

# Iran: Inflation, privatization intensify working class struggles

Sina Mazdak  
29 May 2008

Working class struggles are intensifying in Iran as a consequence of inflation and the privatization of many industries. Several recently-privatized manufacturing companies have declared bankruptcy in recent months, leading to job losses and social conflicts.

Workers in some factories have not received their wages for months and are totally hopeless of any response from the government. They are resorting to more confrontational actions like road blockades and demonstrations.

Independent actions by workers have been very rare since the 1980s crackdown on working class organizations following the 1979 revolution. That such actions are again emerging underscores the assault on the living standards of workers in Iran.

One example of these developments is the confrontations at the government-owned Haft Tappeh Sugar Cane agro-industrial company in the southwestern province of Khuzestan, which has 5,000 workers. The company has accumulated debts amounting to US\$90 million. For the past two years the company has been unable to pay wages to its workers on a regular basis.

The workers have reacted angrily to the decision to privatize the company and sell its 15,000 hectares of fertile lands. Currently the struggle, which was started two years ago, is escalating as the workers are entering the fourth week of a recent strike. The strike began after some of the outspoken representatives of the workers, along with a local journalist, were summoned to the revolutionary court on charges of acting against “national security.”

On May 17 workers, some with their families, gathered outside the municipal building in Shush city and marched all the way to the main road that crosses the city, linking the northern parts of the province to the

provincial capital, Ahvaz. They chanted slogans against the arrest of their representatives. They managed to block the main road for the second consecutive day. There have been reports of violent clashes with anti-riot police.

Based on the latest reports from the region, workers gathered outside the court complex at the first session of the trial to show their support for those arrested. Security police began arresting protesting workers on May 21. Protests have continued through this week, and police have responded with more arrests and intimidation.

Closer to the capital, Tehran, workers of Alborz Tire Company, which used to be one of the major producers of tires, initiated a sit-in in February. They had not received wages for four months. The company owner had decided to close the complex and lay off the workers. That protest lasted 20 days until the city governor of Islam Shahr, a small poor city south of Tehran, finally intervened. It was agreed that the owner of the company, who had used a shortage of cash as a pretext for halting operations, would receive a loan and resume production, giving workers their unpaid wages.

However, one month later there was still no loan and no wages. On April 12, when workers were to start a demonstration at the factory, the factory was sealed off because of indebtedness to bank and social welfare organizations. The workers were left helpless by the fact that they had not only lost their earnings for eight months, but were also going to lose their factory. Several set tires ablaze on Tehran-Islam Shahr road, blocking that road. Police came and workers were forced to escape into the factory, hoping that inside the complex they would be safe.

At dusk, after most passersby had left the area, fire engines and bulldozers were brought in. The machines

were used to breach the factory walls, allowing a police invasion. Shortly after, 140 workers were rounded up and transferred to a nearby prison complex. Others managed to escape. The workers were released several days after the arrest, on the pledge that they would never again engage in such protests.

Alborz workers in several interviews during the past several months have pointed to the fact that the private owner of the company sold its huge inventory without paying workers any benefits or purchasing raw materials. He is now determined to demolish the factory and build housing apartments in its place, which is much more profitable.

According to Fars news agency, Mesbahi Moqadam a member of parliament, has recently criticized factory owners for channeling their capital toward housing construction projects instead of increasing industrial production. He blamed high inflation on creating a hostile situation for production facilities.

These are only two examples of increasing social tensions in Iran. An activist living in Tehran recently spoke to the WSWS about the situation in his country. “The economic situation is highly critical in Iran,” he said. “Food prices have risen dramatically in the past several months. Two or three weeks ago, in one of the municipalities in South Tehran, there were riots over the high price of rice, the staple food among Iranians. The price of land and housing has also gone up dramatically recently, which has added to the upheaval in the country.

“Because of the economic situation, many companies, many factories, have cut their employees, many workers have lost their jobs,” he added. “There is a broad assault. The rate of strikes and protests is increasing dramatically.”

One of the factors behind the growing problems facing Iranian manufacturing is the move by Iran to develop ties with China, India and other countries in response to US sanctions and threats. In exchange for energy contracts and the export of oil, Iran has opened up its market to relatively cheap manufacturing goods from abroad. Hundreds of companies particularly in manufacturing sector have been declared bankrupt and many are on the verge of bankruptcy, leading to unprecedented social discontent among the working class.

Despite the historical rise in oil prices, the Iranian

working class and the majority of the population are being constantly pushed toward poverty. No faction of the Iranian bourgeoisie—including those so-called “reformists,” who are more closely aligned with American imperialism—has any solution to the conditions facing Iranian workers. Instead, sections of the political establishment have resorted to demagoguery and, in an increasing number of cases, brute force.

During the past two years, Iranian President Ahmadinejad’s speeches on the economy have been dominated by a populist attack on a vague entity called the “economic mafia”. Recently he declared that this “mafia” has threatened to use its power over Iran’s economy to nullify government measures. Occasionally, there have been show trials publicized by the government-owned media as a struggle against corruption, in which some low-level rent-seekers and middlemen have been sentenced to short-term prison terms.

This demagoguery is designed to obscure the fact that the basic interests of Iranian workers are coming into ever sharper conflict with the social interests represented by the political establishment. In recent months, the government has initiated a major crackdown on left-wing groups, including the arrest and torture of students involved in protesting the political establishment and US war plans. The greatest fear of the Iranian government is that the social anger in the working class could take on a much more overtly political form.



To contact the WSWS and the Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**