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Iran

# An Islamic “Chinese model”?

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**After more than a quarter of a century of the Islamic regime the Iranian economy is in deep trouble. Nearly 16 years of economic reform, led by the "moderate" and "reformist" wings of the regime incarnated by the two ex-presidents, Ali Akbar Hashemi Rafsanjani and Sayyed Mohammad Khatami, responding to the demands of international finance and organisations like the International Monetary Fund (IMF) and the World Bank, have not improved the situation.**

## Corruption and poverty

Corruption has submerged the regime. A number of officials have immensely enriched themselves through the black market, favoured by the state monopoly of foreign trade. Others have become rich by buying the previously nationalised industries at very low prices. According to "Forbes", Rafsandjani and his family have scooped up nearly a quarter of the country's wealth. Which makes him one of the richest men in the world, but above all the most powerful man in the country. The Iranians say often that their country has become a Rafsandjani private limited company. It is a capitalist-mafia regime, which divides Iran into territories, each of which is directed by a family, the Rafsandjani have oil, pistachios, arms sales, the Jannati have the monopoly of sugar, the Pasdarans have the cosmetics and drugs markets, and so on.

According to a classification of global assets in foreign exchange and gold held in world banks, the Islamic Republic has more than 40 billion dollars, or half of the assets of the USA, which makes it one of the richest countries of the world. Still, according to this report, the majority of these assets are held in personal accounts, unlike many other states.

These figures are all the more notable in that, at the same time, the foreign debt of the Iranian Republic is growing unceasingly. A foreign debt of around 24 billion dollars and a Central Bank debt of 11 billion dollars weigh on the economy of the country and on the margins of manoeuvre for the Islamic regime.

With hydrocarbons at record prices, oil-exporting countries have been able to repay their debts early (Russia 15 billion dollars; Mexico 7 billion dollars; Algeria 8 billion dollars), but the Teheran regime has not succeeded in repaying its debt and it is even over-levered. This debt, which was 12.5 billion in 2004, rose to 17 billion in 2005 and 24 billion in summer 2006. Iran has not been able to profit from the current explosion of oil prices, because the regime does not sell Iranian oil at market prices but in Buy-Back, between 8 and 18 dollars a barrel. . And if, according to the US Energy Information Center, Iran is the country which has most increased its oil and gas reserves during 2005, the ageing oil industry needs significant investment: Iranian investment needs in the oil sector alone are estimated at 100 billion dollars.

Unemployment is rampant among the young. In the absence of reliable statistics, many analysts estimate the rate of unemployment at 40%, if not more. The Iranian population has grown rapidly since the revolution. Today half the 70 million Iranians are under 18 and it is estimated that it is necessary to create a million new jobs every year to provide work for these youth. In fact the growth of GDP has fallen. The problem of unemployment is particularly sharp among urban youth. And young graduates are especially sensitive to the absence of job openings.

A recent UN report reveals that more than 550,000 children in Iran live on less than 1 dollar per day. This same

report reveals that of 35.5% of the population live on less than 2 dollars per day while the price of oil has tripled in the past two years.

Officially, this regime is a republic with a “Parliament”, opposition parties and even “reformers”, but in fact it remains a sectarian ideologically totalitarian regime that one can not even characterise as a “dictatorship” inasmuch as the power of clans is immense and the grip of sectarian religious rules on the lives of Iranian individuals is omnipresent.

## A creeping coup d'État?

It is in this political and economic context that the Iranian people were asked to participate in the farce that the Islamic regime calls “presidential elections”. The term “election” appears inappropriate to the extent that the candidates in the presidential elections were selected in advance by a council which issued an opinion on the level of their competence and their religious virtues. For the first time following the contradictions and tensions of the adverse factions of the regime the electoral masquerade of 2005 was supposed to take place in two acts.

Out of more than 1000 possible candidates only five were not rejected as unsuitable by the Council of Guardians, which is a watchdog of the Islamic constitution. The five candidates selected were: MoĀn, then Minister of Culture (candidate of the reformers); the former president Rafsandjani, strong man of the regime; Karoubi, then president of the Islamic Parliament; Ahmadinejad, the mayor of Teheran, unknown to the public and outside the political scène; and a fifth with no known past. The first round created a surprise: with 6.5 millions votes the unknown Ahmadinejad arrived first, beating the all-powerful Rafsandjani.

In the second round only 29 million voted out of 47 million registered; Ahmadinejad received 17.5 million votes. It was obvious that the vote for Ahmadinejad meant above all a big “no” to Rafsanjani, as someone who has incarnated the regime since the beginning. Each time the people are given a chance to express themselves, they seized the opportunity and used it as a plebiscite to express rejection of the regime.

But another new element surfaced in this election: the role of the Guardians of the Revolution. The regime had used the whole state apparatus and its whole propaganda machine to promote Ahmadinejad. Faced with the total defeat of the so-called “reform” in the economic and political areas, it turned towards a new strategy. At the economic level, a pure liberalism, on the internal political level absolute repression - an Islamic “Chinese model”!

Some years ago, a translation of the famous book by Samuel Huntington, “The Clash of Civilizations and the Remaking of World Order”, appeared in Teheran. The editor received an order for 1,000 copies, half of the print run. The distributor recalls: “We wondered who had ordered such a quantity. We had the reply when we saw a military lorry arrive belonging to the Islamic Revolutionary Guards Corps (IRCG), which took away the books”. Yahya Safavi was among the officers who received a copy of the book; today he is general, commander in chief of the Guards. another copy went to Mahmoud Ahmadinejad, a former reserve officer of the Guards, now president of the Islamic Republic of Iran.

In recent years, the regime has slid, by various means, into the hands of the Guards. A former officer of the IRCG, Ibrahim Asghazadeh, has himself said that the new political-military elite had fomented a “creeping” coup d'État. While the former president Mohamed Khatami roamed the world, seeking to impress the Western public with quotations from Hobbes and Hegel, the Guards have built an impressive popular network throughout Iran and created two political organisations which are highly respected: the Usulagaran, or fundamentalists, and the Isargaran, those who sacrifice themselves, each attracting the young generations of officers, civil servants, entrepreneurs and intellectuals.

In 2003, the network gained control of Teheran municipal council and appointed Ahmadinejad to the post of mayor. Two years later, the latter emerged as the presidential candidate of the Guards, beating the former president Rafsanjani, one of the richest men on the planet and a representative of the old guard of mullahs on the road to disappearance.

# Who is Ahmadinejad?

Born in 1956, Mahmoud Ahmadinejad grew up in the poor neighbourhoods of southern Teheran. In 1975 he went to university with the intention of becoming an engineer.

During the Iranian revolution Ahmadinejad became a leader of the Association of Islamic Students, an ultra-conservative Islamic fundamentalist body. He then played a role in the seizure of the US embassy in Teheran in November 1979. During the repression in the universities in 1980, which Khomeiny called “the Islamic cultural revolution”, Ahmadinejad and his organisation played a key role in the purges of dissident teachers and students, many of whom were arrested then executed. The universities stayed closed for three years and Ahmadinejad joined the Guardians of the Revolution.

At the beginning of the 1980s, Ahmadinejad worked in the “internal security” of the Guardians of the Revolution and acquired a reputation as an interrogator and a cruel torturer. For a while he was a torturer in the deadly prisons of Evin, where he participated in the executions of thousands of political prisoners in the massacres of the 1980s. In 1981, he joined the brigades of the terrible prosecutor-executioner Lajevardi, who operated from the Evin prison where, every night, they executed hundreds of prisoners. He was then nicknamed the “finisher”: he who fired the last bullet at those who were dying.

Involved in the terrorist operations of the regime abroad, he masterminded a series of assassinations in the Middle East and in Europe, notably the Kurdish leader Ghassemlou, assassinated in an apartment in Vienna in Austria in July 1989.

After serving several years as governor of the towns of Makou and Khoy in 1993, he was appointed cultural adviser by the minister of culture and Islamic orientation. Some months later, he was appointed governor general of the province of Ardebil. In 1997, the newly installed Khatami government relieved Ahmadinejad of his post and he returned to the university, but his main activity was to organise Ansar-e-Hezbollah, an ultra-violent Islamist militia.

After becoming mayor of Teheran in April 2003, Ahmadinejad set out to build a powerful network of fundamentalists, Abadgaran-e Iran-e Eslami (literally “those who develop an Islamic Iran”). Working closely with the Guardians of the Revolution, Abadgaran succeeded in winning the municipal elections of 2003 and the legislative elections of 2004. Abadgaran described itself as a group of Islamic neo-fundamentalist youth who wished to revive the ideals and politics of the founder of the regime, Ayatollah Khomeiny. It was one of many ultra conservative groups set up on the orders of the supreme guide, Ayatollah Khamenei to combat the faction of the outgoing president Khatami after the parliamentary elections of February 2000.

The balance sheet of Ahmadinejad is typical of that of the men chosen by the entourage of Khamenei to give a new face to the identity of the religious elite. But the façade is thin. And the despotism apparent.

Ahmadinejad is the first non-mullah candidate to become president since 1981. His modest origins and his demagogic and populist discourse have won him, at least during the presidential election, the confidence of a part of

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the population, particularly among the poor who feel abandoned by the corrupt religious chiefs. But Iran is on the verge of a very deep social crisis. After more than 20 years of the reign of the mullahs, the masses have accumulated much anger and frustration. The movements of youth and open divisions inside the regime are clear signs of a crisis which is mounting.