
Iranian Workers' Bulletin

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Factory closures in Iran, a symptom

by: N. Ghazi

50% of all factories in the northern province of Mazandaran are deemed to close down after being put forward as "reorganisation and renovation" remedy; says Mr. darya baigi, a labour authority. He named over eight manufacturing companies most of which are in textile that are either closed or going to close down in a short time.

Why is there a phenomenon of closing down factories in Iran? To find out why every factory is in danger of closing down, one should remember that most of the state owned factories are bankrupt factories as a result of poor and corrupt state management in Iran. It is worth mentioning that most of these factories are also swollen up by over employment due to increase in masses of young labour force in the society. Obviously these conditions are not favourable for the industry. The magic wand of the authorities in Iran persuaded the regime to take a few options to resolve this problem. One of which is restructuring the manufacturing companies as much as possible so that

they can compete in the open market. This necessitates two big reforms. First, to be able to compete with the private companies as well as importers under the new reform the management have to sack masses of the workers while increasing the load work of those still at work. Second, the management needed to be replaced by a proven team of innovators in management for each factory but this idea could not take form simply because Iranian did not have such resources. These two reformist strategies lead to painful results for people and scandals for the Iranian government. From one side the government was unable to introduce effective managerial and supervisory skills therefore the same group of ideologist decision-makers were switching over places. These groups were causing crises in every new factory they were in charge of, from the other side the mass redundancies coupled with early retirement were forming disastrous consequences. The out-come is lack of competition in the market so closure is inevitable.

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Decline in Zinc production

The zinc production in the last 8 months has been recorded as 50000 tonnes bullion of zinc. This shows a reduction of 20% comparing to the same period last year. In an interview the secretary of the copper and zinc exporters of Iran told to ISNA reporter that "we were expecting to receive 625000 tonnes of zinc ore from "Angouran Zinc Mine" but we are supplied only 470000 tonne bullion that is 20% less than last year. This has led to closure of Tiran, Sarmak and kani refineries and loss of 500 jobs". He added that "due to the four-fold increase in price of the zinc ore nearly 140 workers in Sarmak processing plant have been jobless for the last 14 months". In this interview he revealed that between April and December of 2003 the total export of zinc from Iran was 25000 tonne bullion that again shows a 20% reduction in exports. Increase in the price of primary products, supply of low grade zinc ore to refineries, are contributory factors for closure of zinc refineries in Iran. .

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Child labour It is estimated that a quarter of billion children are engaged in child labour world-wide. Of those, hundreds of thousands work in hazardous situations or conditions, such as working in mines, working in agriculture or working on the streets in Iran. Although they are everywhere they are invisible, toiling as domestic servants in homes, labouring behind the walls of workshops, hidden from view in the villages. We welcome your comments.



Factory closure 500 jobless

More than 500 factory workers lost their job due to closure of 3 factories in the Province of Mazandaran (northern Iran). The weaving company Kal, Iran Gas Cooler producer of air conditioner and Harir Tissue Paper a soft tissue paper manufacturer in Ghaem-Shahr were forced to close down for various reasons, including bad management and privatisation. Harir Tissue Paper used to run under the "Bank of Industries" while employing 150 workers and Iran Gas Cooler was run by the Pensioners Investment Funds .ILNA

Textile factory closure

ILNA reports that Shahreza Textile Company (near Isfahan, central Iran) was closed just after renovation. The factory that was established in 1975 was working in full gear until in 2000 when management decided to renew the machineries. It was agreed that all the workers receive payments from unemployment funds for the period of renovations and to be reinstated when the factory is up again. Few months ago, after the factory restarted, only 167 workers out of 307 were offered a job in the factory and the rest of them were made redundant against their wishes. In less than 3 months (Nov.2003) the new factory was announced closed with no reason. One of the workers representatives said to Iranian labour news agency that management incompetence is the root of the problem otherwise the factory should not be closed and hundred of workers should not suffer.

Teachers live in poverty

It is estimated that there are over 17 million students in Iran today. This puts Iran on top of the list of the youngest countries by age group in the world. There is remarkable information in a statement issued by the teachers' organisation in Dec 2003 in Tehran. It points out that "many teachers have not received their wages for many months". The statement also blames the system of education to lacking a planning policy for the employees as well as pupils. It says that "in spite of government announcement, our due wages are unpaid and the government is lying to the media". Teachers' organisation believes that 80% of all Iranian teachers are living below the poverty line. This is a serious issue that will have a follow on effect on the education of Iranian pupils as the regime tries to turn a blind eye on it.

Shoe factory closed down

Ganjeh Shoe Company in the city of Rudbar (northern Iran) was set up by Bella Manufacturing Complex in 1974. It started with 500 workers and was known as one of the most successful shoe producers in Iran. When it ceased operation it had only 250 workers in December 2003. ILNA reports that "lack of finance by Bella group, poor supervision, long standing loans and debts, inability in hype and marketing by management, recent production of old fashion shoes are amongst reasons that have led to the closure of the company". As a result 100 of the workers have been forced to retire. None of the workers have

been paid their last month wages yet. The management has ceased the transport facilities of the workers so that they need to walk up to the factory if they wish to demand the due wages.

Amazing statistics on unemployment

In a seminar on Economics, Employment and Management, Dr Nabizadeh an expert, revealed that rate of unemployment was 4% in 1967. This was increased to 9% in 1996 and escalated to amazing figure of 16% in 2002. He estimated that Iran needs to create one million new jobs today to moderate the unemployment figures. Dr Nabizadeh added that unemployment for the 15-25 years age group is 35%, a devastating figure which covers many young graduates

Deputy Head of Iran's Youth Employment Organization Kambiz Zolfaqari believes that about 60 percent of unemployed consists of youth between 15 to 24 years of age. Speaking to IRNA, he added that youth unemployment is an important concern of the society.

The Management and Planning Organization has presented a report on the latest developments in the domestic labour market and the need to attain the targeted employment rate of 12.1 percent by the end of the next Iranian year (starts March 21).

The plan calls for creating over 900,000 employment opportunities through achieving an eight percent gross domestic product (GDP).

The report alluded to the 600,000 new job seekers that have entered the market in the first three years

of the Third Five-Year Development Plan (March 2000-March 2005).

"To attain the employment target outlined in the development plan, over 904,000 employment opportunities have to be created on the average annually in the next two years."

It is estimated that other provision call for over 100,000 jobs to be created in the small-medium as well as agricultural processing industries.

In a comprehensive look at the employment situation in the country, Iran's Statistical Centre (ISC) said in a report in March that the unemployment rate among the educated -- those with high-school education or higher -- stood at 41.4 percent in the last Iranian year.

"The figure compares with the 23 percent unemployment rate among the lower educated and illiterate groups in the same period," it added. "

decline in Zinc Industry **Background Information on** **Zinc Industry in Iran**

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The earth's outer crust is 0.013 per cent permeated with zinc, widely distributed through out the globe.

The proven reserves of 50 Iranian zinc mines combined except Angouran (Iran's largest mine of lead and zinc) reach 21 million tons with a purity rate ranging from six to 10 per cent. With the Angouran mine's deposits taken into account, the country's zinc reserves will hover around 22-25 million tons with a purity rate of 31.6 per cent.

The world's zinc output stood at



5,965 thousand tons in 1998 and is forecast to reach 6,425 thousand tons in the year 2000.

Iran commenced industrial production of zinc in 1372 of the Iranian calendar (March 1993). National zinc output amounted to 5,700 tons in 1375 (1996) and 10,500 tons in 1376 (1997). In the following year, zinc production jumped a whopping 17 thousand tons. In Iran, zinc is predominantly used for the production of galvanised plates and alloying. The world's overall zinc consumption reached 6,486 thousand tons in 1998 and is expected to rise to 6,920 thousand tons in 2000.

Iran's average annual zinc consumption hovers around 53,000 tons but is expected to surge to 75,000 tons in 1390 (2011).

Whilst exporting zinc ore and concentrates, the Islamic Republic of Iran has needed to import zinc ingots, a problem which forced officials to study the establishment of a zinc processing plant in the country. Concurrent with the establishment of a lead processing company in 1361 (1983), Iran set up a 60,000-ton zinc processing factory. But the 1980-88 Iraqi war and the lack of funds bogged down the effort. In 1371 (1992), however, a low-capacity plant was set up in Zanjan to process the concen-

trates of Angouran mine to zinc ingot. Founded with a capital of 60 billion rials plus 2.3 million dollars in hard currency, the Zanjan plant is now ready to go on stream with an expected annual production capacity of 15 thousand tons. The method applied at the plant for the production of Zinc ingot is hydro-metallurgy, in which the zinc concentrates are dissolved in sulphuric acid and stripped of their impurities. In the next step, the solution is electrolysed, producing zinc plates and ingots respectively.

Iran is one of the world's 15 major mineral-rich countries and the mining sector employs directly over 107,000 workers and production has a market value of over US\$4 billion. The majority of the large-scale mines and major industries, including steelworks, copper, lead and zinc, are partially or totally state-owned. However, as in other sectors, expansion of mineral production has suffered from shortages of foreign currency for machinery and spare parts, power cuts, and the lack of mining experts. Consequently, Iran is still obliged to import many raw materials, which it could produce from its own resources, given appropriate investment and manpower skills.

Iran has 60 lead and zinc mines, 30 coal mines, 20 copper mines and 40 deposits of chromite, fluorene and sulphur. It also has an important industrial mineral sector, and is the third largest producer of gypsum in the world.

News Sources used in this issue:

Ilna: Iranian Labour News Agency.

Isna: Iranian Students News Agency.

Iran commerce

Mehr News .com

Amnesty International Report on Iran.

Pictures: from Ilna and other internet sites.

Student Disappeared

Amnesty International

IRAN **Ahmad Batebi** (m),
aged 25, student



Student activist Ahmad Batebi has reportedly "disappeared" while on leave from prison, following a meeting with a United Nations (UN) official on 8 November. Amnesty International is gravely concerned for his safety.

Ahmad Batebi is serving a ten-year prison sentence in connection with his participation in student-led demonstrations in the capital Tehran in 1999.

On 20 October 2003 he began a twenty-day period of leave (*morakhasi*) from Tehran's Evin Prison, reportedly for medical reasons, though no further information is known about his health. He was scheduled to return to prison on 10 November.

On 8 November, Ahmad Batebi reportedly met with Ambeyi Ligabo, the UN Special Rapporteur on Freedom of Expression, who was visiting Iran. Following the meeting, Ahmad Batebi allegedly then set out with friends for Tehran University, where he was to take part in an *iftar*, or the breaking of the Ramadan fast. According to reports, Ahmad Batebi's father Mohammad Baqer Batebi became concerned for his son's safety after two hours, as he had not contacted his family and was not answering his mobile telephone. Mohammad Baqer Batebi then reportedly attempted to locate Ahmad Batebi by contacting friends, judicial officials and prison officials, but without success. There has been no further information on Ahmad Batebi's whereabouts.

Mohammad Baqer Batebi reportedly stated on 11 November that several unidentified

people had repeatedly contacted his family and made death threats against Ahmad Batebi and other family members. Mohammad Baqer Batebi allegedly also said that if he did not receive an unambiguous reply regarding his son's whereabouts, and assurances regarding his safety, then he would refer the matter to human rights organizations.

BACKGROUND INFORMATION

Ahmad Batebi, then a student of film-making at Tehran University, was detained on 7 July 1999, during student-led demonstrations against the closure of the newspaper *Salam* (Peace). Like thousands of other students, he took part in the protests. It is widely believed that international publication of a photograph of Ahmad Batebi holding up the bloodied shirt of a fellow student who had been injured in the demonstration aggravated judicial officials, prejudicing consideration of his case. While in detention, he was ordered to confess to false allegations and under extreme duress, he signed a "confession" fearing that his family would be in danger. He was sentenced to death on charges relating to endangering national security following an unfair and secret trial by a Revolutionary Court in Tehran. His sentence was later commuted on appeal to 15 years' imprisonment and has since been reduced to 10 years.

A letter dated 4 February 2003 and attributed to Ahmad Batebi and other student prisoners has been widely distributed. In the letter the students state that:

"We want to show our respect for the Universal Declaration of Human Rights, Universal Peace, Non-violence [sic], Environmental Protection, Permanent Progress, and all the other noble covenants sanctioned by the mankind. We hope to alleviate despotism and totalitarianism, setting the vote of the people as the gauge for governance. We aspire to redeem the rights of our sisters which have been ignored for so long, and establish an all encompassing equality between men and women. We want to [...] promote [the] Persian creed of 'good deeds', 'good speech' and 'good thoughts'. We have bore [sic] the burden of endless tortures. We actually witnessed executions of our friends...."

passage from A.I. report on Iran

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The relation between restructuring factories in Iran and the closure of these companies is mainly in the aforementioned factors. The debate shall be open for other related factors in future issues of this paper.

There shall not be any doubt that as long as the Islamic Regime of Iran is capable of ruling over the country it will deny the right of self decision-making by people. No reform will save the regime but creates poverty and misery for workers, wage earners and women of Iran. Workers need to establish their own independent organisations as a priority to self governing and social justice. This of course is essential to formation of a labour government.

Campaign in Defence of the Iranian Workers

Iranian Workers Bulletins' focus is on the issues of Iranian workers from a democratic perspective. Our objective is to act as a window to the non Farsi readers who are interested in looking at the Iranian labour issues and follow the news on the struggle of the Iranian working class for humane working condition and a decent life. We look to get the sympathy and support of all the Labour Trade Unions, Democratic Organisations and Individuals in order to help the Iranian workers to succeed in their class struggle. Iranian Workers Bulletin is published monthly. To read the news and to contact us, visit the following-web site:

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