

Making Cars in Iran: Working for Iran Khodro

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This article examines work, employment relations and industrial conflict at Iran Khodro, Iran's largest car plant. It pays particular attention to work intensification and the spread of contract work, which according to the workers have led to a rise in the number of fatal industrial accidents at the plant. These developments, we argue, are rooted in an alliance between the Islamic regime and its neo-liberal policies on the one hand, and the western multinational companies that have returned to Iran on the other. We also briefly examine workers' resistance to these developments, which has taken place despite the absence of permanent workers' organisations.

Keywords: Car Plant; Casualisation; Imperialism; Iran; Iran Khodro; Privatisation; War; Workers

Introduction

In Iran during the course of the last year a series of strikes and protests in the manufacturing sector have finally brought to light the widespread discontent of workers over conditions of employment, work and pay, which have been simmering for several years. At stake in these confrontations are issues not only of employer strategies of productive organisation, work and pay, but also the neo-liberal policies of the Islamic Republic that have intensified the casualisation of employment relations, and have led the state into actively participating in the violent settlement of disputes on the side of the employers.

The most prominent dispute, which initiated this latest wave of protests and one which has gained international attention, was a strike of Tehran's bus drivers in January 2006. They were demanding the right to set up an independent trade union to advance their demands. Several hundred bus drivers and members of their families were arrested within a few hours of the beginning of the strike in order to force the strikers back to work.¹

¹ Amnesty International, 'Iran: Amnesty International Calls for Release of Bus Workers', Public Statement MDE 13/007/2006, 2 February 2006. <<http://web.amnesty.org/library/Index/ENGMDE130072006>>, accessed 4 January 2007.

Another important dispute involved workers at Iran Khodro Diesel, a major contractor for Iran Khodro, Iran's biggest car manufacturer. They have been striking against management attempts to impose pay cuts on the many contract workers who work for the firm.

This article represents a first attempt to analyse work, employment relations and industrial conflict as they have been developing in Iran Khodro. Material and analysis of the Iranian car industry is scarce, and the few industry reports such as Atieh Bahar Consulting,² and Automotive Industry & Market of Iran,³ are, of course, not written from the point of view of its workers. Thus this article is based on information that has been gathered and pieced together with the help of a number of labour activists at Iran Khodro. Although we realise that they may not represent the views of all the workers in the plant, they are not tied to any one political organisation. Rather they are an underground 'group of Iran Khodro workers' who, in the absence of any official worker representation, have in recent years played a vital role in publicising conditions in Iran's car industry.

At the same time it is important to refute 'workerist' or 'economistic' arguments that exploit the conflicts between Iranian workers and their government in order to obscure the danger of western military intervention or even to justify it. This is typical of pro-war apologists such as Nick Cohen who, in a newspaper report in February 2006, tried to portray the Tehran bus workers dispute as a conflict between 'theocratic reaction and the beleaguered forces of liberty and modernity'.⁴ The implication obviously being that Iran's workers would be assisted if the West supported the latter against the former. This is directly analogous to the position of those 'socialist imperialists' who argue that the continued presence of American troops is necessary to protect the interests of Iraqi workers.

What we have tried to show in this article is that workers in Iran, such as the Iran Khodro workers, are confronted not merely by theocratic reaction but precisely by a very unholy alliance between the Islamic regime and the 'modern' forces of domestic and multinational capitalism.

Iran Khodro

Iran is of course renowned not as a producer of cars but as an oil economy. It is the second largest exporter of oil in the world, and has 9 per cent of the world's oil reserves. In 1979 some of the ideologists of the Islamic Revolution argued that Islamic Economics would help free the country from its dependence on oil and the domination of its economy by western oil companies. This it has failed to do. Since 1979 the price of oil has fluctuated markedly, but '80% of Iran's exports continues to

² Atieh Bahar Consulting, *Iran's Automotive Industry* (Tehran: Market Research Reports, 2003).

³ <http://www.researchandmarkets.com/reportinfo.asp?report_id=302723>, accessed 30 December 2007.

⁴ N. Cohen, 'Why Striking Bus Drivers in Tehran are the Real Defenders of Muslim Rights', *The Observer*, 12 February 2006.

be derived from oil and, increasingly, natural gas, accounting for 60% of government revenues'.⁵ Iran remains an oil dependent economy; it remains a 'rentier state'.

At the same time, however, Iran has the largest automobile industry in the Middle East. Although it accounts for less than 4 per cent of Iran's industrial exports, it is the fastest growing industry in Iran. It employs, roughly, 150,000 workers. Last year it produced almost a million vehicles. Its managers claim that it will produce half a million new cars every year and so become the 'Detroit of the Middle East'.

Over half of Iran's cars were produced by Iran's largest car manufacturer, Iran Khodro. Today some 34,000 workers work for Iran Khodro at its main complex west of Tehran. Most of these workers work for the main plant or at the 100 or so contract companies that surround the main plant and live in its nearby housing complex.

Car production in Iran began with the establishment of Iran Khodro's predecessor, the Iran National Industrial Development Corporation, in 1962. After 1967 its only product was Iran's 'National Car', the Peykan, which was assembled from Hillman Hunter kits imported from the UK. For decades it was ubiquitous on Iran's roads. The termination of its production in 2005 in favour of newer models has recently been reversed under pressure from President Ahmadinejad's new government.

In the 1970s the Iranian car industry seemed to be a perfect example of what, at the time, some social scientists in the West referred to as the 'new international division of labour'.⁶ This was in effect a new form of Third World dependency where instead of merely exporting raw materials and agricultural products to the West and importing its manufactured products, Third World countries would increasingly be performing unskilled, low-paid assembly work for western multinationals. Just as they claimed that Islamic Economics would free Iran from its dependency on oil, so Islamic ideologists appropriated this aspect of the Third Worldist critique of dependent capitalism, and it remains a contentious ideological legacy today as western multinationals return to Iran.

In the 1970s, the owner of Iran National was closely associated with the Royal court and working for this company was considered a privilege. Management promised a job for life in the style now widely referred to as 'Fordism', and there was job security and better than average wages. In Iran its workers were sometimes considered to be a 'labour aristocracy' who identified with their factory management, and thus were among the last groups of workers to join the anti-Shah protests of 1977–1979.

Towards Iranian Neo-liberalism

Following the 1979 Revolution, much of the property, factories, banks and other enterprises abandoned by the Shah, his family and entourage, and others who fled Iran were either nationalised by the Islamic Republic or given to newly created charitable religious foundations known as *Bonyads*. Thus although Iran's many small

⁵ A.Z. Marossi, 'Iran is Knocking at the World Trade Organisation's Door', *Journal of World Trade*, 40:1 (2006).

⁶ F. Frobel, *The New International Division of Labour: Structural Unemployment in Industrialised Countries and Industrialisation in Developing Countries* (Cambridge: Cambridge University Press, 1980).

enterprises remained private, 80 per cent of industrial production was put into the hands of the public sector.

Iran Khodro received its current name in 1979 when it was nationalised along with Iran's other car manufacturers. Car imports were all but prohibited. Although production continued in the 1980s (during the eight-year Iran–Iraq war), sanctions against Iran reduced the import of spare parts. In addition uncertainty, closure and takeover of Talbot plants in Europe reduced levels of production in Iran.⁷ Many car workers were sent to the war front and relations with European firms were limited.

In 1989 with the end of the Iran–Iraq war, the new president Rafsanjani began the process of systematically introducing policies of 'economic reconstruction and liberalisation'.⁸ Confronted with war devastation, middle-class flight and an economy still parasitically reliant on oil revenues, Iran adopted neo-liberal policies in which 'statism' was condemned and 'freedom' identified with policies of privatisation, freedom of foreign trade and an encouragement of foreign investment.

Therefore, since 1989, car production has increasingly revolved around joint ventures with western multinationals where the government has remained in majority control. US firms were prevented from entering Iran by their government's economic sanctions, and therefore it was predominately French and South Korean firms who established themselves in this sector. Peugeot was the first such foreign firm to sign a joint venture agreement, with Iran Khodro, in 1990. Until recently Peugeot has been the main French manufacturer. Some Japanese firms (Mazda, Nissan, Toyota), German (Volkswagen, Audi, Mercedes-Benz) and Italian (Fiat) firms have also entered the market. Kia has worked with Saipa, Iran's second largest car manufacturer.

Iran's privatisation policy is reflected in the formation of Renault Pars in March 2004. This is a joint venture between Renault, a newcomer to Iran, on the one hand, and Iran Khodro and Saipa, grouped together in the Automotive Development Company, on the other. But for the first time it is the foreign multinational that controls the majority (51 per cent) of the shares. More recently there have been calls for these firms themselves to be privatised.

In July 2006, the Constitution of the Islamic Republic was amended (reinterpreted by Ayatollah Khamnei) to allow the privatisation of all major industries, including car manufacturers, with the exception of oil production.

Renault intends to use Iran as a base to manufacture the Logan, a low-cost, 'no frills' medium-sized saloon car, which in Iran will be known as the L 90. The Logan has been designed in France and is already being produced in Romania. Renault intends to manufacture it in several other low-cost countries such as China, Russia, Columbia and Morocco. This new strategy of Renault—and of other European and Japanese car firms—consists of both mass producing and selling low-cost cars, such as the Logan, in the 'emerging markets' of the Third world, since it considers its traditional markets

⁷ Talbot had a licensing agreement with Iran from 1967 whereby the Hunter was sold as kit and assembled inside Iran as the Peykan.

⁸ *Middle East Review of International Affairs*, 1:3 (2006). <<http://meria.idc.ac.il/journal/1997/issue3/jv1n3a4.html>>, accessed 28 August 2006.

in Europe and North America to be saturated. It intends to sell the L 90 at a price of below €7,000, under half the price such a car would cost in Europe. In order to achieve this it requires cheap parts and, of course, cheap labour. Production is to begin in 2007 at both Iran Khodro's and Saipa's plants. Renault claims that Iran will become the second largest producer of Renault cars after France. It is reported to have invested as much as €300 million in the project, with more to come, the largest investment by a foreign multinational in Iran since the 1979 Revolution.

As well as selling the L 90 in Iran, Renault intends to use Iran as a regional base from which to export the car to neighbouring countries. In fact for the French car manufacturer this will be the key to the profitability of the entire project. Here its strategy coincides with Iran's desire to become an exporter of cars. This export strategy begins from a low base. Last year Iran exported only some 15,000 cars, mainly to Syria, with some to Saudi Arabia, Russia and Kuwait. Iran Khodro is planning to increase its exports to existing markets but also to new ones such as Russia, Pakistan and India.

The Iranian government is keen not only to export cars but especially to export factories to assemble kits of its cars. Iran Khodro has already set up a plant in Belarus and the Azerbaijan Republic to assemble Samand kits, and other targetted countries are other former Soviet republics as well as other Third World countries such as Syria and Venezuela. In this way Iran intends to become a regional economic power.⁹

The relationship between the Iranian state and foreign multinationals is one of conflict as well as identity of interests. The new government of Ahmadinejad, which was elected in 2005 partly on a populist programme of sharing the oil wealth and ending poverty, replaced many of the former board members at the car companies and the board of the Industrial Development Renovation Organisation, which supervises the car industry, with its own supporters. Sensitive to accusations that Iran Khodro was reviving Iran's old dependency as an assembler for foreign multinationals¹⁰ it attempted to prove its 'anti-imperialist' credentials by renegotiating the Renault Pars contract. It asserted its intention to force Renault to accept a higher Iranian-made parts content in the L 90 as well as allowing the Iranian companies to export into Renault's traditional markets. In April the government went as far as suspending the entire contract. But it was put back on track within weeks with only minimal face saving changes to the original agreement. The 'new' figures of 60 per cent of parts to be manufactured locally, 20 per cent of cars to be manufactured in Iran and 50 per cent of parts to be exported scarcely differ from the old ones. Most significantly, Renault's majority share in Renault Pars has not been changed.

New Management Methods

Work at Iran Khodro's still centres on heavy manual work and assembly. In 1991, the 'Self-Sufficiency Unit' of Iran Khodro was created in an attempt to make all

⁹ Economist Intelligence Unit, 'Iran Automotive: Kitting out Khodro', 22 December 2005.

¹⁰ 'Auto Industry Challenges', *Iran Daily*, 2 May 2006. <<http://www.iran-daily.com/1385/2551/html/focus.htm>>, accessed 4 January 2007.

components in-house. This became centralized in SAPCO (Supplier of Automatic Parts Corporation) in 1993. By the 1990s, the company claimed they were producing almost 98 per cent of the parts needed for the Paykan 1600 in Iran—120,000 units per year—using machinery purchased from Talbot. Although the locally produced parts content has increased from what it was in the 1970s, Iranian firms usually exaggerate local content, as was the case with Iran's 'national car', the Iran Khodro-made, Samand saloon, which in fact was designed in Germany.¹¹

In recent years Iran Khodro's workers have become quite familiar with a series of 'new management techniques' that in the West are familiar as constituent parts of management packages such as 'lean production' (for a recent critical overview see Charron and Stewart).¹² Iran Khodro's managers learn about these techniques, and also about the neo-liberal ideology of 'ghanoun zedaii' (deregulation), at Tehran University and at the firm's own Research Management School. They also investigate advanced techniques in automation at their own research centres in collaboration with Iranian and European university engineering departments. More recently teams of Renault specialists have been busy at Iran Khodro redesigning manufacturing techniques in preparation for the production of the first of the new L 90 models.

When Fordism reigned during the Shah's era, the plant had large depots on the Tehran–Karaj road with rows and rows of newly manufactured cars waiting to be sold. Now production is increasingly organised on a 'just-in-time' basis. The firm has only very small depots, and manufacture is supposed to take place in only very short runs in response to customer demand. The workers claim that this has led to work intensification and stress as the management passes on the responsibility of getting every order ready in time to the workers.

Workers also now have to learn Japanese-style techniques of quality control. The low level of quality of Iranian made cars is notorious. Recently it was the object of criticism even in the Iranian parliament.¹³ The Iran Standards and Quality Control Company itself calculated that if European cars have technical faults that can be counted in tens, technical faults in Iranian made cars can be counted in hundreds.¹⁴

Management have recently attempted to organise 'takapou' teams (literally 'running about' teams). These are supposed not only to work as groups but also to hold weekly team briefings to improve and speed up production. The workers claim that these have not really taken off in the factory yet. Nevertheless there is a clear wish by management to move away from traditional forms of work. They also keen to automate production in the new 'salons', which rely totally on robots. The company claims that hazardous work in the paint room has already been fully automated.

¹¹ Ibid.

¹² E. Charron & P. Stewart (eds), *Work and Employment Relations in the Automobile Industry* (New York: Palgrave Macmillan, 2004).

¹³ 'Saipa Warned Over Quality, Prices', *Iran Daily*, 1 June 2006. <<http://www.iran-daily.com/1385/2577/html/economy.htm#s149349>>, accessed 4 January 2007.

¹⁴ 'Low on Quality', *Iran Daily*, 13 December 2005. <<http://www.iran-daily.com>>, accessed 6 September 2006.

Similar claims are made for the 'press room' where automated technology is supposed to have removed the danger of accidents. All in all the company claims that in recent years it has modernised half of the production processes. The company Tam (Technology in Automatic and Advanced Manufacturing) is one of Iran Khodro's subsidiaries and is in charge of automation, having already performed this work in collaboration with Korean, Japanese, French and German firms.

However, work teams and contracting groups are often organised on more 'traditional' basis, where leaders will, for example, even recruit members from their own village in order to secure a loyal workforce, a new form of articulation between capitalism and semi-feudalism.

Iran Khodro's workers assert that these techniques have led to an intensification of the pace of work and that automation has frequently led to deskilling where they merely perform simple routine tasks such as button pushing. This has allowed management to recruit from a larger pool of unskilled or semi-skilled workers, so undermining job security.

Iran Khodro claims to be 'adapting new techniques to local customs and conditions'. Surprisingly the workers claim that there is no specifically 'Islamic' element to work organisation in Iran Khodro, either in regards to managerial ideology or in relation to incentives or exhortation, apart from visits by mullahs for Friday prayers. This contrasts with what is known about car factories in neighbouring Islamic countries, such as Turkey. In reality discipline relies neither on Islamic exhortation nor on western ideologies of empowerment and teamwork. Workers are driven by job insecurity and the fear of unemployment. Iran's official unemployment rate is 15 per cent, but is in reality considered to be closer to 30 per cent. Jobs at Iran Khodro are highly sought after despite the conditions of work and pay, which will now be outlined. In addition there is an Islamic police force inside the workplace, the Harassat. This exists in all large Iranian workplaces but seems particularly strong at Iran Khodro. Led by junior managerial staff, it has been used to break up workers' protests and to arrest and detain individual workers.

Contracts and Contractors

'One of our principle demands is job security and this can only be achieved if temporary contracts are abolished and contract companies removed.'¹⁵ 'We Iranian workers have no job security. In jobs that ought to be permanent we work on a temporary and daily work basis. They force the workers to sign a blank contract so that whenever the boss wants he can throw us out. We temporary workers are not entitled to unemployment benefit.'¹⁶

The spread of contract work and of contractors has been a major grievance and source of conflict for the workers at Iran Khodro and elsewhere. The relatively

¹⁵ 'Workers News Iran', Radio Sedayekargaran Iran, 22 June 2006. <<http://www.sedayekargaran.com/wni3.html>>, accessed 30 August 2006.

¹⁶ Ibid., 14 June 2005. <<http://www.sedayekargaran.com/wni1.html>>, accessed 30 August 2006.

privileged position that car workers enjoyed under the Shah has been systematically undermined under the Islamic Republic, but most workers in Iran—even oil workers—have been affected by these trends. Much car production has been subcontracted to contract firms. Over 100 companies now work under the control of Iran Khodro, many in the same location as the main plant and some outside this area. The main contractors associated with Iran Khodro are Iran Khodro Diesel, Iran Khodro Khorassan, Sapko (Supplier of Automatic Parts Corporation) and Tam (Technology in Automatic and Advanced Manufacturing). Most contractors are small firms employing as few as two or three people, sometimes run by former foremen. They pay their own workers, but use the plant's assembly rooms and equipment. Because of the increasing number of subcontractors, it is difficult to give an exact figure for the total number of Iran Khodro workers. The main plant has 34,000 workers, but if we add the associated companies, the total number is probably nearer 50,000.

Most of the workers who work for Iran Khodro and its subcontracting firms are not full-time employees but are working on short-term contracts. According to official figures 40 per cent of Iran Khodro workers are contract workers, however the workers themselves estimate that the real proportion of contract workers to be nearer 70 per cent. It should be noted that the majority of the full-time 'Iran Khodro employees' are managerial, administrative or clerical staff, while the majority of manual workers are on contracts.

The spread of contractors and contracts means that job security and collective bargaining have been abolished. In addition to securing a cheap and flexible labour force, such contracts have the effect of atomising the workforce and undermining workers solidarity in the plant, as workers are covered by different rules and contract terms and therefore do not identify with each other. Each contractor decides its own rules. Many workers are forced to work under what are known as 'white contracts'. These are blank sheets of paper offered by a Human Resource Manager and signed by the employee at the start of the employment contract. The managers then fill in the rates of pay and the duration of the contract as they see fit, and the worker has no right to protest.

Contracts are also used to circumvent Iran's labour legislation. According to the 1985 Labour Law employers seeking to dismiss workers have to pay them one month's salary for each year they have worked. However, temporary contract workers who have worked fewer than three months do not get any redundancy pay. So by employing workers on short contracts of less than three months, employers can get around the labour laws.¹⁷

Such casualisation of the employment relation is by no means unique to the car industry. On the contrary, the neo-liberal policies that were implemented in the 1980s have seen the expansion of 'free work' (*kar-e azad*) in the 'informal sector'.¹⁸ The many small workshops, initially those of fewer than five and then fewer than ten

¹⁷ P. Namazie & M. Tayeb, 'Human Resource Management in Iran' in P. Budhwar & K. Mellahi (eds) *Managing Human Resources in the Middle East* (London: Routledge, 2005).

¹⁸ B. Hourcade, *Iran: Nouvelles Identites d'une Republique* (Paris: Editions Berlin, 2002), p. 146.

employees, have been progressively been excluded from the labour legislation in the last six years. Industries such as textiles have seen not only mass unemployment but also the widespread employer's practice of the non-payment of wages.

In early September 2006, Mahmoud Jahromi, Iran's Minister for Labour and Social Affairs, declared that currently 65 per cent of Iranian workers are on contracts, and that if those working in the construction and transport sector were included that the figure rises to 85 per cent. Ominously for Iran's workers, in the same interview he predicted that over the next two to four years all workers in Iran would be put on contracts.¹⁹

Workers' Pay

The Iranian government set the poverty line for 2006–2007 at an income of US\$280 per month for a family of five. But inevitably contract workers are paid less than this. In March 2006, the starting salary of a contract worker at Iran Khodro was the standard minimum wage, as determined by the Ministry of Labour, of 126,000 tomans (\$126) a month, plus a 50,000 tomans (\$50) bonus. Full-time permanent workers are divided into 14 grades. Above grade 15 employees are considered to be 'managers' and receive a starting salary of 250,000 tomans (\$250) plus 'hagh modiryat' 'management right' (an additional \$250). The lowest ranking managers earn nearly four times the salary of manual workers, and the difference between the salaries of workers and managers is one of the contentious issues in the labour relation of Iran Khodro.

The system of bonuses is widely used in Iranian industry to permit 'pay flexibility'. This often means that management can cut wages by cutting bonuses, citing poor sales figures.

The issue of bonuses has been a major item of contention at Iran Khodro. In March 2006 managers announced that this year's bonuses were to be cut compared to the previous years, even though production had increased. Workers in the car body plant immediately organised a series of short strikes and protests, but were prevented from organising a plant-wide assembly by management and the security forces (Harassat). Management were nevertheless forced to increase the bonuses. However, they got their revenge by sacking 50 workers who they described as the leading 'trouble makers'.

The workers protested:²⁰

Iran Khodro management once again showed that it only knows the language of aggression and sackings in defence of capital and capitalism . . . the right to strike is an absolute right of workers, a right recognised throughout the world. The right to strike is the only weapon of the workforce in confronting management's injustices. When management uses such methods in response to workers who have worked

¹⁹ Iran Labour news Agency, 'Interview with 'Seyyed Mahmoud Jahromi, minister for Labour and Social Affairs' (in Persian). <<http://www.ilna.ir/economy/>>, accessed 7 September 2006.

²⁰ 'Workers News Iran', op. cit., 22 June 2006.

non-stop for four months, at times in consecutive night shifts, often working 11 hours without a break, with no weekends and no days off, to increase factory production to record levels and then they are not even paid the wage for it, one can say this management doesn't want to engage in any dialogue, it accepts no workers organisations and recognises no worker representative. Under such circumstances, do workers have any option but to strike?

More recently 3000 workers at the Iran Khodro diesel plant (bus manufacture) went on strike to protest against further wage reductions of contract workers. The management have used proposals in the latest ratification of the Labour Legislation to cut contract workers salaries in this section by 30,000 to 60,000 tomans (\$30–60 per month).

Iran Khodro workers report that the company plans to extend loans to them so they can purchase the cars they produce, and so create a mass market, Henry Ford style. But their low pay, the poverty of the majority of the population and the small size of the middle classes who could afford to buy cars, may well set limits to this strategy.

Dying on the Job

Despite management claims that automation would improve safety at work, workers at Iran Khodro claim that accidents and serious injuries have been increasing. This has been the result of the low rates of pay, which have forced workers to work longer hours, together with the increasing intensity of work. Most seriously, a number of industrial accidents have led to workers' deaths. These have initiated some of the major protests at Iran Khodro over the last few years.

At least nine Iran Khodro workers have died at work or at the end of their shift. Most of these deaths were caused by heart attacks or by tiredness. Many workers work two consecutive eight-hour shifts to make ends meet or to keep their jobs. As a result a number of workers have had premature heart attacks. On the 25 December 2003, a young worker on night shift had a stroke while at his post and died subsequently in hospital a few days later. He worked for one of Iran Khodro's contract companies, Iran Ehiya Gostar. Another young worker, working for the same contractor had also died following a stroke three months' earlier. Workers at Iran Khodro Ehiya Gostar initiated a strike in protest against the intensity of work in their section on 12 January 2004. They demanded an abolition of temporary contracts and for all workers should to be made full-time workers, with overtime pay during holidays and night shifts. One of their main demands was for an investigation into the deaths of the young workers and the identification of those responsible. The strike was not successful. Management faced no enquiry and the pattern of shifts did not change.

Iran Khodro workers have also reported other deaths:

In the early hours of 18 May 2005 a 30-year old worker in Assembly Section 4 of the *Iran Khodro* car plant was killed in a horrific accident involving a defective lift, while on night shift. He was the 9th worker to die at *Iran Khodro* in the past two

years due to the hazardous conditions at the plant. Lack of training, raised output targets, speedups, long hours (including forced overtime, weekend work and night-shifts), and the resulting overwork, are among the factors behind the deaths and injuries. Furthermore more and more of Iran Khodro's workers—in line with the government's and employers agenda nationally—are being forced to work under temporary contracts, for private contractors, with few or no rights.

...

The management's response to the workers' protests over pay and conditions at Iran Khodro has been to bring in the factory's Security Organisation (*Harassat*) to interrogate and detain dissident workers. In 2005, one of these workers, Paris Saarland, was taken away for questioning and kept in detention for nearly a month. He was eventually released following strong protests by international labour organisations.²¹

Labour Organisations

One of the demands of the Iran Khodro workers is to have the right to set up their own independent organisations to represent their interests. At the moment they are denied this right. Iranian workers, of course, played an important role in the February 1979 Revolution. Major strikes, organised by workers councils (Shoras) in the oil, steel and petrochemical industries were instrumental in a process that led to the overthrow of the Shah.²² However, soon after consolidating its power, the Islamic regime started a process that led to the dismantling of all workplace Shoras. The government identified labour activists and expelled most of them from their workplace, arrested and executed many others. Islamic work 'Shoras' were set up in the absence of any other workers organisation by government supporters.

As the Vahed bus workers explain:

Since the Islamic Revolution in Iran the government has not permitted the existence of independent trade unions. The only 'workers' organisation that the government authorises is the Khaneh Kargar (Worker's House). The labour code stipulates that 'the workers . . . may establish Islamic councils and associations at the workplace . . .' These are called Shoraya Eslami and at workplaces in industrial, agricultural and service organisations of more than 35 employees. This consists of representatives of the workers and one representative of the management. Once these bodies are set up, no other workers organisation can be established. The Islamic Councils are overseen by the Worker's House. Worker's house is essentially a channel for the government to control the workers, and though it appears sometimes to address workers issues, such as raising the matter of wage arrears or

²¹ Etehadchap Kargari (Workers Left Unity Iran) Translation of Letter by Iran Khodro Workers, 8 June 2005. <<http://www.etehadchap.org>>.

²² A. Bayat, *Workers and Revolution in Iran: a Third World Experience of Workers Control* (London: Zed, 1987).

by for instance organising a May Day demonstration in 2006, there seems to be no substance to its activities. These activities are merely carried out to contain and control workers discontent.²³

Worker's House is not a trade union in any recognisable sense. Rather it is a political organisation that was set up by a faction of the Islamic movement after the destruction of workers Shoras after the 1979 Revolution. It does not have representatives or shop stewards in workplaces but communicates from its office with Islamic Work Councils. These Councils include management and workers representatives. Although the membership of these Councils varies considerably, in general its members are nominated locally by clerical associations rather than directly elected by the workers.

According to Amnesty International: 'Officials from the Ministry of Labour and/or the Ministry of Intelligence are entitled to intervene in the selection and determination of sector or trade-specific union representation or their boards and possibly even in the approval of the candidates to the board of the *Khane-ye Kargar*, or Worker's House.'²⁴

For car workers the situation is even worse. Under the Labour Legislation of 1985, workers were officially deprived of the right to set up free independent organisations and of the right to strike. The Iran Khodro factory is classified by the Ministry of Labour as one of Iran's 'major essential industries'. Iran's labour legislation bans even Islamic versions of work Shoras in what is considered major industries, where even a pro-government work Shora is considered 'harmful to vital national interests'.

This means that until recently it has been illegal to set up any workers organisation in Iran Khodro, even Islamic Councils.

As the Iran Khodro workers ask rhetorically in a letter to the International Labour Organisation:

The Iran Khodro Company, with over 30,000 workers, has no labour organisation of any kind. Why does The Labour Ministry not give the Islamic Labour councils, which the Iranian government itself recognises as legal labour organisations, the permission to create legal labour organisations, when over 3000 of us employed in it are devoid of any labour organisation?²⁵

Other industries that are covered by this legislation include the oil and petrochemical industries, other car factories such as Saipa, nuclear plants, and some mines. As a result of this even Khaneh Kargar (workers House) a pro-government workers organisation has had no role in Iran Khodro. This is changing with the government's

²³ International Confederation of Free Trade Unions. <http://www.solidaritycenter.org/files/iran_ILOcomplaint.pdf>, accessed 4 January 2007.

²⁴ Amnesty International, 'International Labour Organization Amnesty International's concerns relevant to the 91st session of the International Labour Conference, 3 to 19 June 2003', IOR 42/003/2003, 11 April 2003. <<http://web.amnesty.org/library/index/engior420032003>>, accessed 30 August 2006.

²⁵ Letter to the Annual Conference of the ILO by Iran Khodro workers, 2006. <<http://www.etehadchap.org/irankhodro5.html>>, accessed 30 August 2006.

privatisation proposals. It seems likely that all industries except the oil industry will cease to be classed as 'essential industries' and that Islamic Councils will be set up in all their workplaces.

Conclusion

In this article we have not dealt with the complex political and military situation in the Middle East, nor with the contradictions and tensions between Iran's Islamic regime and the US/UK governments which, in the eyes of many, will inevitably lead to invasion and war. Rather we have tried to reveal some of the contradictory relations between Iran's Islamic Republic and multinational capital as they affect car workers at Iran Khodro.

Iran's recent emergence as a regional power is the paradoxical effect of the American/British invasions of Afghanistan and Iraq. This eliminated its two major regional enemies, the Taliban and Saddam Hussein, and massively increased its influence in both countries. Iran's desire to see a Shiite Islamic Republic in Iraq has led to its effective support for and tolerance of the American presence in Iraq. America's continued reliance on this tolerance has so far prevented military intervention in Iran despite many predictions to the contrary. It is precisely for the same reason western multinational firms in Iran such as Renault, whose presence may help to lead to Iran's emergence as a regional industrial power, seem unconcerned with the danger of American or UN sanctions.

Despite the bravery demonstrated in their struggles, a victory for the demands of Iran Khodro workers is by no means certain. Not only do they face managerial repression on the shop floor, but they face the real danger that the government will use the international situation to intensify current repression in the workplace and on the streets, just as it did during the Iran–Iraq war during the 1980s.

Workers at Iran Khodro repeatedly emphasise that their disputes should not be used as an excuse for a military/imperialist attack on Iran. Their struggles are as much against capitalism, and therefore imperialism, as they are against Islamic fundamentalism. In the words of the deputy president of Vahed Bus Company, Madadi in an interview with German reporter Nick Brauns:

Our labour union does not regard anyone who propagates and prepares for war as its friends and allies. We reject strongly any military action against our country and warn the workers against the threat of war and the need to stop such aggression.²⁶

²⁶ Interview with Ebrahim Madadi. <<http://www.etehadchap.org/english/madadienglish.html>>, accessed 4 January 2007.