between oil revenues and intermediate coefficients

<table>
<thead>
<tr>
<th>Result</th>
<th>Relationship ratio</th>
<th>Test</th>
<th>Intermediate coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong relationship and positive relationship</td>
<td>0.84</td>
<td>Pearson</td>
<td>Urbanism</td>
</tr>
<tr>
<td>Moderate relationship and positive relationship</td>
<td>0.38</td>
<td>Pearson</td>
<td>State's consumption policy</td>
</tr>
<tr>
<td>Strong relationship and positive relationship</td>
<td>0.88</td>
<td>Pearson</td>
<td>Importations</td>
</tr>
<tr>
<td>Moderate relationship and negative relationship</td>
<td>-0.33</td>
<td>Pearson</td>
<td>Rentier state</td>
</tr>
</tbody>
</table>

Results from table 3 shows that there is a strong relationship between oil revenues with urbanism and importations coefficients and moderate relationship with the consumption policy coefficient. The relationship in all three items is positive and indicates the positive impact of the independent coefficient, meaning oil revenues on importations, urbanism and consumption policy of the governments, respectively, which confirms the primary hypotheses. The fourth intermediate coefficient, although indicates a moderate relationship with the independent coefficient, but the nature of the relationship is negative and in this case, the primary hypothesis is not confirmed.

Table 4: Two standard analysis of the evaluation of the relationship between intermediate coefficients with consumer life style

<table>
<thead>
<tr>
<th>Result</th>
<th>Relationship ratio</th>
<th>Test</th>
<th>Intermediate coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong relationship and positive relationship</td>
<td>0.930</td>
<td>Pearson</td>
<td>Oil revenues</td>
</tr>
<tr>
<td>Relatively strong relationship and positive relationship</td>
<td>0.714</td>
<td>Pearson</td>
<td>Urbanism</td>
</tr>
<tr>
<td>Good relationship and positive relationship</td>
<td>0.473</td>
<td>Pearson</td>
<td>Government's consumption policy</td>
</tr>
<tr>
<td>Strong relationship and positive relationship</td>
<td>0.880</td>
<td>Pearson</td>
<td>Importations</td>
</tr>
<tr>
<td>Good relationship and negative relationship</td>
<td>-0.408</td>
<td>Pearson</td>
<td>Rentier state</td>
</tr>
</tbody>
</table>

With a pattern quite similar to that of table 3, table 4 indicates a positive strong relationship between the coefficients of oil revenues, importations and urbanism with consumer life style. In other words, with increase in the amount of one unit in each of the three above mentioned coefficients, 93, 88 and 71 hundreth of a unit is increased respectively in the intermediate coefficient, meaning consumer life style. Together with them, government's consumption policy in its turn shows a moderate impact on consumer life style. However, Rentier state coefficient indicates a negative relationship, which contradicts the primary assumption of the study.

Table 5: Multi standard regression analysis between independent coefficients on the dependent coefficient during the years 1971 to 2012

<table>
<thead>
<tr>
<th>Model</th>
<th>Un-standardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>-5051482.518</td>
<td>2597962.867</td>
<td>-1.944</td>
<td>0.059</td>
</tr>
<tr>
<td>Oil revenues</td>
<td>97.945</td>
<td>20.800</td>
<td>0.639</td>
<td>4.709</td>
</tr>
<tr>
<td>Importation</td>
<td>350.543</td>
<td>159.807</td>
<td>0.298</td>
<td>2.194</td>
</tr>
</tbody>
</table>

Regression equation: 0.298 (Importations) + 0.639 (Oil revenues)
With regard to the results from the multi standard regression, it can be said that the relationship between the coefficients of oil revenues and importations with consumer life style was statistically significant and with attention to the moderated determination ration, which is 0.82, it can be said that the above mentioned independent coefficients could determine 82 percent of the changes of the dependent coefficient, meaning consumer life style.

**Conclusion**

By comparing figures 1 and 3 (consumer life style and oil revenues) and with regard to figure 5, it can be seen that there is a direct relationship between these two coefficients. Therefore, every year, with the increase in oil revenues, consumption policy also increases and people have become more consumptive.

In comparison of the Rentier nature of Iran's states from the years 1971 to 2012, evidence shows that the most conditions of a Rentier state apply to that of the second Pahlavi and the least to the Justice-oriented Government and also the least ration of the government's oil revenues to its total income was in the post-revolution, war-era and Justice-oriented governments. Therefore, with regard to the results it can be said that increase in the oil revenues of Iran, does not necessarily lead to the formation of Rentier state conditions.

In the subject of relationship between the coefficients during the years 1971 to 2012, statistical indicators show that there is a strong relationship between the coefficients of oil revenue, importations and urbanism incomes.

In general and disregarding the stated policies and priorities by different governments in Iran, with the increase in oil revenues, importation of consumptive merchandise and consequently, consumerism has increased. As the simultaneous trend in the inclination of the lines in diagrams of figures 1 to 5 clearly shows, as the state's monetary capability increases, the country is more guided toward consumerism. In other words, increase in consumption has always been followed by increase in the production and export of oil. In this domain, the different namesakes of the announced policies by the different governments did not have notable impacts on the slow or rapid trend of consumerism as opposed to production. Results of the multi standard regression too show that with the increase in oil revenues, the total importation of consumption merchandise has also increased and as a result of the increase in both coefficients, the growth of consumerism has become even more. It is obvious that cities, as environments in which consumption has the first say in comparison with rural areas, have grown following the increases in oil revenues and with the expansion of urbanism as an intermediate coefficient, the consumerism trend has also gained speed.

**Resources**