Oil-producing countries in the global South are most often characterized as suffering from a 'resource curse' or a 'paradox of plenty,' whereby the extraction and sale of a coveted natural resource on the global market directly or indirectly structures domestic politics and economics. This reification of oil as money (or as windfall 'rent') assumes that ‘oil’ produces a political and social sameness wherever it becomes a major component of a national economy.

My intention in this paper is twofold: First to trace the discursive process through which the understanding of oil’s impact on relations of power in producer countries has been reduced to its purely financial dimension. How and why were influential theories such as ‘the rentier state’ or ‘resource curse’ formulated since the 1970’s. Second, I will offer an alternative reading of the relationship between oil and politics by focusing on Iran’s modern social history, and conceptualize oil not merely as income accruing to the state or multinationals, but as a socially produced commodity that is materialized through a labor process and a political economy of contested cultural and institutional processes that are historically and geographically specific.