

# Tudeh News

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## *Inequitable Distribution of Income and Widening of Class Gap*

Stepping into the 4<sup>th</sup> decade of the existence of Islamic Republic, we are witnessing a series of serious debates about the way the national income is distributed, the living conditions of the people, and in general, an interest shown to the critical economic-social factors and indices by various parties and social forces, and the ruling circle.

Mohamad Shariatmadari, the previous Minister of Commerce, in a recently published article titled “a review of income distribution on the 30<sup>th</sup> anniversary of the Islamic Revolution”, reviewed various periods in the life of the Velayat-e Faqih (Supreme Leader) Regime, and admitted that the class gap has been deepening and the income has not been distributed justly. By emphasizing on the unsuccessful performance of Ahmadi-Nejad administration, he evaluated the widening of the class gap in the past 3 years as being a danger for the future of the regime. He wrote: “if the opinion of the proponents of the regime about the necessity of proportionate growth of liquidity in the recent years was considered, and as a result the rate of inflation continued to drop...then the declining trend in the Gini Coefficient – which had reduced down to 0.3996 in 2004 – would have continued. However ... this coefficient has gone up to exceed 0.4, and in 2007 had a sharp jump to 0.4045.”

As a result of the policies of the ruling reactionary government, undoubtedly the class gap in the society has increased...and Ahmadi-Nejad’s administration, contrary to the demagogic slogans, has knowingly acted in favour of the interests of grand capitalists and

the parasite sections of Iran’s capitalism in particular. The widening of the class gap is not, however, only the result of the very negative and destructive performance of the 9<sup>th</sup> administration (Ahmadi-Nejad’s), but is also the consequence of socio-economic orientations of the totalitarian regime of Velayat-e Faqih derived from the neo-liberal prescriptions.

How the national income is shared or distributed depends on the nature of the production mode. The distribution of incomes could only be evaluated and analyzed in the context of the socio-economic orientation of each government. According to the released statistics, after the war and with the implementation of the economic adjustment plan by Hashemi Rafsanjani Administration, the distribution of income exacerbated. During Rafsanjani’s term in office and implementation of the prescriptions of the IMF and World Bank, the society polarized more than ever and the class gap increased. The situation of income distribution was such that about 70% of the society was earning 30% of the income and about 30% of the population was getting 70% of the nation’s income. This trend continued during the reformist government and significantly accelerated after coming to office of the anti-people government of Ahmadi-Nejad...As stated by one of the officials in the Presidential office, “considering the rate of inflation and the cost of housing and consumers goods, relative poverty has intensified in the country and the Gini Coefficient has approached 1...In Iran [since Ahmadi-Nejad took office]...2% of the country’s income is distributed to the 10% of the poorest population, while 34% of the country’s income is appropriated by the 10% of the richest population of the society...In other words, the 30% rich population of Iran gets 84% of the wealth, whereas the share of the 70% rest of Iranians is only 16% of the country’s income.”

The deepening of the class gap and unjust distribution of income is directly related to the expansion and spread of broker and unproductive economy. Since Ahmadi-Nejad's administration has surpassed any other Islamic Republic government in promoting this type of economy, we witness the exacerbation of income distribution against the interests of the majority of population, hence deepening of the class gap.

In fact, the characteristics of producing national income in Iran, determines the state of its distribution and re-distribution. The nature of Iran's national income indicates a false growth in country's economy, or in more accurate terms, the growth of consumption without the growth of production. Enjoying the financial support of oil income, the unproductive sectors of the society have grown and satisfy their needs by importation, while social classes do not receive their just share of national income...Due to a totally unjust distribution of incomes in the county, the wealthy classes and layers of the society take the "lion's share". The distribution of wealth among the capitalist class is not even either. The largest share belongs to the grand mercantile capital and large brokers that have very close ties with the ruling system. It is exactly here that Ahmadi-Nejad's administration has been acting in favor of parasite and plundering classes. A brief glance at the general budget laws in Ahmadi-Nejad's government reveals that the working class and the deprived layers of the society do not get any share of the state budget. On the other hand, however, tens of parasite and unneeded institutes that represent the parasite and unproductive sectors of Iran's capitalism, pocket billions in various ways. This fact should not be forgotten that the state budget of Islamic Republic has a significant role not only in the redistribution of the national income, but also in the first step of distribution of income. The reason is that the oil income is directly accounted for in the state budget, and through the budget, it is distributed among various social classes. During the whole term of Ahmadi-Nejad's anti-people administration, and due to its unconditional support of broker economy, the grand mercantile capitalism and its ally in the regime, namely the new bureaucratic capital, has allotted the largest share of incomes to itself. The majority of the society, i.e. workers and urban and rural working people,

intermediate layers, and certain layers of capitalism, has had the smaller shares of the national income. The root cause of the widening class gap, and the profound social discontent against the ruling reaction and its appointed government, lies in this fact●

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## *An Open Letter by the Families of the Victims of the National Catastrophe in Iran*

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After the demolition of the Khavaran cemetery with the excuse of "expanding and re-arranging the cemeteries of religious minorities", and amid the obliteration of the resting place of the victims of the National Catastrophe and others who were executed in 1980s, a group of surviving families of the fallen heroes of people released an open letter and objected to the destruction of Khavaran cemetery and the policy to wipe it out. In this letter, the families outlined their demands in 9 points.



The letter reads: "this is an open letter for those who still respect humanity and human rights, and place the right to live above all rights of living creatures... once again, an attack on Khavaran cemetery shook our dead in their graves.

This is not the first time, and there's no guarantee that it will be the last... it has been more than 28 years since the execution of our loved ones started in the 1980s, and 20 years since the mass execution of political prisoners was committed in 1988, and still no organization

or establishment has answered to us. They imprisoned our loved ones and we tolerated; they tortured them and we endured. We even bore their executions. We neither were aware of the time of their trials, nor did we see who tried them, nor did we understand the charges. After their executions, we did not receive their final will, and we did not know where they were buried. After looking around for quite some time, we were finally told that our loved ones were buried in single and mass graves in Khavaran. They have harassed us families, as they did to our loved ones....”

The open letter then continues to elaborate on the 9 demands as follows:”

1. Prosecution and trial of those who committed the murders of 1980's, and especially the mass executions of 1988
2. Publishing the names of those buried in Khavaran cemetery
3. Receipt of the indictments of the executed individuals and the reasons for their execution
4. Receipt of the wills of the executed prisoners
5. Official recognition of their resting place as Khavaran cemetery
6. Permission to place tombstones on the graves
7. Prosecution and trial of those who continue to harass the families and destroy the Khavaran cemetery
8. Reinstating the civil rights of the surviving families and the immediate revoking of all social, political, cultural and economic restriction and deprivation on them
9. Accepting to conserve Khavaran cemetery as a historic site by local and international organizations”

This open letter to the people of Iran and the world was published on March 19, 2009●

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## ***Whose interest is Ahmadi-Nejad protecting?***

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Mahmud Ahmadi-Nejad's comments about the Labor Act reform and the necessity to eliminate the protective articles of this Act, which are considered by the ruling reactionaries to be the most important impediments in attracting investments, specially the foreign investments,

was welcomed by the circles closest to the big mercantile capitalism. While firmly defending the Economic Reform Plan and Purposeful Subsidies which was removed from this year's government Budget during the parliament review, Ahmadi-Nejad...emphasized on the necessity to accelerate the privatization and listed the main goals of his government in the three and a half years of its life as: boosting the private sector, efforts to safeguard the capital, and deregulation in order to join the World Trade Organization. Paying close attention to Ahmadi-Nejad's comments...is important in understanding the true nature of such reactionary and anti-labor forces. This becomes imperative especially now that the tenth presidential election is approaching, and the reactionary mobs supporting Ahmadi-Nejad's government are again using the entire propaganda machine at their disposal to deceive the deprived masses under the slogan of “seeking justice.”

On March 2, ILNA (Labour) news agency published Ahmadi-Nejad's speech under the title “President: All the labor relations have been disrupted under the pretext of defending the workers. We have to have a different look at the employment and production.” In part of his speech he said: “Today, we have defined the labor regulations in an unoriginal and imported manner which will destruct the motivations and the opportunities, will create hostility and does not allow growth. So we have to change it, and the bulk of it is in reviving the small businesses...in addition, we need the individuals who can create jobs, and by studying the economy can identify, manage and nurture the opportunities and finally create jobs.”

He then went on to say that...“in the past, job creation (and by job creators, Ahmadi-Nejad means the capitalists) had its own place in the economic activities, but this link has been broken and now we are looking to artificially bond this together, and this is tough. In the past, the relation between the employer and the employee was not hostile, was not against each other, but they use to complete each other. Today we have adopted imported labour standards and under the pretext of defending workers, all the labour relations have been deranged. We have to change that. We have to defend the humanitarian relationship between the employer and the employee and correct the

path.” But the question is: what is this “correcting of the path” and which class and social group benefits from it?

The purpose of “correcting the path” and changing the laws is to reform the Labor Act, in the framework of the Economic Reform Plan and deregulation, in order to join the World Trade Organization...It is useful to look at some samples to reveal the true nature of this anti-labor government...In November of 2008 “The Act of Removing Some Impediments to Production and Investment” was issued by the President to various executive organizations, including the Ministry of Welfare. In one subsection of this Act, the compulsory medical insurance for the workers has been eliminated, and the ...employers are given the chance to “legally” avoid insuring the workers...Also, the legal obligation of employer to insure the employees has been formally and practically annulled, and under the pretext of reducing the “bureaucracy”, big advantages has been given to the businesses...

...It is necessary to add that the elimination of the compulsory insurance in the construction activities, more than anyone else, benefits the large and small companies under the control of Revolutionary Guard Corps and the parasitic institutes. In fact, by issuing “The Act of Removing Some Impediments to Production and Investment” Ahmadi-Nejad government is defending the interests of the companies working under the control of the Revolutionary Guard Corps in various areas of economy, and especially those working in the construction projects. So “correcting the path” and the humanitarian relationship between the employer and the employer is the code name for protecting the interests of a bunch of new plunderers and nouveau rich. On the other hand, the chairman of the Privatization Organization welcomed Ahmadi-Nejad’s initiative in support of privatization and assessed it in line with the Execution Directives on the Article 44 of the Constitution [issued by the Supreme Leader to expedite privatization].

What the chairman of the Privatization Organization calls the initiative of Ahmadi-Nejad government is nothing but the government memorandum within the framework of the “Execution Directives of the Article 44 of the Constitution Act”, according to which the

companies which are handed over to private sector are allowed to determine the number of their employees and if necessary downsize them. The chairman of the Privatization Organization of Islamic Republic mentioned that “One of the problems with the state-owned companies is the high number of their employees which poses challenges when transferring them to private sector. The ninth government has proposed solutions to resolve this issue, i.e. offering severance packages and early retirement.” Of course, these solutions don’t apply to the hundreds of thousands of temporary contract workers who could be let go without any legal impediments.

In order to reveal the nature of the reforms in the labour relations claimed by the head of the reactionary administration, the devastating policy of uncontrolled import must also be considered. ILNA news agency, on 25 Feb 2009, quoted the CEO of the South Steel Company as saying that “due to the uncontrolled import of Iron and steel, we are on the verge of bankruptcy and cannot pay our employees. In the last few months, due to the imports of two million tons of steel and selling them under the market value, the domestic producers are facing problems. Currently, the South Steel Company owes its employees their bonuses for the year 2007 and their wages for the last 4 months.”

With all these problems that the workers and toilers of our country are facing with, could anyone claim, like Ahmadi-Nejad does shamelessly, that “under the pretext of defending workers, all the labour relations have been deranged”?

What is deranged is the life and job security of millions of workers and their families who are the victims of the policies of Ahmadi-Nejad administration in supporting and upholding the interests of big businesses and grand capitalists.

The true nature of this demagogic and very reactionary force must be seen in what they practice; one should not be deceived by its slogans. The working class and other toilers are in a historical contradiction to this reactionary school of thought, and will therefore fight against it with all the means at their disposal●

*(All pieces from "Nameh Mardom", Central Organ of the Tudeh Party of Iran, No. 813, 29<sup>th</sup> March, 09)*