

# Iran's War on Workers and the Middle Class

July 10, 2021

UNITED  
AGAINST  
NUCLEAR  
**IRAN**

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## Introduction

In Iran, workers are central victims of the Iranian regime, with few legal rights or protections. On the first May Day after Iran's 1979 Islamic Revolution, Ayatollah Ruhollah Khomeini, the founder of the Islamic Republic, [proclaimed](#), "Dedicating [only] one day to the labourer, is as though we dedicate [only] one day to the light, [or only] one day to the sun." In practice, however, post-revolutionary Iran has a decades-long track record of trampling the rights of workers and responding to their demands for independent unions, fair wages, timely payment, and safe working conditions with repression.

According to the [U.S. Department of State's 2020 Country Reports on Human Rights Practices](#), Iranian authorities "[do] not respect freedom of association and the right to collective bargaining"; "interfered in worker attempts to organize"; ban "strikes... in all sectors"; treat "labor activism ... as a national security offense" punishable, in some cases, by the death penalty; and, during widespread workers' protests, "harassed trade union leaders, labor rights activists, and journalists," as in previous years.

The Islamic Republic's [Labor Code](#) does not grant citizens the right to form independent unions, in violation of Iran's commitments as a ratifier of the [International Covenant on Civil and Political Rights](#) and a member of the [International Labor Organization](#).

Those who support the fundamental rights of workers—to assemble freely, protest unfair labor conditions, collectively bargain, receive fair contracts, and form independent unions—must oppose the Iranian regime's abuses.

## Labor Unions

Chapter VI of Iran's Labor Code grants workers the right to form "Islamic associations" and "guild societies," subject to the "approval of the Council of Ministers." These deliberately vague terms constitute a de facto denial of the right to form independent labor unions. Iran is a member of the International Labor Organization (ILO) but has not ratified three core [conventions](#) that guarantee freedom of association, the right to organize and collectively bargain, and minimum worker age. However, the ILO's [Declaration of Fundamental Principles and Rights at Work](#) states that "All members, even if they have not ratified the Conventions in question, have an obligation arising from the very fact of membership in the Organization, to respect, to promote, and to realize these core conventions."

Iran is also a party to the UN's International Covenant on Civil and Political Rights, which guarantees freedom of association. Articles 26 and 27 of the [Iranian Constitution](#) also guarantee that freedom, putting Iran's labor policies at odds with its own laws. The "Islamic labor councils" approved by the Labor Code are chiefly ideological and do not function as

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defenders of workers' rights. They fall under the jurisdiction of the Worker's House, a state-sponsored labor organization beholden to the government. According to the [U.S. State Department](#), Iran's labor councils, "consist[ing] of representatives of workers and a representative of management, [are] essentially management-run unions that undermined workers' efforts to maintain independent unions."

## Persecution

The group [notes](#) that many trade unionists face lengthy prison sentences on concocted national security charges, undergo torture and ill treatment in detention, and face continued harassment and violence from security forces and dismissal from their jobs, even after release.

Iran [continues](#) to imprison or unjustly detain, torture, convict, imprison, and even sentence to death trade unionists for their peaceful activism and efforts to organize workers. Amnesty International [notes](#) that many trade workers face continued harassment and violence from security forces and dismissal from their jobs, even after release. The [International Trade Union Confederation](#) places Iran in its [worst category](#) ("no guarantee of rights") for non-failed states regarding upholding the rights of trade unionists.

One example of this repression is the case of [Jafar Azimzadeh](#), head of the Free Trade Union of Iranian workers. He is serving a six-year prison sentence for organizing a widely-signed petition to increase Iran's minimum wage. In June 2020, the regime sentenced him to an additional 13 months for "propaganda against the regime." He reportedly became infected with COVID-19 behind bars—a common experience in Iran's notoriously overcrowded, unsanitary prisons—and the authorities refused to provide him with medical care. In response, he and 11 of his fellow inmates went on a three-week hunger strike.

The regime frequently suppresses peaceful annual demonstrations on International Workers' Day (May 1). On that day in 2020, the police [attacked and jailed](#) 35 Iranians peacefully protesting by the parliament. The 35 included labour rights activists Atefeh Rangiz and Neda Naji, who, [according to Amnesty International](#), were sentenced, respectively, to five years and five and a half years in prison for participating in the protest."

## Transportation Workers

Truck drivers have served as the engine of the revived Iranian protest movement due to their prominent role and their [demonstrated capacity](#) to organize and plan effective strikes and demonstrations. Truck drivers, particularly oil transporters, can [cripple Iran's economy](#) through prolonged work stoppages, but the regime has responded to their protests over low wages and high maintenance costs with threats, intimidation, arrests, and violence.

Truck drivers in dozens of Iranian cities have participated in a series of strikes and demonstrations in recent years to bring attention to their grievances, including low wages and

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the rising cost of gas, parts, and supplies. Iranian authorities have arrested hundreds of truck drivers, including at least [261 drivers in 19 provinces](#), following a round of protests in September and October of 2018. Iranian officials called for harsh penalties for striking truck drivers, and Iran's prosecutor-general went as far as issuing a public statement calling for the [death penalty](#) for the initiators of the protests.

## Teachers

In recent years, teachers' associations have become a central target for [government repression](#). Police have initiated crackdowns on teachers who have been found to belong to these associations, or who have publicly celebrated International Workers' Day, World Teachers' Day, or National Teachers' Day.

During the Rouhani administration, teachers continued to experience hardship, especially those who have played a role in the revived Iranian protest movement. The regime blocked teachers from celebrating International Workers' Day and Teachers' Day, and "continued to arrest and harass teachers' rights activists from the Teachers Association of Iran and related unions," according to the [State Department](#).

Two prominent leaders of the Teachers Association, Mahmoud Beheshti-Langroudi, and Esmail Abdi, remain incarcerated in Tehran's infamously brutal Evin Prison on national security charges for their past peaceful activism. Abdi received a medical furlough in March 2021 because of the COVID-19 pandemic, which was rampant in Iranian prisons. However, the authorities ordered Abdi back to prison one month later to serve a *suspended* sentence of 10 years that he had been given in 2010 for "gathering information with the intention to disrupt national security" and "propaganda against the state." Abdi came down with COVID after going back to Evin. Another teacher activist, Hashem Khastar, was sentenced to 16 years imprisonment in March 2021. Khastar was arrested in 2019 after adding his name to an open letter calling for the supreme leader to step down.

## Oil Workers

[Strikes by thousands of oil and petrochemical workers](#) in Iran began on June 20, 2021, protesting low wages, exploitative contracts, and poor living conditions. The organized strikes are referred to as [Campaign 1400](#), corresponding to the contemporary Iranian calendar year. The strikers mostly are employed on temporary contracts by private subcontractors for Iran's oil ministry.

The regime-owned National Iranian Oil Company (NIOC) has [increasingly relied](#) on subcontractors during the last 20 years. The subcontractors largely hire workers on temporary, rolling contracts that pay a fraction of what employees at NIOC and other state-owned companies make.

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According to [Middle East Eye](#), “the minimum wage for contract workers is around 25 million rials (\$100) a month and their maximum salary is a little over 40 million rials (\$160),” well below the cost of living. One striker said, “Our salaries are less than half of the permanent oil workers, employed officially by the oil ministry, and we are denied many benefits of official staff, including access to the oil ministry's hospital facilities. We are oppressed by the subcontractors and are deprived of the bonuses of the permanent workforce of the oil ministry. This is while we have the same expertise and experience of the permanent workers.”

And many contract workers work seven days a week for the duration of their rolling, temporary contracts. “I currently work 25 days a month,” another striker [stated](#), “and I have only five days off, while commuting itself destroys two days, leaving me only three days to live along with my beloved family. While I sometimes work more than permanent workers who get 480 million rials [\$1,920] as their monthly salary, I get around 55 million rials [\$220] a month, and this is not fair at all.” The striker added that months could go by before subcontractors pay their employees’ wages, even as the laborers must work over 12 hours per day.

[According to IndustriALL](#), an international union claiming to represent 50 million laborers in the energy, mining, and manufacturing sectors, living conditions for the contract workers are poor. The workers live on-site in unsanitary dormitories and eat low-quality food in their canteens. “Contractors also routinely underpay social security contributions by misclassifying workers, which affects their pensions, unemployment and sickness cover.”

As Middle East Eye has [reported](#), the strikes’ organizing committee has made seven demands, including, “a salary of not less than 120 million rials (\$480) and an increase in wages as inflation rises; a ban on the dismissal of workers; improved health and safety standards; and freedom of association and protest.”

Thus far, the subcontractors have yet to meet strikers’ demands. A July news report [claimed](#) that the Tehran refinery, which is state-controlled, terminated 700 striking employees. However, a refinery spokesperson disputed that report, claiming a subcontractor it dealt with had laid off 35 employees.

A critical question is whether permanent employees of NIOC and other firms run by the oil ministry will also go on strike, protesting their own wage levels and in solidarity with their striking private-sector counterparts. The strike’s organizing committee has [said](#) that other petrochemical industry employees will go on strike if the committee’s demands aren’t accepted by the end of August.

In 1979, strikes by both NIOC employees and contract workers in protest of low pay [disrupted oil production](#), contributing to the fall of the monarchy and the success of the Islamic

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Revolution. With Iran's economy currently in a tailspin due to regime mismanagement and U.S. sanctions, if broader strikes further reduced the oil revenues going into the regime's coffers, the survival of the Islamic Republic itself could be imperiled.

Thus far, senior Iranian officials, including then-President Hassan Rouhani and Iranian Oil Minister Bijan Zangeneh, have tried to [deflect responsibility](#) for the strikers' grievances. Both Rouhani and Zangeneh claimed in late June that the strikes were unrelated to the oil ministry. Rouhani tried to blame the subcontractors, and Zangeneh said the striking contract workers should direct their calls to the labor ministry, not his own. The oil minister added that his ministry would soon fix any issues regarding the pay of permanent workers. The regime has yet to use force or threaten to use force against the strikers.

## Child Labor

Many severe types of child labor are [not forbidden](#) by Iranian law. While generally, the law does not allow labor for children under age 15 and limits what work children under 18 can do (e.g., no hard labor or night shifts), children under 15 may be employed as domestic servants or in agriculture, and some small businesses. The authorities do not sufficiently implement child labor laws or monitor or penalize child labor. Children who work on the streets (street vendors, for example, many of whom are Afghans) are economically and sexually exploited, including by police, and some children have been compelled to become involved in begging rings. [According](#) to the U.S. Department of State, "the managing director of the Tehran Social Services Organization... [stated] in 2018 that, according to a survey of 400 child laborers, 90 percent were 'molested.'"

## Unpaid Wages

The failure of the state and private employers to pay wages on schedule, mainly due to the regime's economic mismanagement and growing international isolation, has become a touchstone for recurring worker demonstrations.

According to the [State Department](#), "many workers continued to be employed on temporary contracts, under which they lacked protections available to full-time, noncontract workers, and could be dismissed at will. Large numbers of workers employed in small workplaces or in the informal economy similarly lacked basic protections. Low wages, non-payment of wages, and lack of job security due to contracting practices continued to contribute to strikes and protests, which occurred throughout the year." And via arbitration and as authorized by the Labor Ministry, employers have been given the right to [interpret indefinite contracts as temporary](#). Consequently, [reportedly over 90 percent of contracts in Iran are treated as temporary](#), leaving workers powerless and subject to their bosses' caprice.

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In August 2018, police reportedly [arrested](#) five employees of the Haft Tappeh sugarcane company and charged them with national security crimes amid protests over unpaid wages and benefits. Iranian authorities released the protesting employees after their labor representatives struck a deal with judiciary officials. However, [according](#) to Amnesty International, “in September of 2019, jailed labour rights activists Sepideh Gholian and Esmail Bakhshi were sentenced to, respectively, 18 years and 13 and a half years in prison and 74 lashes in relation to their participation in peaceful protests over unpaid wages at Haft Tappeh... and to public statements in which they said they were tortured in detention.” [According](#) to the Center for Human Rights in Iran, Haft Teppeh labor representative Ali Nejati is currently serving a five-year sentence.

## Unemployment and Rising Prices

The bleak plight of workers goes beyond the regime’s lack of labor protections. Tens of millions of people remain trapped in an endless cycle of joblessness and poverty.

[Per](#) the Iranian Statistical Center, the official youth (15–24) unemployment rate for the spring of 2021 stood at 22.1 percent. 15.6 percent of those 18 to 35 also remained jobless, and the total women’s unemployment rate is also about 15.6 percent. Actual levels of unemployment are likely much higher. Around 20 percent of all Iranians are out of work, [according](#) to Thierry Coville of the Institute for International and Strategic Affairs, instead of the [official](#) 8.8 percent figure.

Iranians are also sinking deeper into poverty due to high unemployment, rising inflation, and the COVID pandemic, for which Iran served as an epicenter. [According](#) to a conservative estimate from the International Monetary Fund, annual inflation in Iran is 39 percent as of April 2021. The Free Workers’ Union of Iran [lambasted](#) the labor ministry in March 2021 for instituting minimum wage hikes that do not keep up the actual inflation rate. Moreover, millions of Iranians get paid under the table and therefore receive no benefits and do not receive government-mandated wage increases.

“More than 60 per cent of Iranian society live in relative poverty because the workers’ wages are enough for about a third of their costs of living,” [stated](#) Faramarz Tofighi, chief of the Islamic Labour Council’s wages committee, and “[h]alf of those who live below the poverty line struggle with extreme poverty.” A Statistical Center of Iran report from September 2020 states that [half of Iranians live in poverty](#), and a parliamentary research center document from earlier that year forecasted that that number would grow in 2021. The cost of staple foods like eggs, chicken, rice, beans, and vegetable oil has [reportedly](#) risen by 100 to 200 percent. Tellingly, the regime has [stopped publishing poverty statistics](#).

Due to the regime’s mismanagement, forecasts for the coming years remain bleak. As the World Bank [notes](#), “All major components of GDP (expenditure side) are contracting, pointing



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to a broad-based recession.” The combination of unemployment, negative economic growth, inflation, regime mismanagement, corruption, pandemic, and lack of political and economic liberties will continue to squeeze families across the Islamic Republic, portending continued domestic unrest.

## Budget Battles

Iran’s hardship comes on the heels of repeated austerity budgets presented by then-President Hassan Rouhani. In March 2018, Rouhani sought a [\\$104 billion budget](#) that [slashed](#) popular subsidies for the poor. In late December 2018, Rouhani unveiled his proposed [\\$47.5 billion budget](#) for fiscal year 2019–2020, which, due to the impact of sanctions and the precipitous devaluation of Iran’s currency, was less than half the previous year’s budget. The 2019–2020 budget proposal was premised on an optimistic forecast for oil exports, leading to a large budget deficit.

[Rouhani’s 2020–21 budget proposal](#) suffered from the same problem—it anticipated that Iran would sell about a million barrels per day of oil, even though at the end of 2019, Tehran was reportedly only exporting [about 300,000](#). It also proposed a 13 percent tax increase that would bring revenues to almost two trillion rials, but Rouhani himself indicated that 1.5 trillion would be a more likely outcome. The parliament decisively [rejected](#) Rouhani’s budget in February 2020. However, two weeks later, after parliament speaker Ali Larijani asked Supreme Leader Ali Khamenei to intervene, Khamenei [ordered](#) that the budget take effect without parliamentary approval. The final budget did incorporate amendments by the parliament’s budget committee, the Guardian Council, and the Expediency Council that [increased spending](#) by 15 percent, including hikes to civil service wages and spending on defense, police, and development.

Even as Iranians suffered from increasing poverty, the government prioritized funding revolutionary guns over butter. [The Islamic Revolutionary Guard Corps \(IRGC\)](#) budget was [increased by over 60 percent](#)—one-third more than Rouhani requested. Spending on the IRGC’s Basij volunteer militia also increased by more than 100 percent above Rouhani’s proposal and roughly a third more than the prior year.

Rather than benefits to the public trickling down, they are trickling up, being gifted to the highest echelons of the Islamic Republic. For instance, in 2018, hardline cleric Ayatollah Mohammad Taghi Mesbah Yazdi was expected to receive 280 billion Iranian rials—[eight times](#) what he received a decade ago, according to the *Financial Times*. Likewise, the supreme leader [continues](#) to draw from Iran’s National Development Fund to increase Iran’s defense budget. Thus, ordinary Iranians are being left on the margins of society while ‘millionaire mullahs’ are enriching themselves and their patronage networks, and Iran continues to implement its hegemonic ambitions.

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The bleak economic picture in Iran has laid bare the limits of the nuclear deal, which was expected to pay dividends to Iran in reconnecting the country, at least in part, to the global economy. While conservative elements of the Islamic Republic seek to lay blame at Washington's doorstep for thwarting the fruits of the deal as an answer to the protesters, the structural problems inherent in Iran's economy—for example, its banking sector's role in the financing terrorism and the prevalence of money laundering—are the true culprits. Iranian workers will continue to demand fair wages and improved working conditions, but as Iran's ability to provide these public goods diminishes due to the regime's mismanagement and increased isolation, it will likely rely increasingly on repression, ensuring continued unrest.

## The Political Equation

It is significant that the first Iranian official to comment on the unrest in recent years was then-President Hassan Rouhani. But final authority and responsibility rests with the supreme leader, Ayatollah Ali Khamenei, who hasn't been shy of blaming the Rouhani administration for the country's woes. For example, in August 2017, the supreme leader [chastised](#) the Rouhani government on its statistics, saying “the economic statistics presented [by the government] are based on scientific rules, but these statistics do not fully and comprehensively reflect the country's real situation and people's living conditions... [b]ased on these statistics, the inflation has been decreased from tens of per cent to under ten per cent, but has people's buying power increased accordingly?”

Khamenei has adopted a hedging strategy—rarely taking responsibility for government decisions and passing the buck to whoever is president to avoid blame and preserve maximum flexibility for future political utility. We've seen this movie before with the Iran nuclear deal—while he [endorsed](#) the accord, he indicated his lack of trust in Washington to carry through on its commitments so as to be able to demonstrate his “wisdom” if he decided later on that the costs of remaining a party to the nuclear deal outweighed its benefits.

Lastly, the bleak economic picture in Iran has laid bare the limits of the nuclear deal, which was expected to pay dividends to Iran in reconnecting the country, at least in part, to the global economy. Conservative elements of the Islamic Republic will continue seeking to lay blame at Washington for thwarting the fruits of the deal as an answer to the protesters. But the structural problems inherent in Iran's economy will dampen the ability of the authorities to make a difference.