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Historical-Sociological Analysis of the Smuggling Phenomenon in the Persian Gulf Ports Based on World-System Theory (First Half of the 20th Century)

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Extended Abstract

The phenomenon of commodity smuggling, as one of the most persistent and, at the same time, most understudied issues in the economic and social history of Iran during the Qajar and early Pahlavi periods, has consistently played a decisive role in the transformations of the southern ports of the Persian Gulf. Adopting a historical-sociological approach and drawing upon Immanuel Wallerstein's World-Systems Theory, the present study examines the process of formation, institutionalization, and consequences of commodity smuggling networks in the northern ports of the Persian Gulf during the first half of the twentieth century. The central problématique of this research is that smuggling in this region, contrary to prevailing perceptions that regard it merely as an economic and marginal phenomenon, is in fact the result

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of a triple convergence: the inefficient fiscal and customs policies of the central government, the distinctive socio-livelihood structures of the coastal communities of southern Iran, and the targeted interventions of colonial powers, particularly Britain. This triple interaction laid the groundwork for the emergence of an organized, multi-layered network of smuggling of strategic commodities—including arms, silver coinage, tea, sugar, grains, and livestock—which not only disrupted the legal flow of trade but also gradually became an inseparable component of the livelihood patterns, power structures, and socio-political relations of Iran's southern coasts.

The research methodology adopted in this study is historical-analytical, grounded in the examination of archival documents, annual reports of British political representatives in the Persian Gulf, contemporary press sources including the newspaper *Habl al-Matin*, and field observations of British officials such as Lorimer. These rich sources have made it possible to reconstruct in detail the operational mechanisms of smuggling, to identify the principal actors—including local merchants, tribal sheikhs, customs officials, British agents, and transregional family-commercial networks—and to delineate the multifaceted consequences of this phenomenon for the economy, security, demography, and social structure of the region. Documented evidence from major ports such as Bushehr, Bandar Lengeh, Mohammara (Khorramshahr), Bandar Abbas, Kish, and other smaller coastal settlements attests to the pervasiveness and depth of smuggling networks at all economic and administrative levels of the region.

The theoretical framework of this research is grounded in Wallerstein's World-Systems Theory, which analyzes societies within the framework of the global capitalist system, characterized by an unequal division of labor among core, peripheral, and semi-peripheral regions. According to this theory, core countries, by virtue of their economic, political, and technological preponderance, determine the rules governing trade and financial exchanges, while peripheral regions are predominantly positioned as suppliers of raw materials and as consumer markets for goods manufactured in the core. Within this structure, during the late Qajar and early Pahlavi periods, Iran—particularly in the context of its southern ports—occupied a semi-peripheral or even peripheral position, with its economic relations being largely shaped by the interests and

policies of colonial powers, especially Britain. From this perspective, the smuggling networks in the southern ports of Iran cannot be interpreted merely as a local reaction to customs policies or legal restrictions; rather, these networks constituted integral components of the informal mechanisms of exchange within the global economy, which emerged against the backdrop of structural cleavages between the core and the periphery, and ultimately served to reproduce dependency and inequality.

The research findings indicate that smuggling in the Persian Gulf ports during the first half of the twentieth century exhibited considerable diversity and complexity, with each commodity domain leaving its own specific consequences. In the monetary and financial sphere, the global decline in silver prices, coupled with the large-scale smuggling of Iranian silver coinage to India, led to a significant depletion of the country's silver reserves and the devaluation of the national currency. As Lorimer's observations reveal, the prevailing currency in the southern ports of Iran was not the Iranian qiran, but rather the Indian rupee and the pound sterling—a situation that exacerbated the monetary crisis and rendered the Iranian government increasingly dependent on foreign financial markets. The newspaper *Habl al-Matin* also issued warnings in this regard, urging that changes be made to the state's coinage system to stem the outflow of silver. In the security domain, arms smuggling assumed far more serious dimensions. From the 1880s onward, the systematic inflow of weapons from Muscat, Kuwait, and Bahrain—often conducted with the overt or tacit support of British political agents—enabled the tribes and confederacies of the south to acquire considerable military power, effectively marginalizing the central government's supervisory authority. Reports indicate that in the year 1318 AH (1900 CE), alone in the port of Bushehr, approximately fifty thousand firearms were in the hands of the populace—a figure that attests to a profound decline in state authority and the emergence of a kind of local security order closely intertwined with the interests of foreign powers.

This phenomenon transcended a mere economic infraction, leading to a fundamental reorganization of the region's socio-economic geography. The smuggling of consumer goods such as sugar, tea, and grains—exacerbated by the incomplete implementation of trade monopoly laws, widespread administrative

corruption, and collusion among customs officials—disrupted legitimate commerce and inflicted substantial losses upon local merchants. Free ports under the control of Arab sheikhs (Kuwait, Bahrain, and the Trucial States) became primary entry points for smuggled commodities, while Iranian agricultural products were illicitly exported to these destinations. This bidirectional flow upset the regional trade balance, heightened the livelihood dependency of the population on informal activities, and set the stage for the large-scale migration of merchants, seafarers, and skilled laborers from Iranian ports to the southern shores of the Persian Gulf.

Consequently, historic Iranian ports such as Bandar Lengeh, Bushehr, Kish, and Bandar Abbas experienced economic recession, population decline, and infrastructural deterioration, whereas the ports and sheikhdoms of the southern littoral emerged as new hubs of commerce and transit. Institutional and political factors further intensified this trajectory: the corruption of customs agents and local governors, the regulatory weakness of the central government, and the direct intervention of Britain—which, through its support for allied sheikhs and facilitation of smuggling, circumvented Iran's formal economic mechanisms and reinforced the region's dependence on the colonial economy.

Within the framework of Wallerstein's World-Systems Theory, smuggling reflected Iran's semi-peripheral and peripheral position within the structure of the global economy. Smuggling networks were not opportunistic reactions but rather adaptive mechanisms employed by local communities in response to structural pressures—mechanisms that, while sustaining livelihoods in the short term, ultimately consolidated dependency, weakened governance institutions, and transferred economic advantages in favor of core economies in the long run. The study concludes that smuggling in the southern ports of Iran constituted a multifaceted and structural phenomenon, deeply embedded in asymmetrical power relations at the local, national, and global levels. Re-examining this historical process is of critical importance for a more nuanced understanding of the relationship between the state, society, and the global economy in the borderlands and coastal regions of the Islamic world. It further underscores the necessity of historical-sociological studies grounded in the world-systems approach and the utilization of local archives and multilingual sources for a more

precise reconstruction of socio-economic networks in peripheral regions.

Key words: Commodity Smuggling, Southern Ports of Iran, World-System, Wallerstein, Peripheral Economy, Migration, Persian Gulf.

Conflict of Interest

The authors declare that there is no conflict of interest in conducting this research study.