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Bina Contributes to International Review of Development Studies

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Bina Contributes to International Review of Development Studies

Distinguished Research Professor of Economics Cyrus Bina's paper explores "Iran's Oil, the Theory of Rent, and the Long Shadow of History: A Caveat on Oil Contracts in the Islamic Republic."

[Work by Distinguished Research Professor of Economics Cyrus Bina was published in a special issue of International Review of Development Studies on the political economy of the Islamic Republic of Iran last week.](#) Bina's paper explores "Iran's Oil, the Theory of Rent, and the Long Shadow of History: A Caveat on Oil Contracts in the Islamic Republic."

Abstract: The modern oil industry is an outcome of a three-stage change in which the largest cartel in recent memory emerged secretly, thrived visibly, and collapsed onto itself just before the 1973-74 oil crisis. Iran was the first country in the Middle East where a colonial oil concession (D'Arcy, 1901) for the exploration and production of oil was signed. This paper focuses on Iran to unveil the toehold of the International Petroleum Cartel (1928-72) in economic/political terms, before theorizing the history of decartelization, oil rents, and the competitive globalization of the petroleum sector following the crisis of the early 1970s. This paper validates that, regardless of the ownership of deposits, the lessor is entitled to a differential oil rent and the lessee merely to a competitive profit, both of which are the effect of the globalization of oil. Oil contracts in the Islamic Republic are no exception.