FROM INCORPORATION TO FRAGMENTATION

LABOUR UNIONS AND POLITICS IN IRAN 1983–2009

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ABSTRACT

From Incorporation to Fragmentation: Labour Unions and Politics in Iran (1983–2009)
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Academic literature on Iran has prioritized the relationship between the Islamic Republic and 'popular' and informal sectors over industrial labour, yet without investigating the way in which such sectors contribute and participate in labour politics. The multidimensional position of labour, its complex relationship to political change, and its role in re-producing the legitimacy of the state, have been neglected.

This thesis relies on archival research, participant observation and interviews to argue that state-labour relations remain key to understanding processes of political change, development, and democratization in contemporary Iran. Employing critical juncture analysis, I contend that the absence of labour from the 2009 Green Movement was not only a product of the oft-quoted 'populism' of Mahmud Ahmadinejad, but can be traced back to longer dialectics of labour incorporation paired with political integration and dis-integration.

In the early post-revolutionary years, the state paid little attention to labour, partially because the elite could not agree on how to interact with workers and feared their independent power. This changed after the end of the Iran-Iraq War, when the centrist Akbar Hashemi Rafsanjani incorporated labour through welfare expansion, and employed corporatist-minded political organizations, notably the Workers' House, to mobilize labour support for his government. With these labour organizations continuing to fulfil such mobilizing functions in alliance with the reformists after 1997, they gradually became semi-autonomous empires influencing enterprise unions, welfare institutions and other labour-related organizations.

The incorporation projects pursued by Rafsanjani and the reformists generated internal contradictions and political obstacles, including the Workers' House's 'imperialistic' tendencies, entrenched opposition, and class struggle within the ruling coalitions. As a result, labour increasingly moved in opposition to the reformist project, helping to bring to power the conservative Mahmud Ahmadinejad. Ahmadinejad's subsequent attempts at extending welfare and building parallel corporatist organizations weakened and divided labour, fundamentally altering structures of political contestation.

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ABBREVIATIONS

	English translation	Farsi original
CEA	Confederation of Employer Associations	*Kanun-e ali-ye anjoman-ha-ye senfi-ye karfarmayan*
GA	Guild Association	*Anjoman-e senfi*
IA	Islamic Association	*Anjoman-e eslami*
ILP	Islamic Labour Party	*Hezb-e eslami-ye kar*
IRP	Islamic Republican Party	*Hezb-e jomhuri-ye eslami*
ITGA	Iranian Teachers' Guild Assembly	*Kanun-e senfi-ye mo'aleman-e Iran*
IWC	Islamic Work Council	*Showra-ye eslami-ye kar*
JS	Journalists' Syndicate	*Anjoman-e senfi-ye ruznamenegaran-e Iran*
LC	Labour Code (1991)	*Qanun-e kar*
LM	Labour Ministry	*Vezarat-e kar*
MPO	Management and Planning Organization	*Sazman-e Barnameh va Budjeh*
NH	Nurses' House	*Khaneh-ye parastar*
NIP	New Iran Party	*Hezb-e Iran novin*
SLC	Supreme Labour Council	*Showra-ye ali-ye kar*
SSO	Social Security Organization	*Sazman-e ta'min-e ejtema'i*
WH	Workers' House	*Khaneh-ye kargar*

NOTE ON TRANSLITERATION AND TRANSLATION

All translations in the text are mine, unless official English names could be found. At times I use the Farsi for parliament (*majles*), but the English version is prioritized. Throughout the text I adhere to the transliteration style guide of the journal *Iranian Studies*. All original Farsi titles and names are in lower case and italicized, unless I use them as/they are proper names (e.g. Kar va Kargar). Translating the names of unions also posed some difficulties. Since union structures are layered in Iran, they start off as, for example, Islamic Work Councils (*showra-ye eslami-ye kar*), which are at the municipal level structured into a Coordination Assembly of Islamic Work Councils (*kanun-e hamahangi-ye showra-ha-ye eslami-ye kar*). At the national level there also often exists an umbrella organization, which is usually literally translated as the Supreme Assembly, for example of Islamic Work Councils (*kanun-e ali-ye showra-ha-ye eslami-ye kar*), the incredibly long abbreviation of which would be SAIWC. To make this easier, I have chosen to stick to the abbreviation of IWC only, to be preceded by a specification of the scale being considered, for example, the Vahed IWC, the Tehran IWC, or the national IWC. The same counts for GAs (*anjoman-e senfi*, or Guild Associations).

The Iranian year starts on the 21st of March and ends on March 20. Therefore, I write a year like 1357 (the Iranian year of revolution) as 1978–79. It also merits remarking that throughout the text I refer to the 1979 Revolution, rather than the (more precise) 1978–79 Revolution.

TIMELINE

1978	*Oct.*	Labour joins the revolution.
1979	*Feb. 11*	Revolution is victorious.
	Feb. 13	Khomeini orders workers to return to work.
	Nov.	US Embassy hostage crisis. Bazargan government collapses.
1980	*Sept. 22*	Iran invades Iran. The Eight Year War starts.
1981	*Summer*	Bani-Sadr is impeached. Mojahedin-e Khalq starts attacking the state.
1983	*Aug.*	Intra-elite conflict heats up as cabinet is reshuffled and *hojjatieh* dismissed.
1984	*Dec.*	Kar va Kargar, the official Workers' House newspaper, enters print.
1985	*Nov.*	Isfahan Steel Company workers go on largest war-time strike.
1986–7		Labour unrest peaks. Number of protests nearly equals 1979 Revolution.
1988	*March*	Workers' House holds its first national congress.
	Aug. 20	Iran–Iraq War ends.
1989	*June 3*	Ayatollah Khomeini, leader of the revolution, dies.
	Aug. 3	Akbar Hashemi Rafsanjani becomes president.
1990	*Summer*	Number of labour unions surpasses Pahlavi peak.
1991	*Feb. 17*	Labour Code comes into force.
1992	*Spring*	Statists lose parliament. Economic liberalism becomes hegemonic.
1993	*April 24*	Workers' House establishes its women's wing.
1994	*March*	Flexible work regulations for free trade zones approved.
1995	*March 6*	Labour Ministry lifts restrictions on temporary contracts.
1996	*Spring*	Workers' House enters parliament united for the first time.
1997	*Aug. 2*	Mohammad Khatami becomes president. WH establishes ILP soon after.
	Oct. 1	Journalists' Syndicate is established.
2000	*Feb. 23*	Workers' House complains about minimum wages for first time.
	Feb. 28	Small enterprises are exempted from several Labour Code clauses.
2001	*Aug. 2*	Workers' House loses control over the Labour Ministry.
	Dec. 12	Nurses gain the right to unionize.
2002	*July 15*	Workers' House stages major demo against planned labour law reform.
2005	*May 1*	The left-wing *komiteh-ye hamahangi* is founded.
	Aug. 3	Mahmud Ahmadinejad becomes president.
	Dec. 25	Vahed Syndicate stages its major 'Dey Strike.'
2006	*May 1*	Last time Workers' House gets permit to stage Tehran's May 1 demo.
2008	*Oct. 22*	Haft Tappeh Sugar Cane holds its first union elections.
2009	*May 1*	Gathering of left-wing activists in Laleh Park, Tehran, ends in arrests.
	June 15	Millions march against alleged electoral fraud in Tehran.
	July 6–8	Labour does not join the Green Movement. General strike attempt fails.

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CHAPTER ONE: POLITICAL CHANGE AND CRITICAL JUNCTURES

"Why aren't workers joining the protests?" "Where is labour?" These were some of the questions haunting activists and commentators in the tumultuous year of 2009, when the Islamic Republic faced the largest popular protests since its founding three decades earlier.[1] Two years later, labour played a much more active role in the Arab Spring protests of Tunisia and Egypt. Neither Tunisia, Egypt nor Iran had a strong organized and autonomous labour movement. Protestors in all three countries demanded democracy, civil rights and government accountability. Workers also constituted an important segment of the demonstrators in each case. Yet, when Green Movement leaders called on labour to join in by proclaiming a general strike, the action proved an outright failure. Not a single major strike was reported in the capital, despite outsider hopes to the contrary.[2] The Green Movement was unable to shake off its urban, middle-class identity, while Arab Spring protests could mobilize around bread, *and* freedom, *and* social justice.

Main Argument

Why was labour not co-opted in the Green Movement? This thesis hopes to address this question by looking at the process, experience and legacy of the incorporation of labour in the post-revolutionary state and integration in specific political blocs.

Before continuing, two concepts essential to the argument need to be introduced. *Labour incorporation* is the process by which control of the working class is transferred at least partially from the army and the police through the legalization and institutionalization of a labour movement sanctioned and regulated by the state. This process generally entails an expansion of opportunities for political entrepreneurs to mobilize workers as a major political constituency.[3] Scholars have theorized two broad types of labour incorporation. *State incorporation* means that

[1] Sohrab Behdad, "The Green Movement and the Working Class," interview with Deutsche Welle, June 16, 2010, http://p.dw.com/p/Nr7K. Kevan Harris, "Why Workers Aren't Joining the Protests," *Time*, February 22, 2011, accessed 31 March, 2017, http://ti.me/2saNuUb.
[2] See for example Arang Keshavarzian's June 25, 2009 interview for Worldfocus, accessed 31 March, 2017, http://bit.ly/2rjnT7z.
[3] Collier, Ruth and David Collier, *Shaping the Political Arena: Critical Junctures, the Labour Movement, and Regime Dynamics in Latin America* (Princeton: Princeton University Press, 1991): 3.

the incorporation of labour was initiated through the legal and bureaucratic apparatus of the state, and had as its the main goal to control and depoliticize the labour movements. On the other hand, *party incorporation* means that incorporation was initiated by a political party or a movement which became a party, and had as its main goal, apart from control, mobilization of the labour movement for partisan programs.[4] The legacies of these two incorporation experiences tend to diverge. While state incorporation starts with control of the labour movement, it tends to induce polarization and radicalization of labour in the long-run. In contrast, party incorporation moves from mobilizing workers to integrating them into a political bloc. In contrast to incorporation, the concept of *corporatism* refers to a category of non-democratic interactions between labour and the state. Corporatism can be defined as encompassing different "systems of interest representation based on non-competing groups that are officially sanctioned, subsidized and supervised by the state."[5]

In post-revolutionary Iran, substantial labour incorporation was delayed until after the Iran-Iraq War (1980–88). During the war a broad elite consensus remained in place against empowering labour. Even if intra-elite conflict sped up after 1983, the state could not come to an agreement on how to interact with workers. However, state-labour relations were overhauled when pro-market Akbar Hashemi Rafsanjani became president in 1989 and centralized power. His powerful ruling bloc could push forward an attractive model of labour incorporation designed around the long-delayed 1991 Labour Code, which provided a broad template for the institutionalization, organization and legalization of a corporatist labour politics in Iran.

The corporatist pact established by Rafsanjani's centrist ruling bloc was imported by the reformists after 1997, guaranteeing the longevity of the corporatist organizations that formed the basis of the Rafsanjani incorporation project. With the help of these corporatist organizations, in particular the Workers' House, labour gradually became integrated as a political constituency in the Rafsanjani and later in the reformist blocs.

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[4] Ibid: 8.
[5] Ruth B. Collier and David Collier, "Inducements versus Constraints: Disaggregating 'Corporatism,'" *The American Political Science Review*, 73/4 (1979): 967.

Yet, the Rafsanjani/reformist pact with labour was unsustainable in the long-run due to the contradictions and reactions it produced. The pact's relative success permitted the state to incorporate labour while simultaneously pursuing privatization, economic liberalization and commodification. The extension of market relations fostered contradictions within institutionalized labour politics, increasingly inciting reactions from below. Dissatisfaction with existing labour-state relations expressed itself largely in support for an oppositional political group, rather than against the state. For labour, the victory of the populist and conservative Mahmud Ahmadinejad in the 2005 Presidential Elections was a vote against corporatism – a vote which in several ways meant the end of the earlier labour-reformist corporatist pact, though not the start of 'neoliberalism.' In other words, I contend that electoral intra-elite competition in Iran successfully replaced, or at least postponed, the function of corporatism in mediating class relations and re-producing state legitimacy.

Theorizing the Iranian State

Before appreciating the Islamic Republic's particular experience of labour incorporation it is necessary to review key aspects of the Iranian state, including relative state sovereignty from foreign powers, national capitalist development, and its specific competitive authoritarian regime structure.

Iran maintained its sovereignty from foreign powers more or less successfully in the entire post-revolutionary period under study here. Abundant hydrocarbon resources, a host of foreign policy twists, and pressure by segments of the elite to deter global integration assured that any Western imposition of economic restructuring was kept at bay. Foreign influence and investment were successfully curbed and re-negotiated, even when Iran became more interested in international cooperation in the 1990s and early 2000s. As a result, there was limited to no external pressure to weaken, or 'liberalize,' corporatist relations, as was the case with West-backed structural adjustment programs in non-Gulf Arab states that sought to create flexible,

mobile and competitive labour markets unhampered by expensive welfare pacts and rigid regulations.[6]

International isolation did not prevent the production, reformation and growth of old and new capital and business elites. A national bourgeoisie took root following the oil-driven industrial spurt of the 1960s and 70s.[7] While the upper-echelons of the business elite left Iran during the revolution, many others stayed and tried to work within the new political framework. In 1979–80, heavy industries and banks were nationalized, but trade, light industries and services remained private, thrusting entrepreneurial spirit, in close coordination with state elites, into import-export and industrial contracting. With the coming to power of technocrats around Rafsanjani and later Khatami, foreign investment was encouraged to "help structure and rationalize a process of economic liberalization."[8] Privatization of state-owned enterprises also commenced. Even if these projects were obstructed by bureaucracies and oppositional elites, a genuinely competitive private sector, particularly in banking and consumer goods, was able to grow in the interstices of the state-owned sector, driven partly by the repatriation of old capital. In other words, between 1990 and 2005 Iranian capitalism grew more dynamic while remaining relatively endogenous, nurturing a national business elite that could negotiate corporatist relations on its own terms and with its own political goals in mind, even if this had to be done in close coordination with the state.

Finally, the trajectory of labour politics in contemporary Iran is closely related to the structure of its political system. Scholarship has categorized the Islamic Republic as "factionalized authoritarian," "fragmented authoritarian," "limited polyarchal," "doubly hybrid semipresidential and quasitheocratic".[9] All of these definitions imply a form of hybrid or fuzzy

[6] The ILO did consult Iran on how to conform its unions with global liberal norms, but this was mainly on Iran's initiative.
[7] Alexander Gerschenkron points to the qualitative advantages of early development. See his *Economic Backwardness in Historical Perspective* (Cambridge, MA: The Belknap Press of Harvard University Press, 1962).
[8] Kevan Harris, "Vectors of Iranian Capitalism: Privatization Politics in the Islamic Republic," in S. Hertog, G Luciani and M. Valeri (eds), *Business Politics in the Middle East* (London: Hurst and Company, 2013): 242.
[9] For 'doubly hybrid semipresidential and quasitheocratic,' see Houchang E. Chehabi, "Religion and Politics in Iran: How Theocratic Is the Islamic Republic?," *Daedalus*, 120/3 (1991): 78. For 'factionalized authoritarianism' see Houchang E. Chehabi, "The Political Regime of the Islamic

regime combining democratic with nondemocratic forms of governance. Here, I will adhere to Brumberg and Farhi's designation of Iran as a *diffused semi-autocracy* – a common regime type across the global South, and operating under different circumstances in Yemen and Lebanon too.[10] Semi-autocratic states are at variance with the single-party authoritarian states common in the non-Gulf Middle East in so far as constitutions and legal systems, labour legislation included, do not provide a broadly agreed-upon template of principles for the exercise of political or constitutional rights. They are platforms of struggle and disagreement that incentivize elites to pursue populist programs and political mobilization.[11] Electoral competition in particular is central to the Iranian political system, making a "state-in-society frame of reference" useful for studying the Islamic Republic.[12] In Iran, elections are held on an almost yearly basis, and include presidential elections (every four years), Assembly of Expert elections (every eight years), city council elections (every four years), and parliamentary elections (every four years). Although certainly no democratic system, competing elites rely on electoral mobilization to capture institutions and gain access to resources. At the same time, semi-autocratic elites "from captains in industry to captains in military" fear that the radicalism around them could threaten their own position.[13] In Iran, reticence about re-distributing power, instigating democratic transitions, or opening up the government polity to outsiders is held by a variety of state institutions and elite

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Republic of Iran in Comparative Perspective ," *Government and Opposition* 36/1 (2001): 62. For 'fragmented authoritarianism' see Arang Keshavarzian, "Contention Without Democracy: Elite Fragmentation in Iran," in Maria Pripstein Posusney and Michele Penner Angrist (eds), *Authoritarianism in the Middle East: Regimes and Resistance* (Boulder, Colorado: Lynne Riener Publishers, 2005).

[10] Daniel Brumberg and Farideh Farhi, *Power and Change in Iran: The Politics of Contention and Conciliation* (Bloomington and Indianapolis: Indiana University Press, 2016). Zep Kalb, review of *Power and Change in Iran: Politics of Contention and Conciliation*, by Daniel Brumberg and Farideh Farhi (eds), *Iranian Studies,* 50/4 (2017): 647 – 649.

[11] Some scholars believe this pluralism has enhanced regime longevity. Keshavarzian, "Contention Without Democracy": 63–66.

[12] I will adhere to a more Gramscian approach, but such 'embedded state' approaches have become quite popular in the political science literature that emerged in conversation with Theda Skocpol and Peter Evans' *Bringing the State Back In* (Cambridge: Cambridge University Press, 1985). See for example: Joel Migdal, Atul Kohli, and Vivienne Shue (eds), *State Power and Social Forces: Domination and Transformation in the Third World* (Cambridge: Cambridge University Press, 1994).

[13] Dan Slater, *Ordering Power: Contentious Politics and Authoritarian Leviathans in Southeast Asia* (Cambridge: Cambridge University Press, 2010): 31. For Iran, Homa Katouzian has turned the idea of arbitrary rule into a general theory of the country's historical development. See his *Iranian History and Politics: The Dialectic of State and Society* (Oxford: Routledge Curzon, 2003).

networks. The judiciary and the Guardian Council, which vets electoral candidates and approves all parliamentary bills, are often cited as particularly powerful examples.

Labour Empires, Unions and Corporatism in Iran

Political scientists and sociologists have had difficulties explaining Iran's political and electoral dynamics in the 1989–2009 period, including the turn from radical statism to 'pragmatic' economic liberalism under President Ali Akbar Hashemi Rafsanjani (1989–97), the shift to political liberalization and civil rights under President Mohammad Khatami (1997–2005), and the (re-)emergence of conservatism, anti-West nationalism, and 'populism' under Mahmud Ahmadinejad (2005–13). For example, the introduction to Ehteshami and Zweibi's book proclaims that "Iran is unpredictable." The scholars go on to state that Khatami's victory in 1997 was "a surprising outcome," and that the rise of the conservatives in the early 2000s was a product of Khatami not "doing enough to the solving of Iran's economic problems […]."[14] Said Amir Arjomand's book similarly sets out by declaring that "Iran has not ceased to surprise the world."[15] He "traces the emergence of reformism as a cultural rather than a political phenomenon" and attributes Ahmadinejad's 2005 victory to the "unintended consequences of the revolution," especially the rise of "a new political class" that consists of "military-security personnel and […] the higher ranks of the state bureaucracy."[16] Many other Iran specialists have explained the astounding victory of Khatami in 1997 as the expression of grudges long held by the young and other middle-class "counter-cultures" against the Islamic Republic's inherent parochialism, and the Ahmadinejad victory in 2005 as meticulously planned authoritarian upgrading by the "core" of the state.[17]

[14] Anoushirvan Ehteshami and Mahjub Zweiri, *Iran and the Rise of Its Neoconservatives: The Politics of Tehran's Silent Revolution* (London and New York: I.B. Tauris, 2007): xv.
[15] Sair Amir Arjomand, *After Khomeini: Iran Under his Successors* (Oxford: Oxford University Press, 2009): 11.
[16] Ibid: 17; 18.
[17] See for example: Shahram Khosravi, *Young and Defiant in Tehran* (Philadelphia: University of Pennsylvania, 2008); Roxanne Varzi, *Warring Souls: Media, Youth and Martyrdom in Post-Revolution Iran* (Durham: Duke University Press, 2006).

While these and many other existing empirical studies contribute richly to our understanding of Iranian politics, this thesis takes a different approach. Specifically, I look at the ways in which the integration of one social group – labour –into political blocs has continuously influenced both the content of political programs as well as electoral success. Certainly, this approach does not attempt to claim that political change in contemporary Iran hinges on labour. Rather, it is believed that the structures of contestation and cooperation within the Iranian state are "in important aspects the legacy of incorporation and of the reaction to it."[18] Moreover, as the producers of surplus value in a post-revolutionary and proudly sovereign state, labour is crucial to the long-term popular legitimacy of the Islamic Republic.

One organization critical in communicating, mediating and linking labour and the state in Iran is the Workers' House (*khaneh-ye kargar*, WH). Labour unions in the Middle East have often been called "empty shells" or "empty husks" without exercisable power.[19] But the Workers' House, which is by far the largest and most powerful labour organization in Iran, is neither strictly a union, nor is it a real political party, nor is it completely part of the state apparatus. The author found few comparable cases elsewhere.[20]

The Workers' House was founded before the revolution, when it formed part of the set of Pahlavi umbrella unions meant to control labour. After 1979 and during the war, the Workers' House remained a small, internally-divided organization that allied largely with the statists in government. Only when the elite failed to agree on a way of how to institute a strong top-down union structure in the 1991 Labour Code did the Workers' House start playing an important role as a constitutive part of the Rafsanjani bloc tasked with influencing the enterprise- and

[18] Collier and Collier, *Contesting the Political Arena:* 9.
[19] Eva Bellin, "The Robustness of Authoritarianism in the Middle East: Exceptionalism in Comparative Perspective," *Comparative Politics,* 36/2 (2004): 139. Steffen Hertog, Giacomo Luciani, Marc Valeri (eds), *Business Politics in the Middle East* (London: Hurst and Company, 2013): 3.
[20] Following 1979 and the war the Workers' House refrained from registering officially for over a decade. The organization only received a license from the Interior Ministry in early 1992, which necessarily makes it a political entity. The 1991 Labour Code mentions nothing about the legality of the Workers' House as a union and a union license requires registration with the Labour Ministry. Hassan Khosravi, Reza Vafai Yeganeh, *Barresi-ye naqsh-e tashakkol-ha-ye kargari dar tahavvolat-e bazar-e kar va e'tesabat-e kargari* (Tehran: Mo'aseseh-ye Tahqiqati-ye Tadbir-e Eqtesad, 1387 [2008-9]): 69–71.

municipal-level workers' unions established by the Labour Code, and mobilizing workers to vote for their preferred candidates.

I believe the Workers' House can be fruitfully theorized as a *labour empire* - a term introduced but never worked out by two prominent Iran scholars.[21] This thesis defines a labour empire as a semi-autonomous political entity whose power relies on the systematic invasion, appropriation and mobilization of labour-related organizations, unions and groups that are legalized and sanctioned by the state but fall outside the boundaries of the labour empire's constitutionally-defined role or jurisdiction. Although this thesis focuses mostly on the Workers' House, it is not the only labour empire in Iran. Other, smaller and less powerful labour empires include the Teachers' Organization (the *sazman-e mo'aleman*) and the Nurses' House (*khaneh-ye parastar*), both of which have their particular relation to the state, to labour and to unions.

Two conditions provide fertile ground for the emergence of labour empires. First, labour empires require corporatist, non-socialist settings where there is a strong cross-elite consensus on the threat of labour as a self-conscious class but a fundamental disagreement over how and inability to formally institutionalize a strong, top-down system of corporatist labour interest representation. In the case of Iran, the 1991 Labour Code is exemplary of this inability to come to a cross-elite agreement on unionization and labour bargaining. This law institutionalized an extremely weak system of labour representation organized from the enterprise and municipal-level upward that could relatively easily be influenced and controlled by a political organization such as the Workers' House.

Moreover, labour empires tend to emerge in states that lack a strong independent judiciary and where there is significant political and institutional disagreement over the interpretation of legal-constitutional templates, yet where competing political blocs realize the mobilizing potential of labour constituents. Iran's semi-diffused autocracy is conductive to this particular type of corporatism. Moreover, while the Workers' House is officially recognized by

[21] Farhad Nomani and Sohrab Behdad, "Labour Rights and the Democracy Movement in Iran: Building a Social Democracy," *Northwestern Journal of Human Rights*, 10/4 (2012): 220.

the state, its imperialistic tendencies often run counter to competing definitions of law and constitution, necessitating strong political support networks to repel state sanctioning and to maintain its imperialistic influence. For example, the Workers' House boldly claims that it represents all private sector employees that qualify for membership in the Social Security Organization – the main healthcare and pension fund –as well as all state-sector work force employed as 'worker' (*kargar*, as opposed to civil employees or *karmand*). This self-defined jurisdiction covers about half of the entire population.[22] Crucially, the WH's assertion that it unilaterally represents these 'workers' (in the very broad and non-class definition that it adheres to) depends entirely on elite support.

The autonomy of labour empires is reflected in the scale of their independent financial resources, their capacity to mobilize for their own programmes, and their success in building a membership base. In Iran, the Workers' House's degree of autonomy has varied over time. In the 1990s, the Workers' House was charged with mobilizing labour constituents for Rafsanjani's and then the reformists' coalitions. In the early 2000s, its autonomy deepened as the organization started staging anti-governmental rallies, committing itself less to pro-reformist electoral mobilization.

The Workers' House has also largely maintained its financial independence. The 1991 Labour Code institutionalized several cooperative organizations that were already tied to the Workers' House, guaranteeing a stream of revenues. In the early and mid-2000s, the Workers' House increasingly entered the market, and started to invest heavily in profitable sectors such as education, tourism and welfare. In short, dependent on its degree of autonomy within political blocs, a labour empire can be anything from a proto-party that aids in the election of broader political groupings to a full-blown party. Unsurprisingly, the more a labour empire turns into an autonomous political party, the stronger calls become for a distancing from corporatism, towards an embracing of class-based, labour-conscious politics.

[22] The population under SSO healthcare and pension coverage has been growing. In 1979, 17 percent, in 1997 38 percent, and by 2011 46 percent of the population was insured at the SSO. SSO, "Sazman-e Ta'min-e Ejtema'i az Negah-e Amar (1340–1390):" 9.

Electoral mobilization, first for Rafsanjani and later for the reformists, was one of the Workers' House's key tasks. In the 1990s, electoral mobilization of labour was facilitated by a shift to what I call 'organic governance.' While in the 1980s and pre-1979, the Workers' House and other labour organizations tended to pursue centralized, top-down, hierarchical and coercive formats of governance and control, the emergence of organic governance in the 1990s diffused power to local branches and embedded the organization in everyday life and local union structures. While certain modes of control, patronage and hierarchy were reproduced, they moved from the top to the grassroots, allowing for more dynamic and fluid negotiations and mediations of class conflict and redistributions of wealth. In turn, the incorporation of labouring communities pushed the Workers' House to take on more socially-conscious political positions – a shift that had an effect on the direction of the reformist government of Mohammad Khatami too, as it relied particularly on the capacity of the Workers' House to mobilize constituencies.

Yet, the integration of labour into the Rafsanjani and the reformist blocs generated a variety of reactions from below. Firstly, the incorporation projects these ruling blocs pursued were not limited to labour, they included a variety of other social groups, including business elites. While these elites could agree more leniently with the Workers' House on the institutionalization of class compromise at the national-level, they were bent on maintaining class dominance at the enterprise-level.[23] In other words, the Workers' House was only permitted to function as a national political organization and not as mediator of factory-level class relations. It was never allowed to transform itself from a political organization into a real national union. It could exert pressure on the state and its policies, but failed systematically to negotiate concessions on the work floor. Moreover, the Workers' House itself encountered a vast array of internal organizational contradictions and conflicts of interest. As a result, the Workers' House unwillingly contributed to the extension of market relations, profit accumulation and exploitative work floor practices, even as it attempted to compensate for this by lobbying for an expansion of welfare regulations and pro-labour legislation.

[23] Otto Newman, *The Challenge of Corporatism* (London: The Macmillan Press, 1981).

Secondly, the Khatami government faced severe political obstacles in getting its political program approved and implemented. Since the late 1990s, powerful conservative state institutions and networks were bent on altering or delaying the elaboration of social policy as much as possible. Rather than radicalizing against these forces, the Khatami government moved further toward the centre after the 2001 elections, distancing itself from the Workers' House and removing several key WH allies from government posts. The dead-lock in executive and legislative powers combined with the side-lining of the Workers' House further undermined the legitimacy of the reformists' labour politics. Indeed, between 2001 and 2005 the Workers' House reacted by at times moving in opposition to the Khatami government, for example by advocating the right to strike and staging major anti-government protests.

Lacking substantive non-electoral platforms of expression, widespread labour dissatisfaction with the reformist incorporation project could be picked up and mobilized by the conservative populist Mahmud Ahmadinejad in the 2005 Presidential Election. With many union activists rallying behind him, Ahmadinejad proceeded to dismantle reformist corporate organizations, including the Workers' House, and to erect parallel institutions. His government also tried to co-opt labour through new welfare legislation. The re-articulation of labour dissatisfaction with reformist rule into a conservative-populist bloc fragmented the earlier incorporation projects and structurally weakened labour organizations, paving the way for the absence of labour in 2009.

Labour in the Literature

Scant scholarly attention has been paid to labour in post-revolutionary Iran.[24] This neglect originates in accusations, directed by the Left ever since the revolution, that the Islamic Republican Party was a "traditional" and "petty-bourgeois" political organization not interested in radical land and labour reform, or workers' autonomy. Indeed, the Islamic Republic initially

[24] Some older literature discusses the role of labour in the 1979 Revolution. I rely in particular on Asef Bayat, *Workers and Revolution in Iran: A Third World Experience of Workers' Control* (London: Zed Books, 1987). More recent work is more economistic, notably: Sohrab Behdad and Farhad Nomani, *Class and Labour in Iran: Did the Revolution Matter?* (Syracuse University Press, 2006).

appeared to do its best to eradicate labour as a social base, first through the active dis-empowering and even suppression of the independent workers' council movement, and then by shedding the industrial workforce throughout the 1980s.[25] The state prioritized students, as well 'popular' and informal sectors, giving pre-eminence to re-invented terms such as *mahrumin* (the deprived), *mazlumin* (the downtrodden), *foqara* (the poor) and the *bikaran* (the unemployed), to the neglect of older socialist terms including *kargar* (worker) or *tabaqeh* (class).[26] After the Revolution, new welfare arrangements and charitable organizations such as the *bonyad-e mostazafin* and the Imam Khomeini Relief Fund also prioritized the 'downtrodden,' families of war victims and war veterans over established social classifications, including labour.[27]

Labour is rarely mentioned explicitly in the day-to-day politics of the Islamic Republic. When the concept of *kargar* ('worker') features in elite discourse, it is used either in a non-class sense, as in 'the community of workers' (*jame'eh-ye kargar*) or the 'strata of workers' (*qeshr-e kargar*), or it is closely tied to 'popular' concepts such as *mahrum* (deprived) or *zehmatkesh* (toiler). Unsurprisingly, this elite discourse has been picked up by political scientists, with at least one notable scholar claiming that continued mass mobilization of workers and others expresses "the original totalitarian impulse" of the Islamic Republic.[28]

Some in the older generation of left-wing Iranian academics that migrated to the West after 1979 retain an interest in labour in contemporary Iran.[29] Unfortunately, due to their relation with the state, few have been able to conduct fieldwork in Iran on the topic. Moreover, many of

[25] Farhad Nomani and Sohrab Behdad, *Class and Labour in Iran: Did the Revolution Matter?* (Syracuse University Press, 2006). Misagh Parsa, *Social Origins of the Iranian Revolution* (New Brunswick: Rutgers University Press, 1989).
[26] Khomeini also stopped attending May Day rallies in the mid–1980, in a further downscaling of the importance of labour as a social base for the state.
[27] Kevan Harris, "A Martyrs' Welfare State and Its Contradictions: Regime Resilience and Limits through the Lens of Social Policy in Iran," in Steven Heydemann and Reinoud Leenders (eds), *Middle East Authoritarianisms: Governance, Contestation, and Regime Resilience in Syria and Iran* (Stanford, CA: Stanford University Press, 2013): 61–80
[28] Houchang E. Chehabi, "The Political Regime of the Islamic Republic in Comparative Perspective," *Government and Opposition,* 31/1 (2001): 69. Chehabi certainly advocates against the idea, prominent in the 1980s in some powerful Western circles, that Iran could somehow be called 'totalitarian.' It is curious that he posits mass mobilization as an expression of 'totalitarian' tendencies rather than suggesting alternative structures and impulses behind them.
[29] These include for example Hossein Bashiriyeh, Sohrab Behdad, Farhad Nomadi, Maziar Behrooz, Valentine Moghadam, Afshin Matin-Asgari, Said Rahnema, or Mansour Moaddel.

these scholars are reluctant to study the centrist and conservative labour incorporation projects that have marked the Islamic Republic. They are suspicious of the Workers' House and tend to see the organization as complicit in the suppression of left-wing labour movements and in instilling 'false consciousness.' Without claiming any moral ground but rather coming from a different angle, I believe instead that the absence of a strong left-wing current in Iranian labour politics should not be seen as an impediment to research. Right-wing class politics can be powerful and transformative too.

Finally, scholars of social movements, encouraged by Asef Bayat's pioneering work, have concentrated on the political influence of "ordinary people," informal and 'popular' sectors, and other marginalized social groups, including metro and street vendors, drug addicts, gypsies, and homeless people.[30] Even if this field has delivered fascinating insights, it has diverted precious energy away from exploring questions of organization, incorporation and contestation among formal, unionized labour.[31] Even more important, this literature has also largely left untouched questions of the importance of work to the legitimacy of the state, and of working people in interaction with other social groups. Only few Iran's social movement scholars take inspiration from labour studies, and even fewer have taken note of Sabyasachi Bhattacharya's call – made over three decades ago – for a research agenda prioritizing the 'labouring poor.'[32]

I suggest that labour remains a powerful political subjectivity in the Islamic Republic. Not only is the common observation of Iran one of being a highly class-conscious society, but its labour movement is one of the oldest in the region, going back to the early twentieth century. Labour's role in histories of contentious politics and in the formation of the contemporary Iranian state is particularly colourful. That labour matters became clear not only in 2009, when Green Movement leaders unsuccessfully called on workers to join in the protests, but already in

[30] Asef Bayat, *Street Politics, Poor People's Movements in Iran* (New York: Columbia University Press, 1997); Mitra Asfari, "Etrangers endotiques de Téhéran: Une ethnographie des dynamiques identitaires des Gorbat," *PhD thesis in Cultural Anthropology*, Université René Descartes Paris V.
[31] The peasantry has also been completely neglected, alongside labour, as an object of study in contemporary Iran.
[32] Marcel van der Linden and Prabhu P. Mohapatra, Labour Matters: towards Global Histories. Studies in Honour of Sabyasachi Bhattacharya (New Delhi: Tulika Books, 2009): x

1990, when a pro-market president brokered the approval of a labour code that has remained one of the most pro-labour in the entire Middle East. Yet telling of the dearth of research on this topic, in his respected work on parliamentary and state politics in the 1980s and early 1990s, Bahman Baktiari does not mention once the discussions around or the impact of the labour code on Rafsanjani's standing.[33]

Critical Junctures and Hegemony

The thesis takes an historical approach and is structured chronologically in so far as it describes processes of how new modalities of interaction *emerged*. Particular emphasis will be spent on analysing episodes of radical re-constitutions of the political arena – so-called *critical junctures*. Seymour Lipset and Stein Rokkan first employed this concept in their macrostructuralist account of Western European party systems.[34] Since Collier and Collier popularized the term, critical junctures have become integrated in theories of institutional path-dependency in order to highlight agency and choice and contingency. According to James Mahoney, "critical junctures are characterized by the adoption of a particular institutional arrangement from among two or more alternatives. These junctures are 'critical' because once a particular option is selected it becomes progressively more difficult to return to the initial point when multiple alternatives were still available."[35] In other words, critical junctures in the interaction between labour organizations and the state as well as that between workers and labour organizations involve distinct legacies. While for Mahoney critical junctures are largely determined by antecedent historical conditions Collier and Collier argue that the emergence of critical junctures can entail "considerable discretion," thereby highlighting the importance of agency and choice in such

[33] Bahman Baktiari, *Parliamentary Politics in Revolutionary Iran: The Institutionalization of Factional Politics* (Gainesville: University Press of Florida, 1996).
[34] Seymour Martin Lipset, and Stein Rokkan. "Cleavage Structures, Party Systems, and Voter Alignments." In S. M. Lipset and S. Rokkan (eds), *Party Systems and Voter Alignments: Cross-National Perspectives* (New York: Free Press, 1967): 1–64. The concept of critical junctures is also discussed in depth in Collier and Collier, *Contesting the Political Arena*.
[35] James Mahoney, "Path Dependence in Historical Sociology," *Theory and Society,* 29/4 (2000): 513

episodes.[36] Michael Mann similarly draws our attention to the importance of antecedent conditions and historically specific development.[37]

In contemporary Iran, the pace with which critical junctures have occurred is high-speed, making for a dynamic political landscape. Rapid succession is partly a consequence of the unfinished and contested processes of institutionalization in the Islamic Republic described above. Yet, indicative of the extent to which electoral competition has become institutionalized over the past two decades, critical junctures have become increasingly synchronous with national elections, particularly presidential elections.

In labour-state relations, the following episodes stand out as critical junctures: the 1979 Revolution; the Iran-Iraq War, particularly its end game; the approval of the Labour Code in 1991; the 1997 Presidential Election (which shifted Workers' House-state relations); and the 2005 Presidential Election (which broke state-WH relations). The 2001 Presidential Election could be seen as a minor critical juncture, for it altered power relations but did not fundamentally change the WH's position vis-à-vis the state. Finally, it might be too early to call 2009 a critical juncture in labour-state relations. Institutionally, few already ongoing transformations changed track to any significant degree after the Green Movement. But the long-term effects of this contentious episode on labour remain to be seen.

The text takes inspiration from Antonio Gramsci in explaining patterns of resistance and contestation. Gramscian frameworks have been on the rise in Middle East studies since Nazih Ayubi's work on Arab states in the mid-1990s.[38] A crucial advantage of Gramsci is the idea of hegemony, which is broader and more complex than the Weberian concept of 'legitimacy.' For Gramsci, the state is "the entire complex of practical and theoretical activities with which the ruling class not only justifies and maintains its dominance, but manages to win the active consent

[36] Giovanni Capoccia, "Critical Junctures", in Orfeo Fioretos, Tulia G. Falleti and Adam Sheingate (eds), *The Oxford Handbook of Historical Institutionalism* (Oxford: Oxford University Press); Collier and Collier, *Contesting the Political Arena*: 27.
[37] Michael Mann, *The Sources of Social Power: Vol. 1: A History of Power from the Beginning to AD 1760* (Cambridge University Press, 2012): xx.
[38] Nazih Ayubi, *Over-stating the Arab State: Politics and Society in the Middle East* (London and New York: I.B Tauris, 1995).

of those over whom it rules."[39] Consent is brokered not only through the threat of force or material re-distribution, but also "actively," i.e. through ideological persuasion. Such persuasion involves the deeper structures of ideology, cultural symbols, language, and 'common sense.'

Investigating forms of governance in Iranian labour politics demands us to look at the *everyday* modes of control, resistance, and negotiation, granting a degree of distance from classical political science. In describing these processes, I take inspiration from the history from below tradition of E.P Thomson, the subaltern studies around Ranajit Guha and the German *Alltagsgeschichte*.[40] The field of everyday resistance and history from below has grown rapidly in the post-Arab Spring Middle East.[41] I will refer to such bottom-up resistances to explain if, how and where unions, parties and other political organizations failed systematically to generate workers' complacency, consent and support for their programs and wider social contracts.

Finally, due to space considerations this thesis looks mainly at labour-state relations as mediated by the Workers' House. Although I investigate to an extent relations of other labour empires with the Workers' House, the thesis lacks an independent analysis of the teachers' movement in particular. It merits mentioning that while the teachers' labour empires are smaller, teachers have not been less politically active. Yet, their partisan linkages are quite similar to those of the Workers' House.

Research Methods and Sources

[39] Antonio Gramsci, *Selections from the Prison Notebooks*, ed. and trans. Quentin Hoare and Geoffrey Nowell-Smith (London: Lawrence and Wishart, 1971): 244.
[40] Ranajit Guha, *Elementary Aspects of Peasant Insurgency in Colonial India* (Durham and London: Duke University Press, 1999): 1–18. Alf Ludtke (ed), *The History of Everyday Life: Reconstructing Historical Experiences and Ways of* Life (Princeton: Princeton University Press, 1995); James Scott, *Weapons of the Weak: Everyday Forms of Peasant Resistance* (New Haven: Yale University Press, 1985).
[41] See Charles Tripp, *The Power and the People: Paths of Resistance in the Middle East* (Cambridge: Cambridge University Press, 2013); Asef Bayat, *Life as Politics: How Ordinary People Change the Middle East* (Stanford: Stanford University Press, 2013). The generation of older literature on everyday resistance generalizes less to the general population and focuses more specifically on marginal(ized) groups. Notably, Asef Bayat, *Street Politics, Poor People's Movements in Iran* (New York: Columbia University Press, 1997); Guilain Denoeux, *Urban Unrest in the Middle East: A Comparative Study of Informal Networks in Egypt, Iran, and Lebanon* (Albany: State University of New York Press, 1993).

During the short timeframe available to me to research the thesis, I visited Iran twice for fieldwork. First in April 2016, when I conducted interviews with labour activists and reporters. I returned from December 2016 to March 2017 on a visiting fellowship at Tarbiat Modares University in Tehran. During this more extended period, I complemented interviews with archival research at the Ministry of Labour, the National Library, and the Majles Archives. The documents consulted include media reports on factory descriptions, union proceedings, and labour protests. Moreover, I systematically sifted through the issues of Kar va Kargar, the official Workers' House newspaper since 1984. I analysed the last and first few months of the Iranian calendar systematically (i.e. every year, at least every front page), which are the months when ritualized forms of labour bargaining are set, including the yearly minimum wage negotiations and the May Day demos. Other months were analysed in a more targeted way, i.e. only when coinciding with the approval of important new labour legislation or forms of contentious politics, such as demonstrations or attempts at unauthorized union organizing.

I also attended weekly meetings of the Pensioners' Union and the Shahr-e Rey IWC, which is one of the oldest and most active labour organizations in Iran. Both of these meetings would take place in the Shahr-e Rey Workers' House. My field notes show how the dynamics of these two unions differed radically from one another.

Interviews and documents should always be treated with caution. The contents of newspaper reports are subservient to Iran's fluctuating limits on press freedoms as well as the editor and organization in charge. I mostly used newspapers as sources of factual information, but where this was not the case I implemented a discourse analysis informed by the wider political context. Moreover, while as a white Western man I might have had access where Iranians students face scrutiny, my interviewees were very much aware of my positionality. As a result, few of the interviews that I conducted contained information that could not be found in newspapers or from their public speeches. Still, interviews remained useful to understand the interviewee's position, as well as the relevant chain of events.

Finally, I avoided contact with censored, 'independent' labour activists – many of whom remain under tight police surveillance – in order to preserve my own safety and that of my

informants. The limited information that I collected on the most important 'independent' unions comes from local university theses, news reports, and other more readily accessible documents.

Structure

Chapter 2 gives an overview of labour politics from the emergence of a labour politics in the early 1900s until 1983. This chapter briefly discusses state incorporation of labour in the late Pahlavi period, as well as the ascent and collapse of the shura movement following the 1979 Revolution – a period discussed in detail by Asef Bayat. The third chapter starts with the heating up of intra-elite conflict in 1983, and looks at organization, labour politics and bottom-up resistance during the remainder of the Iraq War. Chapter 4 considers the rapidly shifting alliances, modes of governances and types of labour mobilization between 1989 and 2005 – the golden era for the Workers' House and the hegemonic reformist-labour alliance. Finally, Chapter 5 traces the failures, weaknesses and contradictions of labour politics in an environment of capitalist accumulation, semi-autocratic politics, and economic liberalization. Chronologically, this chapter covers the whole post-war period, but it focuses specifically on the first Ahmadinejad administration of 2005–09.

CHAPTER TWO: LABOUR AND THE STATE UNTIL '79

Labour and the State before 1963

Iran traces one of the oldest labour movements in the Middle East, going back to the early 1900s. Migration to the Caucasus, where social democratic philosophies circulated, provided the first direct experience of Iranian labour with modern political ideals. These movements of migration and ideas contributed to the outbreak of the Constitutional Revolution of 1906–09, which eventually led to an acknowledgement of the freedoms of assembly, association and speech in Iran's first constitution.[1] In Tehran, printers used these new rights to found the country's first trade union in 1906. In the following years, a variety of other small unions and protests were staged. The influence of social democratic ideals was reflected in labour's demands, which concentrated on the eight-hour work day and the right to strike.[2]

After World War I, the labour movement and unions in Iran developed quickly under the influence of the Communist Party of Iran, which was in close contact with the new Soviet Union and the Profintern – the international labour union body of the Third International.[3] Reza Shah, being crowned king of Persia in 1925, was quite successful in suppressing the political relevance of the CPI and its related labour unions, culminating in 1931 in a law outlawing communism.[4] However, the development of the country, especially in the railways and oil sector, fostered pockets of a new industrial work force, which increasingly demanded rights and improvements in working conditions. The southern province of Khuzestan was a focal point for labour unrest, as the British Anglo-Iranian Oil Company exploited existing tribal relations to expand the ranks of its cheap labour force. These tensions manifested themselves in the major

[1] Articles 20 and 21 of the section "Rights of the Persian Nation."
[2] Willem Floor, *Labour Unions, Law and Conditions in Iran: 1900–1941* (University of Durham: 1985): 1–5; Habib Ladjevardi, *Labour Unions and Autocracy in Iran* (Syracuse University Press, 1985).
[3] According to the head of the printers' union at the time, 8,000 out of Tehran's 30,000 workers were unionized by 1922. Fatemeh Hafezian, *Tashakkol-ha-ye kargari va karfarmayi dar Iran* (Tehran: Andisheh Bartar, 1380): 42.
[4] Ladjevardi, *Labour Unions and Autocracy*: 29.

Abadan Oil Refinery Strike of 1929, which involved thousands and contributed to "the formation of the early clusters of modern Iran's working class."[5]

Although state consolidation during the 1920s and 1930s severely inhibited the political activities of labour and the Left, industrial actions put pressure on the government to expand employment regulations and improve workers' conditions. The approval of a law in 1930 tht aimed to regulate workplace accidents for railway workers was the real first step in legalizing and bureaucratizing labour.

The abdication of Reza Shah in 1941 after a British and Soviet invasion liberalized the political climate in the country. The Tudeh, a largely intellectual, communist party on good terms with the USSR, became a particularly successful project that continued until the late 1940s.[6] Mostly under Tudeh tutelage, trade unions also saw the chance to grow.[7] In 1946, immediately after the end of the Second World War, heightened colonial tensions in the south came together with Tudeh campaigning to provoke one of the largest strikes in the Middle East to date, involving over a hundred thousand participants.[8] Only one year later the country's first comprehensive labour code was approved, containing 48 rather worker-friendly clauses.

The suppression of the Tudeh, which commenced soon after the end of the Second World War, curbed the power of labour unions. State control was aggravated by the 1953 CIA-orchestrated coup against the liberal Mossadegh government, which provided the ideal opportunity for the young Mohammadreza Shah to consolidate his rule. In 1957 all labour unions, "even the shadowy official ones," were banned.[9] Although the 1959 Labour Code

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[5] Touraj Atabaki, "From 'Ameleh to Kargar: Recruitment, Work Discipline and Making of the Persian/Iranian Oil Industry," *International Labour and Working-Class History*, 84 (2013): 159; see also Stephanie Cronin, "Popular Politics, the New State and the Birth of the Iranian Working Class: The 1929 Abadan Oil Refinery Strike*," Middle East Studies*, 46/5 (2010): 699–732; Kaveh Ehsani, "The Social History of Labour in the Iranian Oil Industry: The Built Environment and the Making of the Industrial Working Class, 1908–1941," *PhD Thesis at Leiden University* (2014).

[6] For a class and ethnic profile of the Tudeh Party, see Ervand Abrahamian. *Iran Between Two Revolutions* (Princeton: Princeton University Press, 1982): 326–418.

[7] The Isfahani union had some independence from the Tudeh until 1944. Habib Ladjevardi, *Labour Unions and Autocracy in Iran*.

[8] Rasmus Christian Elling, "War of Clubs: Struggle for Space in Abadan and the 1946 Oil Strike," in Nelida Fuccaro (ed), *Violence and the City in the Modern Middle East* (Stanford: Stanford University Press, 2016): 189–211.

[9] Fred Halliday, *Iran: Dictatorship and Development* (London: Penguin Books, 1979): 202.

enshrined US advice to establish collective bargaining-type unions as a corporatist solution to costly state control over society, actual government commitment to corporatist ideology had to wait until the mid–1960s. The incredibly short 1959 Labour Law, which remained in place until the 1979 Revolution, reversed previous pro-worker legislation, most notably by making firing and hiring regulations cheap and easy for business.[10] The code strictly forbade unions from engaging in politics and did not recognize the right to strike.[11]

Iran's authoritarian political structure democratized slightly between 1960 and 1962 in the wake of a domestic economic crisis, American pressure and USSR hostility, giving way to a more public expression of social dissatisfaction.[12] The number of reported strikes increased from three between 1955 and 1957 to twenty from 1957 to 1961.[13] Such labour action also independently sped up the pace of liberalization. So, after teachers went on a national strike in spring 1962, demanding higher pay, the Shah was pressured into appointing the pro-liberalization Ali Amini as Prime Minister.[14]

State Incorporation (1963–77)

While state incorporation of labour took its first fledgling steps between 1930 and 1960, the legalization and bureaucratization of the labour movement took on new dimensions between 1963 and 1977. This period can be further spit up, with 1963–75 marking the heyday of bureaucratic state incorporation, and 1975–77, partly in reaction to the contradictions arising from the former period, seeing the establishment of a single-party regime propagating populist rhetoric and staging mass mobilization.

[10] Ladjevardi, *Labour Unions and Autocracy*: 212.
[11] Bayat, *Workers and Revolution*: 59. Asef Bayat even claims the code "was one of the strategies of the post-coup state to exert control over all aspects of political and social life."
[12] Liberalization was largely instigated by USA-favourite Ali Amini, who was Prime Minister for one year between 1961 and 1962. Abrahamian, *Iran Between Two Revolutions*: 422–424.
[13] Ibid: 422.
[14] The protests, organized in front of parliament, ended with the head of the local police killing Abolhassan Khanali, a philosophy and Arabic teacher who would come to constitute, together with Ayatollah Motahhari, one of the main symbolic figures of the contemporary teachers' movement. See Haleh Safarzadeh, "Bazkhani do e'tesab-e mo'alleman dar daheh-ye 40 va 80 shamsi," *Meydaan*, Shahrivar 22, 1393, accessed February 21, 2017, http://medn.me/5jzix.

Period I, 1963–75. In 1962 the Shah decided to re-assert his power after a short period of political liberalization. In 1963, in order to revamp his collapsing legitimacy, the Shah declared a 'White Revolution of the Shah and the People,' which aimed to more radically re-structure the state's social base by spreading literacy, education and healthcare, 'emancipating' women, industrializing the country, imposing land reform and expanding social security.[15] In effect, the White Revolution constituted Iran's first real attempt at labour incorporation as the Shah proclaimed a popular alliance between himself, industrial workers, the landowning peasantry (*nasaqdar*), the national industrial bourgeoisie, and public employees. At least verbally, the Shah rejected the influence of the old aristocracy. He also dismissed the bazaar as a "non-modern" social institution.[16] In reality, Pahlavi incorporation strategy was accommodating to the nobility and wealthy merchants too, and both of these groups were encouraged to invest in the industrial sector.[17]

The state incorporated these social groups through the New Iran Party (NIP). Unlike previous parties, the NIP eschewed class-based ideology. Instead, Hassan Mansur, founder of the NIP, argued that "the doors of the party will be open to all classes."[18] The party presented 'reformist' and nationalist ideas as state ideology, becoming the first court party to dominate both government and parliament. The NIP mediated between the incorporated groups by bureaucratizing, centralizing, and exerting control over the various organizations representing these interest groups, including the employers' organizations, the bazaar guilds, rural cooperatives and trade unions.[19] As a result, sectoral representation in parliament improved

[15] Homa Katouzian, *The Political Economy of Modern Iran: Despotism and Pseudo-Modernism, 1926-1979* (London: The Macmillan Press, 1981): 213–216; Abrahamian, *Iran Between Two Revolutions*: 422–424.
[16] Arang Keshavarzian, *Bazaar and State in Iran: The Politics of the Tehran Marketplace* (Cambridge: Cambridge University Press, 2007).
[17] Of 17 Prime Ministers during Mohammadreza Pahlavi's reign, 15 came from the nobility. Two others were military men. Powerful aristocratic families turned industrialist included the Famanfarmaian and Firuz. Bazari families turned bourgeoisie included the Rezai, Khayami, Lajevardi and Barkhordar families. Bashiriyeh, *The State and Revolution in Iran*: 40–41. Also see: Ladjevardi, *Labour Unions and Autocracy*: 237; Katouzian, *The Political Economy of Modern Iran: Despotism and Pseudo-Modernism.*
[18] Quoted in Bashiriyeh, *The State and Revolution in Iran*: 49.
[19] For an exposition on the bazaar, see Keshavarzian, *Bazaar and State in Iran.*

markedly. The first NIP-dominated parliament of 1963 counted nine worker deputies, a figure increasing to 15 by the 1971 parliament.

On the back of oil revenues, American aid, and foreign investment, the state began to interfere more actively in the economy. The size and influence of the domestic bourgeoisie grew rapidly through an import-substitution industrialization program that included subsidies, tax exemptions, easy credit, monopoly concessions, trade restrictions and import tariffs. The number of non-military civil employees grew from 125,000 in 1955 to over 629,000 in 1976, bolstering an urban middle class.[20] Receiving an average of 30 percent of the annual budget, the ranks of the army also expanded from 120,000 in 1941 to 400,000 in 1977.[21] Private sector loans made by the main investment bank, the Industrial Credit Bank, increased from 20 million rial in 1961 to 20 billion rial in 1975.[22] Moreover, Iran's industrial backwardness, lacking far behind regional competitors Turkey and Egypt, increased profit rates in several industries.[23] The number of industrial enterprises went up from a thousand in 1957 to 6,200 in 1974, producing 75 of the industrial produce of that year.

Rapid economic growth and a deepening petro-state generated the capacity to incorporate various social groups through welfare expansion. The approval of the Civil Employment Law in mid–1966 extended pension and insurance benefits to teachers and other state employees. To a lesser extent, such benefits were also extended to industrial labour. The 1960 special insurance and 1963 profit-sharing laws, which would see up to 20 percent of an enterprise's profits redistributed to workers, established a system of rewards to a small group of employees.[24] Moreover, the Shah took inspiration from the International Labour Organization to extend pro-regime labour unions. Arguing that tripartism could at least reduce tensions on the work floor without necessitating costly government intervention, the government started to

[20] The 1955 figure is from Ladjavardi, *Labour Unions and Autocracy in Iran*: 198. The 1976 figure is calculated from Nomani and Behdad, *Class and Labour in Iran*: 158, by leaving out "working-class" employees and "military functionaries" from the state-employed workforce.
[21] Bashiriyeh, *The State and Revolution in Iran*: 32.
[22] Ibid: 39.
[23] Masoud Karshenas, *Oil, State and Industrialization in Iran* (Cambridge: Cambridge University Press, 1990): 167–168.
[24] Ibid.

implement 1959 Labour Code regulations allowing enterprise unions to be established as long as they are approved by the Ministry of Labour.[25] As Table 1 shows, the number of employer and labour unions grew strongly during this time, with the latter representing over three million workers by 1976. Castigated as 'yellow' (*zard*) by the Left, these corporatist unions played a role in "securing the political and ideological position of the regime."[26]

Table 2.1: Number of Unions in Iran (1969–77)

	1969–70 (1348**)**	**1974–75 (**1353**)**	**1977–78 (**1356**)**
Labour Unions	*270*	*612*	*1216**
Employers' Unions	*116*	*203*	*26*

Source: Ministry of Labour and Social Affairs
* This number probably signifies the absolute peak of registered unions in that year. Bayat (1987: 60) notes slightly fewer (1,023) registered unions in 1978.

Period II, 1975–77. While giving access to many, the fruits of NIP-led state incorporation were reaped by the few. The top of the industrial elite was composed of only 150 families, most of whom came from a *bazari* background. They possessed up to 67 percent of all industries and financial institutions. Of the 473 largest private enterprises, 370 were owned by only ten families.[27] The profit-sharing scheme benefited only 13.8 percent of the workers employed in an exclusive 2.4 percent of the total number of factories with more than ten employees.[28] Land reform produced unequal results too.

Following the 1973 oil boom, these growing tensions, inequalities and contradictions pushed the state elite to embrace a more populist approach. Striking workers were given loftier concessions than before, and in May 1974 the High Council of Labour increased minimum wages by over a hundred percent.[29] Yet, because perceived inequality was growing as the economy drowned in petro-dollars, these pay increases could not stop popular allegations that business elites were making their money through profiteering, rent-grabbing, and 'industrial feudalism' (*fe'odalism-e san'ati*).

[25] Articles 26 to 29 of the 1959 Code.
[26] Halliday, Iran, 203.
[27] Bashiriyeh, *The State and Revolution in Iran*: 40.
[28] Ibid: 43.
[29] Ibid: 88. Also see: Willem Floor, "The Brickworkers of Khatunabad: A Striking Record (1953–1979). *International Review of Social History*, 48/3 (2003): 427–455.

In 1975, the Shah personally intervened. He abolished the NIP and other existing parties, and established single-party rule under the Rastakhiz ('Resurgence') Party. Bashiriyeh has called the Rastakhiz Party a "short-lived fascist phenomenon" for it added to the state's customary bureaucratic drive attempts at mass mobilization of youth, peasants and workers.[30] In 1976 the party established the Organization of Iranian Workers (*sazman-e kargaran-e Iran*) as its official labour wing. This organization had its own biweekly publication (the *rastakhiz-e kargaran*), and sub-confederations of unions, such as the Workers' House (of which more in the next chapter), played a prominent role as organs of control and unity.

While the Rastakhiz exerted real pressure on business to extend previously unimplemented welfare legislation such as the profit-sharing scheme, mass mobilizations and populist rhetoric were largely 'symbolic,' (or better *liminal*, as we will see) with the Shah and the Rastakhiz denouncing "class exploitation" and proclaiming a "struggle against imperialism" and "independent nationalist policies." Under pressure from business and the United States, these populist tendencies were partially reversed in 1977, with the Shah admitting to less state intervention in the economy and more political liberalization, only to pave way soon after to the outbreak of the revolution.

The common thread running through these two periods of state incorporation was demobilization of labour through bureaucratization and through repression of Marxist groups and the Left, be it secular or Islamic. Yet, in the entire post-1953 coup d'état period, the Pahlavi state faced a legitimacy deficit, and this affected its strategy in achieving hegemony. More so than elsewhere in the Middle East, the incorporation project in Iran was enforced, often aggressively and violently, by one of the region's most extensive and well-funded intelligence agencies, the SAVAK, which directly ran the Organization of Iranian Workers and most sub-confederations. The SAVAK often had an office in larger factories, and was aided by a network of secret police agents working in the local security departments of a vast range of enterprises, both private and state-owned (called the *hefazat* or *entezamat*).[31] Combined with bribes, threat

[30] Ibid: 90.
[31] Bayat, *Workers and Revolution*: 60–62.

and manipulation where required, enterprise-level unions stood little chance of representing workers' interest. The Pahlavi state thus relied very much on hierarchical organization and coercive techniques to maintain hegemony.[32]

On the eve of the 1979 Revolution, a sectoral decomposition of Iranian society would show an almost even distribution of labour in agriculture, industry and services, each employing about a third of the total labour force. Society had changed drastically from 1962, when 55.1 percent of the workforce was still active in agriculture, 20.6 percent in industry and 23.8 percent in services.[33] Table 2.2 also shows one impression of the composition of social class before the Revolution, based on a comprehensive classification of 1976 census data.

Table 2.2: Class Decomposition of the Employed Workforce on the Eve of Revolution (1976)

	Number (1,000s)	**Total (%)**
Capitalists	182	2.1
Middle class	477	5.4
Petty bourgeoisie	2810	31.9
Unpaid family workers	1021	11.6
Working class	3536	40.2
Political functionaries	732	8.3
Total	*8758*	*100.0*

Source: Nomani and Behdad, 2006: 217–218.

The Revolution and the *showra* Movement (1978–82)

Although joining the revolutionary moment relatively late, labour participated in the downfall of the Shah. Initially mainly social, the demands of workers turned political towards the end of the summer of 1978, and after a new martial law was declared in October, the oil, railways and steel sectors were hit by major strikes.[34] The paralysation of the oil industry in particular affected state coffers and symbolized regime weakness.[35] Other major strikes were staged by journalists, bus drivers and communication workers in the autumn and winter of 1978.

[32] Ibid.
[33] Katouzian, *The Political Economy of Modern Iran*: 259
[34] Bayat, *Workers and Revolution*: 78–88.
[35] Industrial action never completely emptied state coffers, but they certainly added to the symbolic weakness of the regime. For an analysis of the oil workers, see Peyman Jafari, "Reasons to Revolt: Iranian Oil Workers in the 1970s," *International Labour and Working-Class History*, 84 (2013): 195–217.

Islamist forces were eager to get a grip over workers' actions, but the movement retained its independence at least until the victory of the revolution on February 11, 1979.[36] Towards the end of the revolution, when the Shah's regime had lost much of its control over the country, a variety of councils (*showras*) were set up in villages, towns and industries. Their main concerns were the distribution of foodstuffs, fuel and the like, but they also regularly engaged in running factories by establishing workers' control, and became centres of class conflict over the right to work, autonomy and the rejection of central authority.[37] Their structures differed significantly on a case by case basis, and tended to correspond to local exigencies.

These *showras* survived even as Ayatollah Khomeini ordered workers to return to work on 13 February 1979. Although weakening rapidly, they would constitute the core of labour resistance for the next two to three years. Asef Bayat distinguishes four periods in their development in the incipient Islamic Republic. From February until August 1979, *showras* lived in relatively peaceful co-existence with the new state. As capitalist relations were facing a severe legitimacy crisis, radical claims flourished, and *showras* developed some organizational capacity. Soon, outside pressure was upped as the preliminary government of Mehdi Bazargan did its best to re-assert control over land and labour. Left-wing and separatist movements in Kurdistan and Turkmen Sahra were the first to fall victim to central forces in spring 1979.[38] In the summer, the Islamic Republican Party, which was headed by clerics close to Khomeini, launched a first coordinated assault on the secular Left, banning their major publications.[39] After a short period of more consultative managerialism, the Bazargan government re-introduced the system of one-man management, appointing to the post mostly liberal professionals.[40]

Between mid–1979 and the summer of 1981, the workers' council movement faced gradual suppression. The rise of the IRP brought along a project of corporatist Islamicization of

[36] Bayat: 93–95; Peyman Jafari, "Living and Working in Times of War: Iranian Oil Workers in the 1980s," *11th Iranian Studies Conference*, August 4, 2016.
[37] Many of these councils had the purpose to protect workers from being sacked. See Bayat, *Workers and Revolution.*
[38] Maziar Behrooz, *Rebels with a Cause: The Failure of the Left in Iran* (London: I.B Tauris, 1999).
[39] Ibid.
[40] Bayat, *Workers and Revolution*: 101.

the labour movement. So-called Islamic associations (*anjoman-e eslami*) were encouraged to replace the independent *showras*. After the nationalization of banks in October 1979, of major private insurance companies in June 1981, and of heavy industry in July 1981, the government was also increasingly in a position to replace the liberal managers with its preferred Islamist allies. Moreover, the liberal President Bani Sadr, who had been under increasing pressure from the IRP-dominated state to resign, responded to his impeachment in June 1981 by backing the Mojahedin-e Khalq, a heavily armed and popular Islamist group, to attempt to liquidate the clerical leadership through assassinations, bombings and other terror attacks. Although its leadership was hit hard by the Mojahedin, the IRP consolidated its rule, in the process putting an end to the labour movement's remaining autonomy. The Mojahedin's factory base, which was small but powerful, was destroyed.[41] A year later, the IRP was in a position to crack down on the remainder of the various local oppositions, in the process rounding up the Tudeh Party and Majority Fadaiyan, which were the only two remaining and leftist opposition parties at the time.[42]

Table 2.3: The Formation Pattern of Organized Labour (1979–83)

	Workers' control (*showra-ye kontrol*)	**Syndicates or worker reps**	**General meeting**	***Total***
1979–80 (1358**)**	51	54	48	*153*
1980–81 (1359**)**	4	15	41	*60*
1981–82 (1360**)**	1	2	11	*14*
1982–83 (1361**)**	0	0	1	*1*

Source: Rah-e Kargar, Ordibehesht 1365.

The formation of new *showras* was successfully prevented by 1982, as Table 2.3 shows. The government even temporarily halted the expansion of Islamic work councils and associations, which required a 'general meeting' (*majme'-ye omumi*) as a first step in their establishment, reflecting its weariness of any active labour movement, Islamist or otherwise.[43] Iraq's invasion

[41] Ervand Abrahamian, *Radical Islam: The Iranian Mojahedin* (London: I.B Tauris Publishers, 1989): 225. Around 500 Mojahedin workers were killed ('martyred') between 1981 and 1985, constituting around 6–7 percent of total Mojahedin deaths in this period.
[42] While other left-wing groups had cut ties with the Islamic Republican Army, the Tudeh and Fadaiyan Majority did their best to work within the new political structure.
[43] Bayat, *Workers and Revolution*: 100–111.

of Iran in September 1980 and the start of an eight-year war was another important factor that made labour resistance increasingly unacceptable, both for state and nation.

The collapse of the labour movement was reflected in the number of protests. In the first year after the victory of the revolution, 366 workers' protests were reported. This fell to a bare 17 protests in 1982–83. Moreover, in response, to the terror attacks unleashed by the Mojahedin-e Khalq, the IRP gave the so-called *hezbollahis* or 'club-wielders' (*chomaqdar*) organized loosely by the cleric Hadi Ghaffari, free reign to enter factories and beat up protesting workers.[44] Table 2.4 shows how the number of violent scuffles accelerated rapidly after 1980.

Table 2.4: Labour Protests and State Violence (1979–83)

	Total protests	**Strikes**		**Attacks by state forces**	
	No.	*No.*	*% Total*	*No.*	*% Total*
1979–80 (1358**)**	366	129	*35.2*	60	*16.4*
1980–81 (1359**)**	180	75	*41.7*	40	*22.2*
1981–82 (1360**)**	83	35	*42.2*	25	*30.1*
1982–83 (1361**)**	17	5	*29.4*	6	*35.3*

Source: Rah-e Kargar, Ordibehesht 1365.

To conclude this brief discussion, the relatively old age of the labour movement, emerging in the early 20th century, contrasts with the relatively late incorporation of labour from the 1960s onward. The labour movement emerges with Iran's early revolutionary experience on the one hand and as a product of foreign oil exploitation on the other. Reza Shah's national industrialization project, focused on railway expansion, remained largely unsuccessful in kick-starting development. In contrast, state incorporation of labour gathered pace with the onset of the 'White Revolution,' which aimed at simultaneously securing rapid industrial development and state legitimacy.

Clashing with the Left and labour's repertoires of resistance, the state employed highly coercive and organized strategies to secure incorporation and fit workers into a bureaucratic and de-mobilized straightjacket, even if it occasionally trumpeted populist rhetoric and mass mobilization. The costs of this strategy proved to be high. In 1979, Pahlavi unions, which

[44] Hadi Ghaffari's father, a respected Tehrani cleric, had been murdered by the SAVAK in prison, driving Ghaffari to embrace violence as a political strategy. His *hezbollahis* harassed women, students and workers from early on in the revolution. Over the next years they were gradually institutionalized and bureaucratized into so-called *komitehs*. Baktiari, *Parliamentary Politics in Revolutionary Iran*: 106–7.

ostensible controlled over a thousand large enterprises, unravelled with lightning speed, and gave way to a workers' movement that did not only express radically democratic demands but was also focused on local autonomy. Thus, in a way, the *showra* movement was a child of the Pahlavi project of state incorporation. Its weaknesses should be sought partly in the movement's fixation on factory control and failure to establish inter-local alliances. For an important part, the quest for local autonomy was linked to the absence of strong left-wing organizations, which had faced severe suppression by the Pahlavi state for decades. These weaknesses planted the seeds for the gradual suppression of the movement.

Simultaneously, workers' direct victories in the revolutionary upheavals should not be left unmentioned, and they included a host of significant local and national concessions. Moreover, the 1979 Constitution of the Islamic Republic spends an entire chapter on councils, including workers' councils (article 124), while article 7 enshrines the principle of the *showra*.

CHAPTER THREE: STRUGGLING ON ALL FRONTS

The Workers' House was established in 1967 in Tehran as a confederation of several unions. The organization's leaders had political ambitions, and soon entered an alliance with the ruling New Iran Party. A year after its founding, the Workers' House was already the party's official labour-wing. Following the dissolution of the NIP and the imposition of single-party rule in 1975, the Workers' House continued its activities under the Rastakhiz Party. Supported by the Pahlavi regime to control labour, the Workers' House went on to become one of the most endowed trade union confederations in the country, possessing substantial real estate in the country's major industrial cities.[1]

Yet, four years after the 1979 Revolution, the Workers' House, which had been such a key organization in mediating and controlling state-society relations in the peak years of Pahlavi state incorporation, had almost fallen into full obsolescence. The organization had lost most if not all control over enterprise unions so forcefully established by the monarchical regime. Even if Islamist forces had captured the institution's physical spaces early on in the revolution, the Workers' House headquarters quite literally remained not much more than a medium-size brick building in central Tehran until at least 1983–84, when the WH came in control of the Labour Ministry and started publishing its own journal Kar va Kargar ('Work and Worker').

So how did a space emerge in the mid-1980s in which the Workers' House was able to assert itself as a political organization proclaiming to represent the interest of workers? In other words, how did a certain institutionalized labour politics re-emerge after it was so effectively dismantled by workers themselves during the 1979 Revolution? And why was the new state elite interested in such politics anyway after the suppression of the Left and the *showra* movement? At the time of the revolution, the Islamic Republican Party appeared only half-heartedly interested in labour.

[1] This info is available on various WH sites. See for example http://bit.ly/2qYuiIT, accessed May 11, 2017.

In this chapter I argue that intra-elite disagreement over whether and how to co-opt labour in the post-revolutionary state determined the speed and the ability of the Workers' House to enter the political arena. On the one hand, there emerged a consensus among political elites, officials and managers to curtail the autonomy of labour, Islamist or otherwise, leading to legalization, bureaucratization and institutionalization of the movement. On the other hand, it was contested how control should be exercised, with one segment of the elite – the mercantilists – proposing to empower firm managers, and another faction – the statists – calling for state centralization. With the latter's coming to power from 1983 onward, we witness a form of weak party incorporation that combined attempts to mobilize labour for partisan programs while at the same time doing its best to demobilize and exert top-down state control. In this context, the Workers' House was, as a partisan organization, invited to aid government organizations in pursuing these contradictory strategies of control. In the absence of party hegemony, both the state and the Workers' House faced a flood of resistances and contestations by workers acutely aware of their rights in a situation of revolutionary emancipation and heavy war sacrifice. In the last part, I discuss how this resistance eventually translated into an extension of welfare arrangements to labour, marking the beginning of a more comprehensive form of party incorporation and integration.

Renewed Intra-Elite Conflict

Elite consolidation of the Islamic Republican Party after the removal of Bani Sadr in mid-1981 was only a temporary phenomenon. Soon after, splits emerged between what has varyingly been called the Left-Faction (*jenah-e chap*), the *maktabis*, the radicals (*tondrow-ha*), or the Imam's Line (*khatt-e emam*) on the one hand, and more conservative elements, who preferred not to self-identify with any label, on the other. The radicals, however, were keen on identifying their rivals as the *hojjatieh*.

In order to avoid to confusion in the labyrinth of labels and factional manoeuvrings, it is useful to follow Evaleila Pesaran framework for elite politics at the time. Pesaran frames

political conflict during the war as one between 'statists' and 'mercantilists.'[2] The disagreement between the two factions centred on the role and size of the state, with statists eager to increase the role of the state in everything from religion, exporting the revolution, industrial production, land reform, foreign trade and welfare provision. In contrast, generally older and with a strong support base in the bazaar, mercantilists held tight to their belief in the corruptive tendencies of the state. Mercantilists proposed a small state in which religion emanates from an independent clergy and the redistribution of wealth flows from a moral economy, especially charity, in which state interference in wealth creation and trade is discouraged. Unsurprisingly, the statists could mobilize more extensive popular support than the mercantilists. A product of inequality, underdevelopment and a strong belief in social injustice, the revolution had severely de-legitimized existing capitalist relations. The war had further heightened anti-Western emotions. In this context, state re-distribution, price-controls and nationalization were attractive proposals for many.

By 1983 the Islamic Republic's intra-elite tensions had become increasingly apparent. The mercantilists had asserted firm control over some of Iran's newly-established non-democratic institutions. The Guardian Council, which is tasked with assessing the compatibility of parliament-approved laws with Islam, became a focal point of uncompromising mercantilist power, halting radical statist projects such as land reform or the nationalization of foreign trade.[3] Simultaneously, institutions with a more democratic undertone, such as the incumbent administration and to a lesser extent parliament, were dominated by statists. The statist ayatollah Musavi Ardebili also led the judiciary.

These tensions unfolded rapidly in August 1983, when Khomeini, under statist pressure, publicly condemned the *hojjatieh*, calling them a 'deviation' from proper Islam (*eghteshash*). According to Bahman Baktiari, the *hojjatieh* were the only political group with a strong

[2] Evaleila Pesaran, *Iran's Struggle for Economic Independence: Reform and Counter-Reform in the Post-Revolutionary Era* (London and New York: Routledge, 2011). Farsi equivalents of these terms are *dowlat salaran* (statists) and *bazar salaran* (mercantilists).
[3] See Chibli Mallat, *The Renewal of Islamic Law: Muhammad Baqer as-Sadr, Najaf and the Shi'i International* (Cambridge: Cambridge University Press, 1993); Shaul Bakhash, "The Politics of Land, Law, and Social Justice in Iran," *Middle East Journal*, 43/2 (1989): 186–201.

nationwide organization.[4] They were arch-conservative in so far as they opposed clerical interference on the grounds that it would negatively affect not only clerics themselves, but Islam in general.[5] Khomeini's dismissal of this group, without naming any member in particular, led to two weeks of frantic pressure on the conservatives, eventually resulting in the resignation of the two ministers in the statist cabinet widely believed to have links to the *hojjatieh*: Habibollah Asgharowladi, the Minister of Commerce, and Ahmad Tavakkoli, the Labour Minister.

One of reasons behind mounting statist dissatisfaction with the conservatives in government was the Labour Minister's unfinished work on a new labour law, the highly unpopular draft of which was published in December 1982 in one of the main newspapers.[6] The document derided government intervention in employment relations on the basis of Islamic theological injunctions, removing most of the 1959 Labour Code protections. In effect, it reverted back to the 1937 Civil Law. The draft legalized child labour and regarded the employment contract as a form of rent.[7] The statist-dominated government, led by Mir Hosseyn Musavi, feared that this labour code draft would imperil chances of re-election, and opposed it on the grounds that it removed the protections for which workers had fought.

The Workers' House's Political Divisions and Support Networks

The removal of Tavakkoli provided the ideal opportunity for the Workers' House to make its first entrance on the Islamic Republic's political scene, as its 37-year-old leader, Abolghasem Sarhadizadeh, was appointed replacement Labour Minister. However, the Workers' House had not yet transformed itself into a coherent organization, let alone party. While the leadership had several things in common, there were also prominent internal divisions.

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[4] *Parliamentary Politics in Revolutionary Iran*: 81–82.

[5] They were also heavily anti-Baha'i. Abbas Vali and Sami Zubaida, "Factionalism and Political Discourse in the Islamic Republic of Iran: The Case of the Hujjatiyeh Society," *Economy and Society*, 14/2 (1985): 139–173; Mahmud Sadri, "Hojjatiya," *Encyclopaedia Iranica,* XII/4 (2004): 426–428, accessed March 11, 2017, http://www.iranicaonline.org/articles/hojjatiya.

[6] *Keyhan*, Azar 30, 1361: front page.

[7] Ezatollah Araghi, *Hoquq-e kar* Volume I (Tehran: Nashr-e Samt, 1393). In effect, the *hojjatieh* became the first ever libertarian Islamist group to have controlled key political institutions in modern capitalism. Interestingly, the group reached more extreme positions than most Chicago School hawks of the time, but coming at it from an entirely different, rather nativist tradition.

The WH's senior board shared a variety of social and political experiences. The leadership consisted of relatively well-educated and young Islamists, coming from recently urbanized, traditional middle-class and petty bourgeois families.[8] They had congregated in violent opposition to a plurality of Islamist and secular left-wing groups, putting them at odds with the 'left-wing' of the statists in government, whose spokesperson was Behzad Nabavi, the Minister of Heavy Industries. Alireza Mahjub, a young Tehrani who had quickly worked himself up to the Central Council of the Workers' House, expressed the organization's position thus: "under no circumstance are we against the private sector." […] "What we oppose is monopoly (*enhesar*), because we believe that monopolies cause discrimination and the destruction (*nabudi*) of many of the country's active and creative workforce."[9] This conciliatory position toward private capital, frequently expressed by Workers' House officials, indicated their fierce defence of this constitutional clause in opposition to more radical statists.[10]

Simultaneously, political and ideological divisions could also be discerned. A segment of the Workers' House was drawn closer to the statists, while another was firmly on the mercantilist side. Both of these factions used the organization's Kar va Kargar newspaper to express their opinions, indicating public support for what were often conflicting policy stances. On the one hand, Abolghasem Sarhadizadeh headed the statists in the Workers' House. Under his leadership the Workers' House expressed support for Prime Minister Mir-Hosseyn Musavi and his cabinet. Similar to the wider statist camp, the Sarhadizadeh group in the Workers' House was bent on attacking the West and believed that capitalists with ties to the former regime "whose capital will never be productive" should not return to Iran.[11] On the other hand, Hosseyn Kamali, a younger WH member who was elected MP for Tehran with almost 400,000 votes in 1980, enjoyed close ties with Akbar Hashemi Rafsanjani, who increasingly headed the

[8] This can be understood from the autobiographies of Alireza Mahjub, Hosseyn Kamali, Ali Rabi'i, and even Sarhadizadeh, found online.
[9] *Kar va Kargar,* Esfand 11, 1363: 1
[10] Article 44 of the new constitution stressed that the Iranian economy would be neither capitalist nor communist and would consist of the state, cooperative and private sector. Pesaran, *Struggle for Economic Independence:* 42–45.
[11] *Kar va Kargar,* Shahrivar 30, 1364: 8.

mercantilist faction from 1983 onward. Regarding parliamentary issues, Kamali steered the Workers' House toward Rafsanjani. The close relationship with Rafsanjani heated up in particular after the latter took a critical stance of Tavakkoli's labour law draft in 1982.[12] Publicly, Rafsanjani started to convene with WH members and to write articles for their newspaper.[13] When there were rumours that Rafsanjani might run for president in 1985, the Workers' House leadership expressed its support.[14]

In short, the Workers' House was split internally, supporting the statists in government and the mercantilists in parliament, leading to dual commitments and weak or conflicting policy stances. Yet, their dual base of power in cabinet and parliament was also critical in their drive for expansion and autonomy. Most notably, parliamentary support, brokered by Hosseyn Kamali, assured that Sarhadizadeh received a resounding vote of confidence in 1985, guaranteeing Workers' House control over the Labour Ministry until 1989.

Institutionalizing Labour Politics: The First Steps

Under pressure from managers and business elites, one of the first priorities of the new state was to circumscribe the responsibilities of the local Islamic associations. The IAs had been established in the early 1980s with the help of local Islamist and *hezbollahi* groups to counter the independent *showras* and to keep an eye on managers. With both the *showras* and oppositional managers removed, elites started to become increasingly disturbed by reports of IAs taking on responsibilities trespassing customary managerial or official jurisdictions.[15]

The August 29, 1982 law on political groupings and parties was the first to lay down guidelines on the IA, defining it as "an organization consisting of local volunteers which aims to learn and teach Islam, enjoining good and forbidding evil (*amr be ma'ruf va nahi az monkar*),

[12] Akbar Hashemi Rafsanjani, *Khaterat,* Shahrivar 3, 1361, accessed March 20, 2017, http://bit.ly/2sqzmqa.
[13] See for example Rafsanjani, *Khaterat,* Bahman 8, 1363, accessed March 20, 2017, http://bit.ly/2sQvFr9, as well as Rafsanjani, "Edalat-e ejtema'i-ye eslam," *Kar va Kargar*, Dey 6, 1363.
[14] Rafsanjani, *Khaterat,* Bahman, 3, 1383, http://bit.ly/2rj8dko
[15] Similar trends are also seen in the local village councils, the literacy movement, and the agricultural development units. Eric Hooglund, "Thirty Years of Islamic Revolution in Rural Iran," *Middle East Report,* 250 (2009): 34–39

and propagate and spread the Islamic Revolution."[16] In subsequent years, there were further legal efforts to eliminate the syndicalist and political responsibilities of IAs fully, turning them into purely 'cultural' organizations focused on studying Islam, establishing libraries and taking a role in reducing illiteracy.[17]

On January 20, 1985, this process culminated in a comprehensive law that fully transferred the former syndicalist responsibilities of the IAs to so-called Islamic Work Councils (*showra-ye eslami-ye kar*, IWCs), which were to become the building concept for labour organizing at the enterprise-level.[18] The law expressly forbade IWCs from engaging in 'political affairs' and allowed only one IWC per enterprise, restricting union responsibilities to shop-floor bargaining. The raison d'être of IWCs was defined as increasing economic productivity and factory output, rather than securing the interests of workers. In addition, managers could delegate one of their own representatives to sit on the union's board, tilting the power balance away from labour.[19] Beyond its corporatist nature however, the law was also relatively universal, requiring the Ministry of Labour to establish an IWC in all economic units (both industrial and otherwise) with 35 employees or more.[20] A broad legal and corporatist framework for labour bargaining in the Islamic Republic was thus assembled by 1985, combining a commitment to relative inclusiveness with strict limitations on labour autonomy.

It is important to emphasize that the 1985 Union Law did not once mention the Workers' House. Labour bargaining was restricted to the enterprise-level and there was no word about confederations. As a result, the Workers' House was pushed in a quasi-legal sphere where it found itself dependent on external extra-legal support to avoid governmental scrutiny and

[16] "Qanun-e fa'aliyat-e ahzab, jami'at-ha anjoman-ha-ye siyasi va senfi va anjoman-ha-ye eslami ya aqliyat-ha-ye dini-ye shenakhteh shodeh," Shahrivar 7, 1360, accessed May 14, 2017, http://bit.ly/2sb8TMR.
[17] See article 2 of the Executive Order on the Activities on Islamic Associations, Shahrivar 18, 1363, accessed June 2, 2017, http://bit.ly/2saTE6L. There should be no doubt that these Islamic associations contributed positively to the reduction in illiteracy rates.
[18] "Qanun-e tashkil-e showra-ha-ye eslami-ye kar," Dey 30, 1363, accessed 2 July, 2017, http://bit.ly/2t8Osh2
[19] Article 1 of the 1985 Union Law.
[20] Article 15. Data on the number of such units could not be retrieved for this time period. For a taste, in the year 2001–2, 5071 units had over 35 employees. See Mohammad Maljoo, "Bon bast-e qanuni-ye tashakkolyabi-ye kargaran," *Naqd-e Eqtesad-e Siasi*, January 12, 2013.

continue its operations. It was in this context that the Labour Ministry, led by a WH member, informally invited the Workers' House to influence union formation, all the while guaranteeing the organization's legal immunity and defending it against potential attacks.

The expansion of enterprise unions, pushed for by the LM and the WH, faced a variety of obstacles. These came from two directions: elites and labour. In the case of the former, opposition invariably came from state and commercial actors that advocated or were benefiting from a context in which organized labour had unravelled. A variety of elites were opposed to the re-incorporation of labour, and hoped to retain a more *laissez-faire* capitalist environment. In the state, these actors largely congregated around mercantilist networks, while the business elite's opposition to a re-incorporation of labour was much broader. These business elites, consisting of both private sector entrepreneurs in light industries and in contracting as well as managers of state-owned enterprises, lobbied the government to slow down union formation.

The power of managers in state-owned enterprises was enshrined in the 1985 Union Law, which made the establishment of IWCs in large nationalized industries, including in steel, oil and copper, reliant on approval by the Supreme Labour Council (*showra-ye ali-ye kar*), the highest tripartite organization comprising representatives from government, employer organizations and labour unions (the IWCs). A coalition of state officials and managers used the law, in place until 1998, to effectively prevent unionization in these large industries.[21] Further evidence that the state was careful not to give too many concessions to labour at the expense of overlapping business and state interests was the failure to recognize the right to strike, as well as the potential to screen IWC members on their ties to 'illegal groups or parties.' During the 1980s, when fears of leftist or foreign infiltration ran high, government representatives in the powerful vetting committees (*hey'at-e tashkhis-e salahiyat*) were obstinate and un-cooperative. Requests to establish unions were often delayed for months and longer. Managers too participated in vetting workers' candidates, and tended to do so on the basis of workers' militancy and insubordination.

[21] Maljoo, "Bon bast-e qanuni-ye tashakkolyabi-ye kargaran."

Sources of Labour Resistance

Aside from business and state elites, labour incorporation, pushed for by the Labour Ministry and the Workers' House, faced one other major obstacle: workers themselves. It would be wrong to assume that the suppression of the *showras* and the partial institutionalization of the grassroots Islamist associations that had sprung up in the wake of the revolution meant the death of civil society and labour resistance. Instead, during the 1980s, incorporation efforts need to be seen in light of several major events and ongoing episodes. In particular, war mobilization, industrial collapse and the collective experiences of revolution, poverty and redundancy structured labour resistance in this period, severely inhibiting WH and LM efforts to exercise control. While some scholars have dismissed the importance of these struggles in processes of demand-making, I will argue that they are critical if we want to understand unionization and labour incorporation, and thus processes of redistribution, democratization and the development of class politics.[22]

Sources of Resistance I: The War

The Iran-Iraq War (1980–88), which became the longest conventional war since World War II, spurred a wave of resistance from below as it dragged on. Iraq was supported by the Persian Gulf states, and more conditionally by the United States and Europe too. Iran relied on a labour-intensive strategy of war mobilization, with the *basij* functioning as a crucial appendage to the army and the Revolutionary Guards. By setting up local committees at the village, school, enterprise (*basij-e kargari*) and town level, the *basij* recruited volunteers to the front. Yet, while powered initially by nationalism and emergent religious fervour, the high human toll of the war eventually generated increasing war weariness. The total number of war deaths on the Iranian

[22] See for example: Saeed Rahnema, "Work Councils in Iran: The Illusion of Worker Control," *Economic and Industrial Democracy*, 13 (1992): 69–94; Valentine Moghadam, "Making History, but not of their own Choosing: Workers and the Labour Movement in Iran," in Ellis Jay Goldberg (ed), *The Social History of Labour in the Middle East* (Oxford: Westview Press, 1996): 65–98.

side has been estimated at 750,000.[23] After 1984 the number of volunteers started to drop, and in mid–1985 large anti-war demonstration were reported in several cities.[24]

Within firms, the war heightened tensions between employees and managers. For one, management tended to legitimize their own authoritarian behaviour on the work floor by reference to the ongoing war. This sentiment was expressed well by a senior manager at SAIPA, a large car manufacturer, who, when noticing that the majority of workers had failed to show up to a particular ceremony, declared that "any form of opposition or disorder [in the factory] will face the same consequences as at the front."[25] Moreover, in alliance with (and under pressure of) the state and the *basij-e kargari*, firm managements encouraged workers to donate one day's worth of wages to the front every month.[26] This often occurred under threat, as did the *basij-e kargari*'s recruiting of workers. In the Iranian year 1983–84, Tehran's factories reportedly despatched between 25 and 35 people to the front every month, not taking into account those leaving on their own initiative.[27]

As the war continued unabated, many formerly zealous *khatt-e emami* workers withdrew their support for management, making the latter directly responsible for piling up pressure on workers. So even despite growing war weariness, financial extraction increased. In 1983–84, Tehran factories sent a total of 11 million rial to the front. By spring 1988 this had increased to 80 million for Shahr-e Rey only, which is but one of Tehran's municipalities.[28] As workers in many factories were already doing full hours, lots had to be drawn that saw the 'lucky' winners forcibly sent to the front.[29]

Table 3.2 demonstrates what sorts of resistances such coercive mobilization, of resources, time and humans, generated on the work floor. Non-participation, avoidance and

[23] The Correlates of War Project, accessed June 6, 2017, http://bit.ly/2t8WUN4.
[24] Efraim Karsh, *The Iran-Iraq War: 1980–1988* (Oxford: Osprey Publishing, 2002): 74.
[25] *Rah-e Kargar*, Dey 1363: 19
[26] Ibid.
[27] *Kar va Kargar*, Azar 29, 1963: 4.
[28] Ibid; *Kar va Kargar*, Ordibehesht 31, 1367.
[29] *Rah-e Kargar*, Shahrivar 1365: 23.

boycotting were common responses. At least one in four cases resulted in more collective forms of protests, such as demonstrations, gatherings or strikes.

Table 3.2: Reported Workers' Contestations to Forced War Participation (1988)

N=66	**Boycott**	**Coll. Protest**	**Strikes**	**Others**	***Total***
Forced war conscription	71%	20%	6%	3%	*100%*
Forced financial aid and overtime	50%	31%	6%	13%	*100%*
Forced ceremonies; petitions; military training	40%	20%	0%	40%	*100%*

Source: Rah-e Kargar, Ordibehesht 1368.

Sources of Resistance II: Economic Crisis and Involution

The war was one critical source of resistance, in particular as it turned workers' sacrifices into claims for an extension of (often political) rights vis-à-vis employer and state. However, the war was not the only determining factor in labour protests. Behdad and Nomani have shown how in the context of revolution and war, capitalist relations in Iran changed drastically. They propose that class relations underwent an 'involution.' During the 1980s capital accumulation retreated, and processes of peasantization and de-proletarianization set in. These developments were the inverse of trends witnessed before the revolution, namely industrialization, proletarianization, and a declining agricultural work force.[30] Class involution meant a shedding of 153,000 industrial jobs between 1977 and 1987. In the same period, the share of the work force employed in industry fell from 34.2 to 25.5 percent.[31] Outsourcing also became the focus of the private sector, as major and heavy industries were owned by the state. According to one estimate, by 1987, nearly one in two Iranians was unemployed.[32]

Industrial labour thus had to cope with issues of redundancy and outsourcing. Not incidentally, these were also the two areas that were of historical importance to workers' struggles in Iran, which as a semi-peripheral country had never experienced the kinds of job security enjoyed by industrial labour in the West. This was reflected already in article 33 of the 1959 Labour Code which made firing easy for employers. Until the approval of a new Labour Code in 1991, this article in particular was much hated by the Left, the Workers' House, and

[30] Behdad and Nomani, *Class and Labour in Iran*: 103–109.
[31] Statistical Centre of Iran Censuses.
[32] Karsh, *The Iran–Iraq War*: 75.

workers generally. Moreover, one of the key areas of struggle of the *showra* movement was the right to sack, and to return this right from employers to workers. The latter would allow them not only to sack managers with ties to the old regime, but also to defend themselves against forms of shop-floor authoritarianism at large.[33] Finally, the struggle against redundancy was exacerbated by the war as managers took the chance to fire and replace workers who had voluntarily joined the front. That this was a common phenomenon became clear in an 1985 meeting of employers of eastern Iran, who, under government pressure, collective pleaded to reduce the practice.[34]

Resistance also built up against the Islamic Republic's minimum wage policies. In the wake of the revolution, upping the minimum wage became one of the central populist policies that aimed to rapidly extinguish poverty and create a more egalitarian society. In 1980–81, the minimum wage rose by an extraordinary 170 percent, from 6,300 to 17,010 rial. However, the suppression of the labour movement in combination with a collapse of the formal sector led to a sharp policy U-turn: the minimum wage was held constant between 1980–81 and 1984–85, and again over the next two years, even despite inflation in this period averaging around 19 percent.[35] The fall in real minimum wages so soon after the revolution generated calls for price regulation and de-commodification.

The Development of Labour Unrest

It was in this context – war mobilization, industrial collapse, revolutionary emancipation, and the collective experience of opposing poverty and redundancy – that labour protests became structured. By May 1985, the sharpened sense of class conflict and inequality was even expressed by the country's highest authority, Ayatollah Khomeini, who declared: "count how many rich people have gone to the fronts. How many of them have been martyred? […] All our martyrs come from the deprived masses and not from the bazaar."[36]

[33] Bayat, *Workers and Revolution*: 120–121.
[34] *Kar va Kargar,* Bahman 18, 1363: 8.
[35] Inflation rate for the period 1358–1367 (1980–81 to 1988–89). Figures from Central Bank of Iran.
[36] Quoted in Baktiari, *Parliamentary Politics in Revolutionary Iran*: 121.

Despite ongoing repression, workers across the country re-covered the morale to unionize. I showed how in the immediate post-1981 period, when the fall of Bani Sadr enabled the Islamic Republican Party to crack down on any opposition, labour organizing outside the official framework was virtually dismantled (see Table 2.3 up). However, in the years 1984–86, for which data is available, several dozen new independent and left-wing syndicates, general meetings and workers' reps saw the light. Independent labour organizing experienced a re-birth, albeit on a micro-scale (Table 3.3).

Table 3.3: The Formation Pattern of Organized Labour (1983–86)

	Workers' control (*Showra-ye kontrol*)	**Syndicate or Workers' Reps**	**General Meeting**	***Total***
1983–84 (1362**)**	3	1	1	*5*
1984–85 (1363**)**	0	13	23	*36*
1985–86 (1364**)**	0	11	17	*28*

Source: Rah-e Kargar, Ordibehesht 1365.

Secondly, as Table 3.4 shows, the total number of workers' protests increased rapidly in the post–1983 period, reaching a peak of 347 reported actions in the Iranian year 1986–87. This figure is almost as high as the first Iranian year after the revolution, 1979–80. Major protests were closely related to the shedding of human life, the steady increase in war weariness and solidarity against redundancy. The single largest labour action to occur in the war period is a case in point. Up to 27,000 construction workers and drivers at the Isfahan Steel Company staged a two-day strike in November of that year against outsourcing and redundancy, only a few months after 1985 anti-war protests hit major Iranian cities.[37]

After the Isfahan Steel strike, Rafsanjani instructed government organizations "not to deal lightly with disruption at work." The popular Etela'at newspaper argued that those promoting "anarchy" (*harj o marj*) must be dealt with. Indeed, some strikes faced violent suppression. The late 1985 strikes in Sassan, a major soft-drink manufacturer, over forced pay deductions for the war, caused the Revolutionary Guards to intervene, shooting dead eleven workers, and arresting 45. Yet, at the same time, the available data suggests that on average protest violence decreased, indicating that work-floor protests became to some degree a more

[37] *Rah-e Kargar*, Dey 1363: 14.

institutionalized type of collective action, not requiring of immediate state repression. In a Weberian sense, violence became part of the state's rational-legal apparatus, used in a more targeted, less indiscriminate way. Among others, independent *hezbollahi* groups were increasingly discouraged from unilaterally attacking protesting workers, and local police forces took over their job. The data also indicates that within this dynamic, strikes as a proportion of total protests declined, especially from 1985 onward.

Table 3.4: Workers' Protests and State Violence (1983–89)

Year	Total protests	Strikes		Attacks by state forces	
	No.	*No.*	*% Total*	*No.*	*% Total*
1983–84 (1362**)**	73	30	*41.1*	14	*19.2*
1984–85 (1363**)**	212	93	*43.9*	39	*18.4*
1985–86 (1364**)**	234	73	*31.2*	22	*9.4*
1986–87 (1365**)**	347	52	*15.0*	-	-
1987–88 (1366**)**	218	24	*11.0*	-	-
1988–89 (1367**)**	257	48	*18.7*	-	-

Source: Rah-e Kargar, Ordibehesht 1368.

Eventually, the number of labour protests with political and war-related demands exploded. By 1987 around 30 percent of all labour protests had become political. One year later, in early 1988, it stood at 64 percent –a figure unseen since the early post-revolutionary days.[38] Immediately after the war finished, in August 1988, labour unrest burst out in the southern provinces, which had to endure not only the extreme heat of local climate, but also of enemy attacks, and of severe military control. In autumn 1988 up to 3,000 Ahvaz sugar industry workers staged a strike, demanding that their IA be dissolved, the IWC elections re-held, and the Revolutionary Guard leave the factory premises. Simultaneously, Abadan oil workers entered a two-month strike that eventually forced Khomeini himself to interfere and admit to concessions.

WH Forms of Governance I: Workers

How did the Labour Ministry and the Workers' House pursue labour incorporation in this restricted context, facing severe opposition from both business and state elites, as well as workers? The two organizations pursued various strategies to influence unionization, and control

[38] *Rah-e Kargar*, Ordibehesht 1368: 10–14.

labour at large. Similar to the period of Pahlavi incorporation, the means tended to be coercive and hierarchical. Workers' House and Labour Ministry officials worked closely together to try to steer enterprise unions from the top-down. The Workers' House relied on a core group of loyal, Islamist workers, and their geographical focus was on Tehran province.

Key platforms for intervention and control were union elections and the vetting committees. These committees usually consisted of a Labour Minister official, one or several workers, and a local state official. That the Labour Ministry and the Workers' House were outspoken advocates of such committees was emphasized in late 1984, when Sarhadizadeh bluntly proclaimed that the committees should guarantee the election of *hezbollahis* to the unions in order to protect the "political share of workers in the revolution."[39]

Because there was no legal framework that sanctioned WH control over unions, control was not formulated as a direct plan, but depended on the specific situation at hand, using threat and manipulation whenever necessary. For example, in the 1985 IWC elections of Arj Factory, one of Iran's oldest household appliance manufacturers, WH officials first asked whether the majority would agree to elect an IA member to become the leader of the union. Only when this was democratically rejected, as the IA lacked legitimacy in this firm, did pressure increase. The official then re-proposed, but now only mentioned the employee's name, not his affiliation to the IA. When workers demanded that the man come on stage and realized they were being tricked, a majority rejected him again. The Workers' House official then exclaimed that a majority had actually voted in favour, generating an outcry among workers who would not be so easily fooled. In the ensuing tumult, the official tried his last chance: he slyly inverted the situation, asking who *disagrees* with this IA member becoming the new IWC leader. Realizing that raising their hands could put their job in danger, a few walked out while others abstained. The IA member was elected.

The lack of a plan for controlling unions and promoting WH and LM candidates to leadership positions was also the result of the idiosyncrasy of workers' control. The Islamic

[39] *Kar va Kargar*, Azar 16, 1363: 1

associations (IAs) assembled by unique combinations of managements, workers and government officials during the struggle with independent *showras*, boasted a variety of beliefs, experiences and social groups. Many IA workers had experienced lightning career mobility after the revolution as enterprise managements were restructured, at times creating new internal hierarchies and strong IA unionism, and at other times enhancing IA complicity with management. Therefore, every enterprise could be a case study in the way in which workers exerted control in the broad, and not necessarily class, sense of the word. While the majority followed up on diverse beliefs of what they thought constituted Islamist rule, others might pursue any other goals, including the attainment of power in itself, taking revenge on the management, punishing colleagues, and so forth. Indeed, even if the division of labour in enterprises heightened forms of class conflict, it is important to note that unlike several years earlier these workers could not rely on any leftist networks or channels of communication. The anti-regime Left's publications had been banned, their numbers decimated, and remaining members put under strict surveillance. Independent labour organizing did flourish, but it was not on a scale large enough to affect the mass of workers. Instead, many workers relied more on their own experiences for the framing of protest actions, and tried to work within the new context.

These IAs, which commonly constituted the preferred pool of union candidates for the Workers' House and the Labour Ministry, were thus also capable of thwarting or opposing attempts at managerial or WH control. Asef Bayat gives ample evidence of the way in which workers put pressure on managers for their purported links to the Pahlavi regime.[40] Kidnappings, beatings, boycotting, sacking, blackmailing, occupations, theft and collective protests were some of the ways in which employees voiced their opposition to their managers. But workers continued to employ these methods even after the defeat of the non-Islamist and liberal opposition, signalling not only the extent to which a strata of managers had stubbornly stuck to their post regardless of the composition of government, but also how workers had learned to force off state intervention and concessions.

[40] Bayat, *Workers and Revolution.*

The scale of unruliness became clear on January 22, 1985 when the Labour Minister blamed mid-level IWC union activists, who had come together in the central office of the Workers' House, for their continued radicalism. The activists were complaining loudly that many liberal and Pahlavi-time (*taquti* in the derogatory form) employers were still going about their business, and were sacking workers for being *hezbollahi*, for "the smallest crimes," and for criticizing the way in which management operates. The activists told the Labour Minister that managers are not appointed according to "any specified rule," and that "most often they are assigned a post when they have the right connections." They demanded rhetorically: "but don't we have the permission (*ejazeh*) and the right (*haq*) to protest against managers who thwart production and the revolution?" The Labour Minister was uncompromising in his reply and re-affirmed state paternalism, warning the reps "not to interpret the *showra* as it was done early in the revolution, when they controlled factories. […] Parliament and the Guardian Council have set out union regulations in a theologically just (*feqhi*) manner, and one which *will certainly differ from your views*," advising the activists to invite clerics (*foqaha*) to their meetings in order to study the meaning of the new laws. [41]

Although intertwined with religious discourse, symbolism and hierarchies, class inequalities on the work floor did not remain invisible to *khatt-e emami* workers. Take the case of the Sepanta Factory strike in mid–1985. When workers saw a notice on the board proclaiming that the firm would close for several weeks over the summer without any holiday compensation (*morkhasi*), they rallied together in front of the CEO's office. After banging on the door several times, the CEO shouted "what is this savage behaviour? Don't treat me like a cow!" In the ensuing back-and-forth, the *basij* and the *hezbollahis* of the IA took the lead, first reproaching the CEO for calling the employees savages, then demanding pay. The CEO proclaimed that "it is not your task as members of the Islamic association to agitate (*tahrik kardan*) the workers against us," to which an IA member replied: "this is no agitation: this is a protest for our rights."[42] When the CEO yelled sarcastically that he will "resign so the IA can take over managing."

[41] *Kar va Kargar*, Bahman 3, 1363: 2. Emphasis is mine.
[42] *Rah-e Kargar*, Shahrivar 1384: 19.

Another *hezbollahi* exclaimed that "exactly *that* is the solution, if you can't manage, resign." With IA and *basiji* coordination, production was halted for the rest of the day. In this case, one could agree with Ranajit Guha that the spiritualization of unions in the young Islamic Republic made "any transgression reprehensible not only in terms of social morality, but the latter compounded by religiosity." The decision to strike was as much strategic as it was informed by pedagogy and exemplary affirmative action: workers should be treated with respect (*ehteram*), not as savages.[43]

At the same time, bottom-up resistance to top-down control and incorporation went beyond the Islamic associations. There are many examples of employees opposing coalitions of fellow IA colleagues and management against them. None of channels for top-down control remained uncontested. For example, in 1986 it was reported that a pro-Pahlavi worker had managed to get himself elected to the local vetting committee because of widespread dissatisfaction with the IA and the Islamist management. Management, finding itself in an awkward position, responded by postponing the general meeting as long as possible.[44] Other cases show that electoral meddling in the enterprise unions by the Labour Ministry in favour of the IA candidate was also certainly not always successful and that their *ad-hoc* improvisations to control the situation could fail in the face of opposition. Such was the case in one pharmaceutical company in Tehran, whose mostly female employees fiercely detested the IA candidate running for leadership of the IWC. First, the workers rejected the Labour Ministry's proposals for a vote by hands, arguing that this would inform authorities of who did not vote for the IA candidate. In turn, the state official proposed that employees should come to him one by one to vote. At this point, several women left the hall while others loudly voiced their opposition to this plan, forcing the official – feeling ashamed and at a loss of what to do now– to submit to anonymous voting. As a result, the non-IA candidate won a sound victory of 121 to 51, "in a clear sign to the *hezbollahis* that they are not wanted by workers."[45] In this specific case, the

[43] Guha, *Elementary Aspects of Peasant Insurgency in Colonial India*: 199.
[44] *Rah-e Kargar*, Tir 1387: 20.
[45] *Rah-e Kargar*, Dey 1364: 16.

dismissive use of the term "*hezbollahis*" was certainly not restricted to the IA members only, but also encompassed the broader state patriarchy.[46]

Finally, workers appropriated organizations external to the firm in order to resist top-down control – a strategy facilitated by the emergency of new local networks and interactions. In particular, nationalization, land redistribution and food shortages had led to a sprawling cooperative sector, organized at the municipal, village and enterprise levels.[47] The number of housing coops grew from 559 in 197980 to 2,469 in 1984–85, with capital totalling over 11 billion rial. Redistribution (*tahiyeh va towzi'*) coops multiplied from 207 in 1979–80 to 3,407 in 1984–85.[48] Although cooperatives gradually became loss-making due to the lack of government support, the cooperative economy was arguably the most recognizable, day-to-day institution that symbolized post-revolutionary egalitarianism during the war-torn eighties. As such, it growth brought into existence spaces and networks that could be turned into focal points for resistance, activism or critical thinking.[49] The most notable example of such a cooperative put to good use is the Felezkar Mekanik housing coop, which brought together Tehran-based metal workers. Metal workers had a long history of unionization and collective action in Iran, starting with the establishment of the Car Mechanics Trade Union in spring 1944. The union was closely affiliated with the Tudeh Party, and, to an extent, retained these networks even after being broadened and restructured under post-1953 Pahlavi regulations. During the 1979 upheavals, one of the union's leaders, Hedayatollah Moalem, was a well-known Tudeh member. However, the union did not survive much longer than the party. The Tudeh was outlawed in 1983, and steel workers were forced to shut the union's doors in 1985. The remaining members turned the easy regulations on coop registration into an opportunity. Their cooperative remained the centre for organizing until the 2000s and beyond. In this case, he autonomous space of the cooperative

[46] My personal experience of union elections also suggests that women were an important factor in confusing and breaking the electoral engineering of state officials, who seemed to have perfected their repertoires of control on men, rather than women.
[47] Mansoor Moaddel, "Class Struggle in Post-Revolutionary Iran," *International Journal of Middle East Studies,* 23/3 (1991): 325.
[48] *Rah-e Kargar*, Dey 1364: 6.
[49] See Jafari, "Reasons to Revolt:" 198–206, for more on the role of cooperatives during the revolution.

enabled the reproduction of radical leftism in Iran, and, as will be shown in Chapter 5, the preservation and extension of these networks could eventually feed back into the arena of workers' activism.

WH Forms of Governance II: Managers

By attempting to incorporate and control labour, the Workers' House and the Labour Ministry thus faced a heavily contested arena. Managers and business elites, as well as IAs and workers were occasionally sources of fierce opposition to the incorporation project. At other times, the Workers' House conspired with managers and the IA against the rest of the workers– attempts which could lead to success or failure, depending on the capacity and audacity of workers to oppose this.

The multitude of battlefields and potential enemies forced the Workers' House to take a highly contradictory stance toward the new framework of labour corporatism, as laid out by the 1985 Union Law. On the one hand, WH cadres embraced the new regulations. For instance, Hosseyn Kamali, who headed the labour commission in parliament, advocated the idea that IWCs should aim to increase factory production through means of 'consultation' (*mashverat*, from *showra*) between employers and employees. Yet Kamali also complained loudly about the managerial stance towards unions, including by forbidding their establishment outright or sacking critical workers. Respecting the new system of interest representation as '*feqhi*' and religiously just, the Workers' House was in no position to criticize it. Instead, the organization accused "the predominant culture in society" for not yet being accustomed to organized labour.[50]

At the same time, the Workers' House did put real pressure on managers to allowed unionization. It did so primarily through its publication, Kar va Kargar. Take the case of Fakhr Iran Factory, which provided war logistics such as boots and tents, and was owned by the Ministry of Defence. Protests about and calls for the establishment of a union had grown louder as eighty of the company's workers had died, 42 others 'disappeared' (*mafqud ol-asar*) and 15

[50] *Kar va Kargar,* Shahrivar, 12, 1367: 8. Critique of the existing format of corporatism would only emerged around the turn of the millennium.

others had been heavily injured in the war. Yet, even after multiple meetings between the Ministers of Labour and Defence, the management could claim that "we do not agree with the establishment of *any* workers' council (*showra*) in the factory."[51] Lobbying against the management's forbidding mentality, the Workers' House responded by making this a top story in their newspaper.

Moreover, the Workers' House cultivated relations with the IAs, hoping to partially de-link these particular Islamist workers from managerial control. IA members were the most obvious base for loyal Workers' House membership, and the Workers' House and the Ministry of Labour tended to encourage IA workers to set up IWCs. Many IA members were also active in the other new labour organizations, including the *basij-e kargari* and the War Unit (*setad-e jang*) of some larger enterprises. Yet, the Workers' House realized that the gradual circumscription of IA syndicalist responsibilities, replacement by IWCs and general de-mobilization would negatively impact the organization's political influence. Putting up a defence of the IAs, Sarhadizadeh, the Labour Minister, stated in late 1984 that "Islamic associations and groups have helped the Islamic Revolution and it is necessary that they continue their work. […] their weakening is in the absolute disadvantage of the revolution."[52] Support for the IAs, which was articulated by the Labour Ministry and other powerful statist actors, meant that these enterprise-level organizations could retain a degree of political power and engage in national politics.[53] As late as mid-1986, IAs were able to independently and publicly proclaim support for political leaders and policy.[54] For example, in early October 1985 up to 35 Tehran IAs signed a petition supporting Mir Hosseyn Musavi, the Prime Minister, and Mohammad Musavi Khoiniha, the attorney-general, in recent remarks against the dangers of capitalist influence.[55] It was only by the end of the war that the institutionalization of the IAs had come full circle. This

[51] *Kar va Kargar*, Khordad 31, 1365. Emphasis is mine.
[52] *Kar va Kargar,* Azar 19, 1963: 4.
[53] Even Ayatollah Montazeri defended the IAs. See *Kar va Kargar,* Tir 8, 1364: front page.
[54] *Kar va Kargar,* Tir 7, 1365.
[55] *Kar va Kargar,* Mehr 13, 1364: 2.

was symbolized by the first conference for country-wide IAs, organized in November 1988, which focused exclusively on legal and bureaucratic squabbles.[56]

Concessions and Class Compromise

As the war progressed, state and firm concessions to labour became increasingly common. These concessions occurred on two levels. First, informal or formal concessions in response to imminent claims, the majority of which were articulated on the work floor. Secondly, comprehensive legally-enshrined concessions to a social group, which generally implied an extension of rights and privileges, and thus of the welfare state.

Shop floor concessions

Regarding the first, employers were keen to conceal labour protests from the public eye, as that could imply state scrutiny and even sacking and replacement. The outspoken commitment of the state to workers and social justice, which, although gradually weakened by emerging local elitist networks and strategies, worked in favour of labour protests. Other factors that increased pressure on managers to concede to demands included shortages of skilled labour in a context of war mobilization, as well as combined moral, social and political pressures to compensate the sacrifices made by workers for the nation and the new state.[57] As a result, the number of protests that achieved their main demands increased significantly over the course of the war, from around 65 percent in 1984–85 to over 90 percent by 1988–89. Concessions in one firm also encouraged protests of assimilation in other firms as workers hoped it would extend to them too. So after the large Isfahan Steel demonstrations against outsourcing, the governor himself appeared on television, promising that no employees will be sacked. This public concession inspired other similar labour actions in the region, for example in Mobarakeh Steel.[58]

[56] *Kar va Kargar,* Aban 28, 1367.
[57] No exact numbers on workers' sacrifices could be obtained. Hassan Sadeqi, a current leader of the Workers' House, estimates that up to four thousand martyrs were classified as blue-collar worker (*kargar*). Personal communication, December 29, 2016.
[58] *Rah-e Kargar*, Dey 1363: 14, 20–22.

Concessions were not restricted to economic and bread-and-butter demands, but included questions of organization too. By the end of the war IWCs were established in up to 914 enterprises, often backed up by the Workers' House, and if that failed, the Labour Ministry. The 1985 Union Law however enabled reluctant managers to opt for a weaker form of labour representation at the enterprise level: the worker representatives. These workers tended to be directly delegated by managers to allay bottom-up demands, and even when this was not the case, such singular reps were much more easily manipulated, bribed or blackmailed by managers than a union.[59] That managers were under pressure to at least formally accept some form of labour representation was expressed in the growth of worker reps, which numbered 678 by 1988–89, almost as many as there were IWCs.

Table 3.5: Proportion of Protests Reaching Their Demands

Year	% Successful Protests
1984–85 (1363**)**	65%
1985–86 (1364**)**	-
1986–87 (1365**)**	54%
1987–88 (1366**)**	86%
1988–89 (1367**)**	92%

Source: *Rah-e Kargar*, Ordibehesht 1368

Social Policy and Welfare Organizations

Finally, the state came under increasing pressure to extend welfare benefits and regulations. Analysing the formation of large territorial states in the absolutist era of European history, Charles Tilly argued that "war makes states."[60] In the case of Iran, Kevan Harris has discussed how the 1979 Revolution and especially the war led to a dual institutionalization of social welfare organizations and legislation.[61] Indeed, the Islamic Republic's first parliament (1980–84) was more efficient than ever before: it debated 804 pieced of legislation, enacting 365 of them.[62] Many of these laws concerned social welfare. Welfare was directed in particular to

[59] Numbers on IWCs and reps comes from *Barresi-ye tashakkol-ha-ye kargari*: 72.
[60] Charles Tilly, "War Making and State Making as Organized Crime," in Peter Evans, Dietrich Rueschemeyer and Theda Skocpol (eds), *Bringing the State Back in* (Cambridge: Cambridge University Press, 1985): 169–91.
[61] Kevan Harris, "Lineages of the Iranian Welfare State: Dual Institutionalism and Social Policy in the Islamic Republic," *Social Policy and Administration*, 44/6 (2010): 727–745.
[62] Baktiari, *Parliamentary Politics in Revolutionary Iran*: x.

new 'popular sectors,' including the '*mostazafin*' (downtrodden), the poor, and the homeless, such as the well-funded *bonyad-e mostazafan* and the Imam Khomeini Relief Fund. Although many workers made use of these new welfare organizations, they also found access to other organizations that were set up to deal specifically with war combatants and families of war martyrs, such as the *bonyad-e shahid*. A large quantity of parliamentary bills prioritized welfare access to these families and veterans, including by guaranteeing unemployment benefits, improving healthcare provisions, and giving fast track access to education.[63] The inclusiveness and scope of these new organizations quickly incorporated workers in the byzantine structure of the Iranian welfare state. As participants in these bureaucracies, workers also increasingly accepted the legalistic, non-political and technocratic discussions the Workers' House promoted. In other words, the post-revolutionary extension of welfare to workers enhanced the hegemony of the state, and of the Workers' House as representing the interests of workers. In the next chapter, I will show how this process sped up in the early 1990s.

Workers' House Influence on Social Policy

What was the direct influence of the Workers' House on social policy in war-time Iran? The organization's multiple struggles kept its direct political influence low. Throughout the war the institution remained largely on the periphery of wider statist elite manoeuvring. A first sign of a departure of the institution from its singular focus on expanding unions occurred in 1985, when for a short time a plan was circulated to annex the Social Security Organization to the Ministry of Labour. The Workers' House strongly lobbied in favour of this plan. As one of the oldest and by far the largest public insurance-*cum*-pension fund, covering almost twenty percent of the population at the time, the SSO has been one of the financially most powerful institutions in Iran.[64] The Workers' House believed that as the backbone of the Iranian welfare state, the annexation of the SSO to the Ministry of Labour could integrate the entire labour movement into one ministry, and importantly, one which the organization controlled.

[63] Harris, "Lineages of the Iranian Welfare State."
[64] SSO, "Sazman-e Ta'min-e Ejtema'i az Negah-e Amar:" 9. Figure for year 1985–6 (1364).

Yet, the failure of the annexation plan underlined the continued political weakness of the Workers' House, even within the wider statist bloc. Only in the late 1980s could the Workers' House bolster its position. On December 7, 1987 the Labour Minister sent a letter to Khomeini, inquiring whether the state could make claims on enterprises in return for the government services or resources that they were using, such as gas or electricity. Following the advice of the committed statist Ayatollah Yusef Sane'i over a year earlier, Sarhadizadeh had sent this letter to end a long-standing theological dispute between statists and mercantilists over the role of the state. Khomeini's affirmative response, and his rebuffing of the mercantilist and Khamenei in particular, meant that the state was now in effect allowed to interfere directly in the private sector. This short-lived statist victory emboldened the Workers' House. On January 14, 1988 the institution, together with the largest national student association (*daftar-e tahkim-e vahdat*) organized a major march around Tehran University with workers and students proclaiming their support for Khomeini's fatwa. Besides denouncing the United States and the War, the demonstration was used as a platform to push for the approval of the new Labour Code, which had so far incurred stubborn Guardian Council opposition.

In light of this victory, the incremental vertical and horizontal expansion that the Workers' House had been pursuing over the past decade was bearing fruit. In March 1988 the WH's first national congress was held, bringing together delegates from over twenty branches across the country. Mahjub claimed that the Workers' House had 20,000 members in Tehran. Although this figure was small compared to Tehran's total industrial work force, it represented a major growth from only five years earlier, when the membership base was close to nil.[65] The congress mainly concerned coordination efforts for the upcoming May Day demonstrations – a form of ritualized and routinized mobilization that was to become a main channel for the expression of Workers' House power. Months before the War's end, in May 1988, the largest May Day marches were held since the early 1980s (see Table 3.1). The following year too, WH

[65] The 1986–87 Census reports Iran's total industrial labour force as over 2.7 million. Assuming that of that figure, half a million resided in Tehran province, union membership at the time was less than 5 percent.

mobilized extensively for this event. The main demand in both cases was the ratification of the new, pro-worker Labour Code.

Table 3.1: Reported May Day Demonstrations (1985–90)

	Cities		Est. crowd	Key speakers	Demo type
	No.	**Name**			
1985 (1364)	1	Tehran	10,000	President	Inside
1986 (1365)	1	Tehran	30,000	WH	March
1987 (1366)	0	-	-	-	-
1988 (1367)	12	Tehran, Karaj, Zahedan, Shahr-e Rey, Qom, Zanjan, Shiraz, Yazd, Saveh, Qazvin, Bushehr, Saveh	10,000s	WH	March
1989 (1368)	9	Tehran, Tabriz, Shiraz Nushahr, Sari, Rasht, Neyshabur, Zanjan, Beheshti Shahr	10,000s	WH	March

Source: various *Kar va Kargar* reports

Yet, the political influence of the Workers' House on social policy during in the 1980s should not be overstated. Although in the late 1980s the organization was able to mobilize politically for labour code approval, the extraordinary delay in getting this piece of legislation approved showed that the emerging labour empire had restricted space of manoeuvre at most, lacking crucial allies.

CHAPTER FOUR: THE GOLDEN AGE OF THE LABOUR EMPIRE

Having looked at the development of organized labour during the Iran–Iraq War, this chapter extents the analysis into the 1990s and early 2000s – a period overlapping with the presidencies of Akbar Hashemi Rafsanjani and Mohammad Khatami. In these years, labour politics experienced significant institutionalization: legally, through the approval of a comprehensive labour code in 1991, and politically, through the close alliance between the Workers' House and the Rafsanjani bloc, and later the reformists. The attraction of powerful elite backing and the concomitant shift to a strong form of party incorporation, allowed the WH to became a proper labour empire. The organization expanded its social base and played an important political function, especially as coalition partner in Khatami's government. The 1991–2005 period could be called the 'golden age' for corporatist-reformist labour politics in the Islamic Republic, and a variety of other powerful labour organizations were established alongside the Workers' House, and often with the latter's help.

The WH's shifting modes of governance were critical in cementing its influence. After analysing the rise to power of Rafsanjani and his deepening connections with the Workers' House, I will describe how the organization's power became less hierarchical and top-down, and more localized and diffused. Organic governance also entailed that the labour empire tried to embed itself locally and incorporate not just industrial workers into its politics, but wider kinship and community networks too. This local embedding in turn pushed the Workers' House to put forward more socially-conscious political programs – a process which, together with a range of parallel pressures, fed into the shift of national politics towards reformism.

Political Developments after the War

Between 1989 and 1992, statists were pushed out of the government *en masse*. There are several reasons why statists lost their grip on power so soon after purported victories for this coalition, such as welfare expansion and the legalization of state-interference in the private sector. One

factor has been attributed to the end of the Iran–Iraq War, damping support for one of the key slogans of the statists, who were associated with the export of the revolution and fierce anti-imperialism.[1]

Secondly, Khomeini's death in June 1989 provoked elite consolidation, working in the advantage of the mercantilists. Khomeini himself prepared the ground for a mercantilist push, having dissolved the Islamic Republican Party in 1987, ridden as it was by factionalism.[2] In the 1989 Presidential Elections, which took place only one month after Khomeini's death, the Guardian Council only allowed two candidates to participate: the economic liberal Rafsanjani and a close Rafsanjani ally, Abbas Sheibani. The increasing pressure on the leftists within the statist coalition, commencing symbolically with the mass executions of thousands of Marxist and Mojahedin-e Khalq prisoners in 1988, also led to rejection of many leftist politicians in the 1992 Parliamentary Elections.[3]

Thirdly, constitutional changes, instigated by Khomeini, empowered the mercantilists. In order to end the dead-lock in the legislative powers created by the constant opposition of the Guardian Council to parliament, a new state body, the so-called Expediency Council, was created and tasked with approving contested pieces of legislation. Rafsanjani became the head of the Expediency Council. In August 1989, the position of Prime Minister, which had been held by the statist Mir-Hosseyn Musavi during the 1980s, was abolished, while the presidency's executive powers were enhanced.

Finally, the weakness of the statists in the immediate post-war period should be sought in the Islamic Republic's efforts to redistribute wealth and restructure the welfare state, which during the 1980s had inflated the ranks of an aspiring middle class.[4] Many had access to benefits and resources that an earlier generation could only have dreamt of, including child care, education, membership in pension and insurance funds, and relatively permanent and stable jobs

[1] Baktiari, *Parliamentary Politics in Revolutionary Iran*.
[2] Chehabi, "The Political Regime of the Islamic Republic of Iran in Comparative Perspective," 58.
[3] Recently, evidence has been unearthed about the extent to some in the elite were opposed to these executions, including Ayatollah Montazeri.
[4] Pesaran, *Iran's Struggle for Economic Independence*: 66–71.

at state-owned enterprises. This self-identified middle-class could be swayed with lofty promises of higher incomes, liberalization and consumerism – themes which the statists did not represent.

Ali Khamenei – a powerful figure of the mercantilist camp – was elected the new Supreme Leader in 1989. His election was supported by statists, who rejected the idea of a leadership council and believed that the low religious credentials of Khamenei would temper his authority. Hence, after the end of a statist-dominated parliament in 1992, Khamenei and Rafsanjani constituted the main pillars of the state. While competition between these two figures and their networks gradually sped up, political pluralism remained limited. This was also enshrined in the popular saying at the time: "to oppose Hashemi is to oppose the Leader is to be an enemy of the Prophet."[5]

Lobbying for the 1991 Labour Code

The Labour Code, work on which was started in 1985, had been stuck since 1987, with the Guardian Council repeatedly rejecting parliamentary drafts. The Labour Code was of enormous political relevance, going far beyond its lofty welfare arrangements. The former 1957 Labour Code had been largely discredited by the Left and the *showra* movement during the Revolution, and the unpopular Tavakkoli draft had contributed to statist consolidation in government. Moreover, the Workers' House had started using events of mass mobilization such as May Day to lobby support for the Code, and at a more basic level, to spread awareness of it, which in itself played an important role to generate support among a working class that had become more aware of its rights over years of war sacrifice. The 1988, 1989 and 1990 May Day rallies were all turned into WH platforms to publicize the law. In turn, this publicity sparked workers to start lobbying independently, including through letter writing, petitioning or local demos.[6] The ten-year anniversary of the Iranian Revolution on February 11, 1989, which drew vast crowds, was also

[5] Or in Farsi, "mokhalef-e Hashemi, mokhalef-e rahbar, doshman-e peyghambar."
[6] For example, the petition by IWCs in December 1988 to the Expediency council. *Kar va Kargar*, Dey 3, 1367: 7.

turned into an occasion to call for the approval of the Labour Code in order to prevent abuse by "treacherous capitalists."[7]

An economic liberal and one of the wealthiest landowners in the country, president Rafsanjani was not intuitively attracted to labour legislation which, in terms of socio-economic rights, was one of the most progressive of the entire Middle East.[8] As the head of the Expediency Council and before becoming president, he expressed these feelings, although publicly never in terms that could be interpreted as anti-labour – a rule of discursive populism that applied to the entire post-1979 state elite.[9] So in September 1988, Rafsanjani argued that the "*majles*-approved Labour Code is a good, albeit not yet an ideal law. However, the code endows workers largely with their political and social rights as well as their human dignity (*sho'unat-e ensani*). […] if this law is implemented, we did an acceptable, not a perfect job."[10] Even if seemingly presented as a pro-labour statement, these words should be interpreted as Rafsanjani's agreement with Guardian Council calls for labour code revision, which the statist-dominated parliament and government at the time opposed.

But after mid–1989, Rafsanjani's position became significantly more complex. Having won an easy and collegial victory in the 1989 Presidential Elections, but occupying one of the highest executive positions, Rafsanjani realized that his brokering of the Labour Code could earn him the necessary popularity for a long-term career in Iran's competitive political landscape. Combining his executive functions as head of the Expediency Council and as president, and coordinating with the statist-dominated parliament, Rafsanjani was able to get the Labour Code approved by the Expediency Council on November 22, 1990, and implement it several months later, in February 1991.

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[7] *Kar va Kargar*, Bahman 22, 1367: front page.
[8] Since the approval of the final version, the World Bank has ranked Iran second after Morocco in the MENA region for most 'business-unfriendly' labour regulations. James Gwartney, Robert Lawson, Joshua Hall, *Economic Freedom of the World: 2015 Annual Report* (Fraser Institute, 2015).
[9] Pro-labour statements by the elite have become completely routinized. So Nateq Nuri, the conservative and then-speaker of parliament could tell model workers that the *majles* has never been anti-worker, while the Minister of Oil, together with eight other ministers, could glorify the contribution of labour to the 'reconstruction' (*sazandegi*) of the country, even despite criticizing the Labour Code earlier.
[10] Kar va Kargar, Mehr 9, 1367.

Rafsanjani's brokering of the 1991 Labour Code went together with a deepening of ties with the Workers' House.[11] Rafsanjani wanted the Workers' House to mobilize and inform workers of his political program. Not incidentally, the future president's first direct meeting with Workers' House leaders in years happened soon after the Islamic Republican Party was abolished on May 2 1987, indicating that both parties wanted to stay in contact even after the central platform for elite communication was dissolved.[12] The frequency of these meetings picked up from spring 1988 onward, and the main topics of discussion included the candidate lists for the upcoming parliamentary election, liaising with mercantilists, and integrating the official student and the labour movement, as represented by the *daftar-e tahkim-e vahdat* and the Workers' House respectively.[13] In short, the Workers' House and Rafsanjani were swiftly entering into a coalition. In the Workers' House these overtures were led by Hosseyn Kamali and Alireza Mahjub – the younger leaders of the organization. An alliance had significant advantages for both parties: for Rafsanjani, the ability to present himself as a pro-worker leader, and for the Workers' House, the potential to lead the incorporation project after Labour Code approval. As one leader of the Workers' House in the 2010s told the author, in the entire post-revolutionary period up there had been no government like that of "Mr. Rafsanjani, who has only ever helped us expand, without ever creating any obstacles."[14]

The May Day rallies, the mobilization of which had been Workers' House responsibility in previous years, was an ideal platform for Rafsanjani's PR efforts. In his first-ever May Day speech in 1990, Rafsanjani promised to get the Labour Code approved and give workers their rights.[15] Rafsanjani repeated the show on May 1, 1993, months before his re-election as president and victory over his only real competitor, Ahmad Tavakkoli, who throughout the 1980s lobbied against protective work legislation. Rafsanjani argued that "social justice cannot be realized without the provision of labour rights," praising workers (*kargaran*) for being "the most noble,

[11] According to his memoirs (*Khaterat*).
[12] *Khaterat*, Ordibehesht 13, 1366.
[13] *Khaterat*, Esfand 18, 1366.
[14] Personal communication with Hassan Sadeqi, December 30, 2016.
[15] *Kar va Kargar*, Ordibehesht 2, 1369: 3.

the most compelling, the most influential people of our society."[16] Through its command over local unions, the Workers' House also advanced Rafsanjani's defence of the Labour Code, especially in periods directly preceding presidential elections.[17] That most of these publicizing efforts did not constitute much more than electoral strategy was reflected in Rafsanjani's failure to show up entirely at any May Day rallies during his second term (see Table 4.1).

Table 4.1: Reported May Day Demonstrations (1990–97)

	Cities		Est. crowd	Key speakers	Demo type
	No.	**Name**			
1990 (1369**)**	1	Tehran	N/A	WH; Yazdi; Rafsanjani; Karrubi	Outside
1991 (1370**)**	N/A	N/A	N/A	N/A	N/A
1992 (1371**)**	0	-	-	-	-
1993 (1372**)**	1	Tehran	15,000	Rafsanjani; WH	Inside
1994 (1373**)**	3	Tehran; Shiraz; Arak	10,000s	WH	Inside; Marches
1995 (1374**)**	6	Tehran; Shahr-e Rey; Zanjan; Isfahan; Sari; Qazvin	10,000s	WH	Inside
1996 (1375**)**	2	Arak; Tehran	1,000s	WH	Inside
1997 (1376**)**	1	Tehran	12,000	WH; three main presidential candidates	Inside

Source: *Kar va Kargar* reports.
Note: In 1990, Mohammad Yazdi was head of the judiciary and Mehdi Karrubi was speaker of parliament.

The Workers' House was generously compensated for its support. Rafsanjani put forward Hosseyn Kamali, who had been an MP and close Rafsanjani ally throughout the 1980s, as Minister of Labour to replace Sarhadizadeh, who had stronger statist affiliations. The statists in parliament strongly supported Hosseyn Kamali's candidacy for this position too, due to the pro-statism of the Workers' House in the 1980s. As a result, he gained one of the most resounding votes of confidence of the entire Rafsanjani cabinet, with 224 in favour and only 18 against. The integration of the Workers' House in a Rafsanjani bloc over the next years enabled Hosseyn Kamali to remain Minister of Labour throughout the entire Rafsanjani presidency, and beyond.

[16] *Kar va Kargar,* Ordibehesht 9, 1372: front page.
[17] For a public statement of this support, see for example the Workers' House 1993 May Day statement. *Kar va Kargar,* Ordibehesht 12, 1372: 12.

The 1991 Code, Labour, and the Workers' House

The Labour Code enabled the Workers' House to rapidly extend its influence over the labour movement, and particularly the industrial work force. Two main reasons explain why the Workers' House benefited from this legislation, including the institutionalization of a generous welfare pact that had widespread popular support, and the institutionalization of a set of weak corporatist union structure. While the former mobilized popular support for Rafsanjani, and by extension, the WH, the latter dimmed the possibility for actual unions to speak on behalf of workers, giving the Workers' House a *carte blanche* to control labour through these unions.

Firstly, the Labour Code mobilized workers in support of Rafsanjani. The Labour Code was the Islamic Republic's first comprehensive piece of legislation governing work and employer-employee relations in lieu of the redundant 1959 Law. The Code has been one of the most generous to workers in the entire Middle East, making sacking difficult, and obliging employers to pay their employees an expensive package of welfare benefits, including child and housing benefits, healthcare insurance, pension pay, 13th month pay, production bonuses, over hour pay and a range of non-cash benefits. The Labour Code was also relatively universal and included almost all private sector employees. It aimed to incorporate the entire labour force, stretching far beyond a core of industrial labour to more informal and precarious jobs. The Code also encouraged labour activism, most notably by making it almost impossible to fire elected union representatives. Unsurprisingly then, the Labour Code was a highly popular piece of legislation, gaining broad workers' support. Indeed, even the exiled Left had little to complain about its socio-economic injunctions.

Yet, in a concession to state and business elites, the 1991 Labour Code institutionalized a weak and undemocratic form of workers' representation at the enterprise level. The Code did not recognize the right to strike, and prohibited union interference in politics. The document also built on the form of unionism first set out in the 1985 Union Law. It allowed only one active union per enterprise, with the ability of these unions to form federations from the bottom-up and on a territorial scale only. Several unions located in the same municipality could apply to establish a municipal union, and elect a small number of activists to enter this municipal

assembly, where they could meet every now and then to discuss municipal economic and syndicalist issues. Representatives of municipal union assemblies could again organize provincial assemblies, and finally a highly selective national assembly.

The Labour Code legalized three types of unions. In addition to the Islamic Work Councils and the single representatives already enshrined in the 1985 Union Law, so-called 'Guild Associations' (*anjoman-e senfi*, or GAs) were introduced. As opposed to the IWC which was the union type for large industrial enterprises, GAs were targeted at smaller firms where managerial union intervention was deemed unnecessary. Potentially, the GAs were thus a stronger representative of workers than the other two union types, but they were specifically designed to expand corporate union structures to the flourishing petty-bourgeois and informal sector, such as bakeries or fruit and vegetable vendors.

In terms of bargaining power at the national level, neither the GAs nor the single representatives had any influence. Labour's limited degree of national representation was entirely allocated to the IWCs. The national IWC could elect three of its members to represent workers in the Supreme Labour Council, the country's highest tripartite committee. The Supreme Labour Council has decision-making power over the annual minimum wage and, together with the Labour Ministry, over formulating specific Labour Code legislation. In other words, the Labour Code institutionalized the leadership of a core group of industrial labour over the entire working class. Other occupations, from healthcare to truck drivers to shop vendors, could claim no independent representation. The state also played a powerful role in the LC, and it could exert this power primarily through the Labour Ministry.

Setting out a bottom-up organizational structure, the Labour Code did not once mention the Workers' House. The Workers' House was not institutionalized as union. The organization registered formally as political party with the Interior Ministry in 1992, keeping it dependent on the Labour Ministry and broader elite support in its unionist endeavours. Since the WH and the LM had already actively been directing and controlling IWCs since the mid-1980s, the weak framework for labour organizing was easily subverted and appropriated by these two organizations. Particularly crucial in the ability of the Workers' House to exert power over

enterprise unions was control over the Ministry of Labour, which was allocated significant power in the 1991 Code.

The institutionalization of labour politics spurred union formation, as workers threw their weight behind the new pact, while the Rafsanjani bloc was in a strong position to push business elites and managers to tolerate organized labour. As Table 4.2 shows, the number of enterprise-level IWCs grew rapidly during Rafsanjani's presidential tenure (1989–97), and consistently outpaced the growth of representatives, a much weaker 'union' type that had been favoured by many state company managers in war time. Indeed, the growth in the number of reps slowed significantly after the Labour Code came into force. The available data also shows that Guild Associations remained an unused legal possibility until the end of the Rafsanjani administration. As we will see, due to their more democratic and pro-worker set-up, GAs became popular only once they were embraced by the reformists.

Table 4.2: Union Formation (1988–96)

	IWCs		**Reps**		**Guild Associations**		**Total**
	No.	Growth	No.	Growth	No.	Growth	
1988–89 (1367)	914	-	678	-	0	-	*1592*
1989–90 (1368)	1094	20%	739	9%	0	-	*1833*
1990–91 (1369)	1391	27%	751	2%	2	-	*2144*
1991–92 (1370)	1579	14%	776	3%	2	-	*2357*
1992–93 (1371)	1654	5%	782	1%	2	-	*2438*
1993–94 (1372)	1701	3%	801	2%	27	1250%	*2529*
1994–95 (1373)	1821	7%	829	3%	66	144%	*2716*
1995–96 (1374)	1946	7%	861	4%	73	11%	*2880*

Organic Governance

Prior experiences of WH control over IWCs came in handy after the formal institutionalization of labour politics. I showed how the Workers' House was organized hierarchically, cooperated closely with state officials, and operated coercively, with its focus on the broader Tehran area. Workers' House power only required a small number of hands and brains. During the 1980s, a core leadership spent most of its time touring from firm to firm to influence elections and screen candidates.

The institutionalization of labour politics in the 1990s pushed the Workers' House away from the strictly top-down forms of governance dominant in the 1980s and the earlier Pahlavi period. This shift happened for several reasons. First of all, the elaboration of social policy enhanced WH legitimacy among workers, streamlining the organization's leadership with those of local union activists, and tempering the occasionally confrontational stance between unionized workers and the Workers' House. The end of the war also lowered state-society tensions, and thus the WH's need for coercive strategies of control. Upon their return from the war front, many union activists started to cooperate with or even work for the WH, and were energised by the new welfare legislation and the state-backed possibilities for enterprise and community-level unionism. Finally, local, pro-Rafsanjani elites trusted the Workers' House, and appreciated its ability to mediate local class conflict, and channel class tensions into national electoral politics rather than let them spill over into explosive local politics. In other words, local elites encouraged Workers' House control over labour, as they feared that unimpeded and unrestrained organizing could fuel communal tensions.

Throughout the 1990s, WH top-down control gradually became divested and transformed into less coercive, and more diffused, idiosyncratic and localized forms of control over unions. The labour empire became embedded in locales and was keen to extent its influence beyond the industrial worker to include the wider kin and community too.

Patron-client relations between the Workers' House and labouring communities are specific, and included both rather horizontal and inclusive forms of interaction, as well as coercive and hierarchical nodes. I introduce here the concept of 'organic governance' to describe this patronage system. Part of the logic behind choosing the term 'organic' is that it is used a frequent propaganda claim by the Workers' House leadership ('*organik*') to characterize the labour empire's interaction with unions.[18] By using the term 'organic,' WH officials hope to

[18] The term organic is also used in the Bolivian context, but more sincerely so. Thomas Grisaffi, "From the Grassroots to the Presidential Palace: Evo Morales and the Coca Growers' Union in Bolivia," Sian Lazar (ed), *Where are the Unions? Workers and Social Movements in Latin America, the Middle East and Europe* (London: Zed Books, 2017): 44–63.

legitimize their quasi-legal relationship with formal union structures by arguing that these interactions have emerged somehow 'naturally,' 'harmoniously' or 'spontaneously.'

The WH use of 'organic' glosses over the unequal and 'inharmonious' aspects that WH patronage of local unions often entails. I would like to re-appropriate the term 'organic' from the Workers' House and follow two more neutral definitions of the term, given side-by-side by Merriam-Webster Dictionary as "having systematic coordination of parts" and "forming an integral element of a whole."[19] While the former definition stresses forms of *systematic coordination,* the latter emphasizes the importance of each of the parts to the whole i.e. the fundamental or *grassroots* aspects of control. The term 'organic' governance of the WH over its constitutive parts can thus help us distinguish between the ad-hoc, improvisatory modalities of power employed in firms during the war and the more institutionalized labour politics of the 1990s. Moreover, since the 1990s a complex interaction developed between the Workers' House, its allies in the state, and labouring communities, due in large part to the Workers' House growing interest in electoral politics. Again, these changes run counter to the 1980s when control was organized in top-down format. In short, I use the term organic governance to emphasize hierarchical relations in the the Workers' House new embedded patronage, all the while contrasting it with the limited top-down control pursued during the Iran-Iraq War.

The Dynamics of Organic Governance

I will describe the complex interaction of community support and clientalism – of organic governance – through three lenses: financial patronage, liminality and corporatist dynamics. This part is more anthropological and thematic, and is based on my interviews with labour activists, WH employees, and personal observations. I will therefore mainly use the present tense, even if it is placed in the context of the 1990s.

Financial patronage

[19] https://www.merriam-webster.com/dictionary/organic, accessed May 20, 2017.

Financial and material dependency of unions on the Workers' House undergirds organic patron-client relations. As set out in the 1991 Labour Code, there have been perennial problems to fund union activities exclusively from below and through communal crowd funding. Limited financial means to rent, and manager reluctance to invite municipal or provincial IWCs on factory premises prohibit all but the largest, most independent and most active of regional trade unions to organize their own meeting space.[20]

In contrast, the Workers' House has had extensive funds at its disposal. Unlike its political power, the WH's financial means are formally institutionalized by the 1991 Labour Code, which specifically designates the WH's consumer cooperative arm, called EMKAN, and its housing cooperative, ESKAN, as the central cooperative bodies for all workers.[21] Particularly EMKAN was well-funded, as since the late 1980s it collected workers' annual non-cash benefits, introduced at the time as ration stamps (*bon-e kargari*). These ration stamps remained in place after the war, even if they trailed inflation. Thus, between 1991 and 1997, the *bon-e kargari* remained constant at 3000 and 7000 rial for unmarried and married workers respectively, bringing in billions of rial every year.[22] So, even if by spring 1996, EMKAN complained that subsidies had fallen by 50 percent, WH revenues remained abundant throughout the 1990s.[23]

Throughout the 1990s, the WH would coordinate with the Labour Ministry where local enterprise union activists wanted to establish a municipal assembly. The labour empire would then step in and offer either direct financial help for the union activists to rent an assembly, or would try to open up a local branch and allow union activists to come together there. In return for such WH material support, local unionists have been forced to accept the organization's interference in their own meetings. Much more organically than coercive means, financial

[20] Note 1, article 1 of the "Ayeennameh-ye Nahveh-ye Tashkil, Hodud-e Vazayef va Ekhtiyarat va Amalkard-e Kanun-e Hamahang-e Showra-ha-ye Eslami-ye Kar-e Ostan va Kanun-e Ali-ye Hamahangi-ye Showra-ha-ye Eslami-ye Kar-e Sarasar-e Keshvar," Khordad 30, 1372.
[21] Articles 132 and 133.
[22] In US dollar terms, the *bon-e kargari* was worth between $2 and $2.5 in 1991 and between $0.7 and $1.6 in 1996.
[23] *Kar va Kargar,* Ordibehesht 1, 1375: front page.

dependency on the labour empire re-produced autonomous support from the grassroots, rather than hollowing it out over time.

The so-called executive officers (*modir-e ejrayi*) of regional WH branches have played a particularly crucial role in representing the WH in relation to local union activists, and in fostering organic governance. The core cohort of executive officers that found employment as local WH officials were already active in union affairs during or after the revolution. Some were *khatt-e emamis*: workers who strongly supported the Islamic Republican Party, particularly the statists in government. Others were more idiosyncratic workers who entered their local IA as a road to contribute to what they believe constituted just Islamic rule. However, most executive officers have in common their active participation in the Iraq War, where many volunteered for the *basij*. The experience of war, which meant struggles on all fronts (see Chapter 3), not only near the Iraqi border, but often also on the factory-floor, structures the class consciousness of these men. In particular, this generation of executive officers proudly appropriate the connotation of *erq-e kargari* to describe their working class consciousness, a term which they also use to distance themselves from the more communist self-designation of *modafe'-ye tabaqeh-ye kargar*.

When these fighters returned from the front, they continued their work as local union activists and started playing a central role in mobilizing communities to support welfare expansion. Many became members of the Workers' House, and continued to be engaged in labour and other forms of political activism in their home communities. Indeed, even though executive officers are employed only with the approval from the WH Central Council in Tehran, they are not dispatched from Tehran. Rather they are deeply embedded in the community through work, kinship, and political participation. With the growth of unions in the 1990s, these men were in contact with the Workers' House, proposing to establish local WH branches and coordinating the establishment of municipal IWCs. Executive officers roughly follow WH policy positions, and are updated about these positions during occasional visits to the Tehran headquarters. Yet, the prime task of the executive officer is being able to implement WH positions while retaining local corporatist solidarities, i.e. by bonding and mediating between

business elites, workers and the wider community. This task requires the difficult balancing of on the one hand inciting workers and union activists to mobilize for WH goals, and on the other hand discouraging them from staging independent collective actions that could lead to a sanctioning of the Workers' House by state and business elites. In other words, the *modir-e ejrayi* is constantly negotiating between de-escalation and mobilization, a very difficult and contradictory position that demands their autonomy from the WH central council, as well as their deep acquaintance with local contexts and social relations. The ideal *modir-e ejrayi* possesses local perspectives on class relations, social policy and conflict resolution.

Even if many workers' activists might not agree with the politics of the executive officer, they reciprocate WH benevolence and financial support by allowing him to speech in their local assemblies, thus breaking the horizontal, 'consultative,' form of leadership structure that the IWC or GA are designed to have. In these speeches the executive officer usually talks about policy developments and upcoming moments of labour mobilization, making the executive officer stand out as the political – the Workers' House– voice of local unionism. While IWCs are not allowed to engage in politics, and in their municipal assemblies indeed tend to refrain from outright political debate, executive officers have a monopoly on discussing these issues in the physical space of the union assembly.

Liminality

Alongside financial and material patronage, the Workers' House practices organic governance through what I will call power over liminality. Liminality is an anthropological concept first described by Victor Turner and Arnold van Gennep. Liminal spaces have been defined in particular in relation to rituals, such that, in the words of Max Gluckman, "by allowing people to behave in normally prohibited ways, [the ritual] gave expression, in a reversed form to the normal rightness of a particular kind of social order."[24] Simply put, liminal spaces legitimize a

[24] Max Gluckman, *Custom and Conflict in Africa* (Oxford: Basil Blackwell, 1955): 116.

social order by *temporarily* inverting social roles and positions. For our use, liminality is more useful than the term 'symbolic,' which says nothing about relations of power per se.

The 1991 Labour Law legislated labour as politically weak, and work as noble and valuable. In this context, the Workers' House provided workers and activists with the opportunity to escape temporarily from their 'downtrodden' (*mahrum*) social status, which it did primarily as organizer of May Day, first informally and since 1994 formally. In the early post-revolutionary years May Day was the central platform for the oppositional Left and for the expression of labour discontent. As a result, the new state elite quickly came to regard May Day as a threat, and moved the festivities from the street to large indoor halls. Throughout the 1980s, official newspapers drastically cut back coverage of the event. Abrahamian describes how May Day increasingly turned to Workers' Day (*ruz-e kargar*) and Teachers' Day (*ruz-e mo'alem*) in order to divide labour into occupational terms.[25]

Yet, the continuation of May Day in a context of limited political expression created liminal spaces. Annual May Day rallies became the main authorized platform of collective protest in which workers could shout out and let their discontent be heard, even if the many 'red lines' (*khotut-e qermez*) that the Workers' House and participating workers had to keep track off kept the scope of such liminality perked in. So, when workers in May Day demos shout out against "oppression" (*zolm*) or command that they will start an "insurgency" (*qiyam*), they know the opportunity to articulate these feelings is restricted to the occasion of the demonstration only.[26] Therefore, during the 1990s, May Day demonstrations, while retaining a component of protest and collective claim-making, largely turned into ritualized platforms for the rare expression of collective workers' discontent. Indeed, under WH tutelage, May Day in Iran has been turned into a whole week (the so-called *hafteh-ye kargar*), in which WH branches across the country organize a variety of festivities, conferences and events.

[25] Ervand Abrahamian, *Khomeinism: Essays of the Islamic Republic* (London and New York: I.B Tauris): 60–87, for an overview of May Day from the beginning until 1989.
[26] These are some of the slogans from the 2002 May Day.

Such temporary inversion of social positions and roles have not remained confined to the annual *hafteh-ye kargar*. In local union meetings, WH executive officers encourage activists to make their voice heard to the media, offering to call WH journalists if wanted. WH officials, characteristically in good faith, argue that such political activism can take labour out of its otherwise weak position and endow it with power. However, the activists that I interviewed readily acknowledged that such political activism was effectively neutralized by the sheer volume of limitations and rules surrounding it, which prohibit even the use of terms such as 'labour movement' (*jonbesh-e kargari*), working class (*tabaqeh-ye kargar*), or 'strike' (*e'tesab*). Yet, the same activists appreciated the Workers' House for providing grassroots-powered media platforms, and they were proud when the main WH newspaper, Kar va Kargar*,* would publish their opinions. In short, the Workers' House holds the key to a variety of diffused and ritualized forms of protest that are not necessarily unpopular. Indeed, many labour activists are keen to exploit these liminal spaces and engage in such forms of non-contentious mobilization.[27]

The scope of liminality occasioned by the *hafteh-ye kargar* and other platforms is *inversely* related to the organizational power and autonomy of the Workers' House. During the early and mid-1990s, the organization was neither powerful nor autonomous enough to challenge the existing format of contentious politics in Iran, and represent labour in a way that could more fundamentally make its voice heard. The Workers' House was dependent on its coalition with Rafsanjani, and could not contest his major policy initiatives. Paradoxically then, the power over liminal spaces occasioned by the labour empire's weakness actually helped strengthen patronage ties, and thus the WH vis-à-vis its political competitors.

[27] Although I am not able to explain this phenomenon in depth here, my feeling is that individuals proud of their identity as *kargar* get a sense of satisfaction and self-confirmation from participating in these practices. Moreover, protest rituals are designed in such a way that they also provide potential material and political benefits for participants. For example, petitioning could be the first step in establishing oneself as a leader within the group, or it could bestow WH material favours.

Corporatism

Finally, organic governance has necessitated the Workers' House to take into account a host of external actors besides labour, with whom it negotiates and bargains on a daily basis for self-survival and expansion. The most notable of these actors are firm managers (*modiran-e sherkat*) and government officials (*ma'muran-e dowlat*), particularly from judiciary and the Ministry of Labour. Once entering interaction with the Workers' House, local business elites and government officials had an interest in perpetuating organic governance because, as a Rafsanjani-affiliated organization, the Workers' House was trusted to prevent labour from appropriating unions as an actual expression of bottom-up power. I will call this final mechanism behind the extension and re-production of organic governance 'corporatism.' Managers and officials came to see the advantages of organic governance of the Workers' House over labouring communities, either in the economic sense, or in a more imminently political, party-related sense.

For firm managers, corporatist union structures are useful in so far as they can alleviate, channel and mediate conflicting interests on the work floor. In particular, work floor tensions in Iran rarely remain restricted to the factory, and tend to spill over into larger communal tensions. Provincial business elites trust the Workers' House to channel class conflict and inequalities into national electoral politics, away from more local expressions of discontent that could smear their reputation.



Picture 4.1: A typical corporate May Day advert by employees, union, *basij* and management of the same firm. Translation: "Working is pride. We congratulate all the vanguard leaders of the fortresses of production and industry, particularly the diligent workers of Darugar, for May Day." *Source: Kar va Kargar*, Ordibehesht 10, 1379: 12.

Unsurprisingly, the Ministry of Labour, which between 1990 and 2001 was dominated by a WH delegate, was also keen to support organic governance

through corporatism.[28] More generally, state officials acknowledge the usefulness of the Workers' House in channelling protest into bureaucratized and legal forms of redress. In one weekly municipal IWC meeting that I attended, activists had decided to use their assembly's limited funds to hire an experienced employment lawyer and Ministry of Labour employee to train them in the basics of the national labour code over several sessions. Activists were at first not accustomed to the official's detailed, legalistic and non-political approach to labour issues. His first session also came immediately after the executive officer's heated political speech. Thus, most of the activists sat back in their seats and had a hard time paying attention. An hour into his talk, the official, whom workers addressed politely as 'Mr. Doctor,' started talking about the national pension fund, saying that because "workers" (*kargaran*) provide most of its financial endowments, it should also be "for workers." In riposte, one of the activists stated: "well, it should be, but clearly isn't." Another joined in, arguing there is a lack of awareness among workers about the national pension fund, "they don't know it's theirs and believe it's owned by the government." "Workers are not unified: the problem is that a lot of them don't even have a union. So where would they get their information from?!" One of the session's leaders explained that politicians "left, right, reformist, or conservative have created fragmentation among workers. In Iran we have forty million workers, but if, say, we want to demonstrate, only a thousand show up!" The official, surprised, strongly rejected the political turn that the debate had suddenly taken. He criticized the tactic of demonstrating. In order to raise awareness, workers should stick to "writing articles", warning that "striking is not a good thing." Several of the activists protested the claim, defending that calm and orderly protest can be an effective strategy.

In short, during the early and mid-1990s centralized and top-down control of the Workers' House over its constitutive parts gradually made way for more diffused, embedded

[28] For an extensive exposition of the Labour Minister ideas, see his book: Hosseyn Kamali, *Eqtesad-e Siasi-ye Ravabet-e Kar dar Iran* (Tehran: Chap va Entesharat-e Vezarat-e Farhang va Ershade Eslami, 1380), in which he stresses that unions should not enter decision-making processes, but only manage work relations.

and idiosyncratic forms of 'organic' governance and patronage relations. Rather than operating simply from an office in Tehran, union activism started flourishing all across the country. The labour empire employed former war combatants and labour activists as local WH officials in order to mobilize, control and influence local unions, re-structuring rather than removed hierarchies and the contradictions of corporatism. Yet, control was never absolute. The Workers' House's power depended entirely on its social base, and the labour empire felt increasingly under pressure to adapt its national politics to the needs and demands of these newly incorporated labouring groups.

The Emergence of an Autonomous Labour Politics (1992–96)

The emergence of an independent, community-conscious labour politics, pushed for from below but articulated by the Workers' House, was gradual. A variety of political obstacles impeded this shift, but by the 1996 Parliamentary Elections the Workers' House had started to take on the shape of a proto-party. By 1996 the organization had a social following and could formulate an independent program that was listed as one of the most progressive in the country at the time in terms of advancing political and socio-economic rights.

The lack of WH success in the 1992 Parliamentary Elections was indicative of its continued weaknesses. In 1992 labour empire was still small and electoral mobilization remained limited. The Workers' House lacked political autonomy, and it was forced to support its old and weakened allies, the statists, even if the organization's linkages to the Rafsanjani coalition were more robust and the latter's chances of winning more substantial.[29] The statist coalition was sapped not only because of



Picture 4.2: The Electro Danub IWC announces its support for WH parliamentary candidates. From 1996 onward, hundreds of such announcements would flood newspaper pages in election periods.
Source: *Kar va Kargar*, April 14, 1996.

[29] *Khaterat,* Mehr 3, 1368*,* accessed May 15, 2017, http://bit.ly/2reLSt6.

Rafsanjani's growing popularity, but also because the Guardian Council had prohibited a large number of statists from running. Alireza Mahjub, a WH leader, expressed the latent possibility of defeat, telling workers that if "the working people do not enter the [electoral] arena, another group that wants to reduce their rights can replace them." In the end, up to three quarters of *majles* seats were obtained by conservatives. The Workers' House failed to get any of its candidates in.

Yet, four years later, by the time of the 1996 Parliamentary Elections, the Workers' House's lot had improved markedly. First of all, the political integration of the Workers' House into the Rafsanjani coalition was complete. The labour empire had dropped its conflicting obligations to the statists, to the disappointment of many former allies. In reaction to a question as to why the organization had joined Rafsanjani's party, the *kargozaran-e sazandegi* (the Executives of Construction Party, or Kargozaran), a WH leader apologetically declared that "we only allied, we didn't merge," stressing the strategic advantages of the new alliance.[30]

Secondly, the organization's imperialism was paying off, and by 1996, it influenced almost 2,000 IWCs across Iran. Organic governance was to an extent effective in mobilizing support for the Workers' House as an independent political organization. This was reflected most visibly in the unprecedented growth of IWC announcements in favour of WH candidates in the Kar va Kargar newspaper (see Picture 4.2 for an example). WH electoral mobilization was also more organized, and a host of meetings were held with workers and their families across the country (see Picture 4.3 for an example).

WH-led labour incorporation and the formalization of an alliance with economic liberals removed the ability of left-wing activists to climb up. The credentials of up to 1,400 candidates were rejected by the Guardian Council, many of whom held labourite and left-wing ideas. Some of these had been local unionists. For example, Hojjatollah Moradi, a union activist from Borujerd in Lorestan province, sent an angry letter to Kar va Kargar*,* in which he exclaimed that "I have been prevented [from running], why? Because I am a worker, because I am not a

[30] *Kar va Kargar,* Esfand 9, 1374: 2; Esfand 10, 1374: 2.

capitalist, and because I don't support any faction, or better: because I don't support the mercantilist (*bazari*) faction, and because I wanted to help to fulfil the goals of the holy Islamic Republic."[31]

The labour empire responded strategically to these tensions, trying to integrate grassroots complaints while maintaining its alliance with the centrist Rafsanjani bloc. The Workers' House did not criticize the pro-market program of Rafsanjani's Kargozaran party publicly, and argued instead that Rafsanjani rule had improved the economy. On the other hand, the Workers' House felt pressured by its growing and increasingly engaged social base to put forward a community-conscious program that addressed key socio-economic questions of the time, including growing unemployment, rising inequality and the realization of outstanding welfare projects. This it did in the 1996 elections. The WH program prioritized the "destruction" (*mahv*) of poverty, and called for universal social security, employment creation, an expansion of pension benefits, especially for women, and continued support for the Labour Code. The Workers' House even dropped any reference to more Islamic or moralistic themes. As a result, the Workers' House presented by far the most progressive socio-economic program within the Rafsanjani coalition.

The Workers' House's delicate balancing act mobilized votes for the Rafsanjani bloc. Moreover, the organization could translate its campaign into some independent electoral success. The 1996 Parliamentary Elections became the first time in decades that labour found a degree of direct representation in parliament. In Tehran up to three Workers' House candidates were elected, one of which was a woman. These representatives entered the 'labour and social affairs' committee in parliament, which consisted of a smaller group of around twenty *majlesiun*


اطلاعیه

گردهمایی بزرگ کارگران استان فارس

بدینوسیله از شوراهای اسلامی کار ـ انجمن‌های اسلامی ـ نمایندگان کارگران ـ انجمن صنفی کارگران بناهای ساختمانی ـ انجمن صنفی خبازان ـ تعاونیهای مصرف و مسکن کارگران ـ بایگاههای مقاومت ـ بازنشستگان ـ کانون خواهران خانه کارگر فارس ـ کمیته بیمه و درمان خانه کارگر فارس ـ مدیران و کارگران کارخانجات استان فارس دعوت می‌شود که در روز یکشنبه ۷۴/۱۲/۱۳ ساعت ۹ صبح در محل باشگاه رفاه کارگران میدان ولیعصر حضور بهمرسانند.

خانه کارگر تشکیلات استان فارس

ستاد انتخابات برادر حاج مهدی انتشاری

Picture 4.3: A Workers' House call for all unions in Fars province to meet to discuss the upcoming 1996 Parliamentary Elections.
Source: *Kar va Kargar*, Esfand 8, 1374.

[31] *Kar va Kargar,* Esfand 12, 1374: 2.

(parliamentarians) drafting proposals on related social policy issues.[32] The Workers' House deputies headed this commission, allowing them to exert a disproportionate influence on labour-related social policy in the country. Alireza Mahjub, who himself was not elected in the 1996 Elections, even boldly declared that "Iran's labour movement has found its own path."[33]

Including Women

The WH's inclusive labour politics during Rafsanjani, which was a product of its local embeddedness, spread beyond male union activists. In particular, the labour empire, which during the 1980s was mainly a club of men, surprisingly swiftly turned itself into an outspoken advocate of women's welfare and employment.

The WH's inclusion of women is notable for they constituted such a small work force. In 1996, official rates of urban female labour participation stood at a bare 8.1 percent.[34] Yet, already in April 1993, the *kanun-e khaharan* (Women's Assembly, or Kanun) of the Workers' House was established. Its meetings were organized in factories or in Workers' House branches. The political history of the Women's Assembly started in the indoors May Day rallies held in the early Rafsanjani years. Because they were largely uncontentious, ritualized ceremonies, the Workers' House found it easier to attract female than male participants.[35] The Kanun was led by Soheyla Jeludarzadeh, a young woman trained in textiles. Her activism in the Kanun proved highly successful, and she was elected to parliament in 1996 as one of only ten other women.

The Kanun's main aim was to improve female employment conditions and rights. The Kanun took a more radical stance than Rafsanjani who accepted but did not publicly encourage female employment. On February 19, 1994 he argued modestly that: "female participation in various areas is possible as long as they observe Islamic principles and values."[36] The Kanun's

[32] In the first few parliaments after 1979 this commission was called the labour and workers (*kar va kargari*) commission, but after the war this changed to the labour (kar) commission, or more recently even the social affairs (*ejtamayee*) commission.
[33] *Kar va Kargar,* Esfand 7, 1378: 2.
[34] 1996 Census
[35] The high share of women in these rallies would jump back up during Ahmadinejad when demonstrations moved indoors again.
[36] *Kar va Kargar,* Bahman 30, 1372: front page.

social base was constituted primarily by pharmaceutical, chemical and healthcare workers. These sectors have a larger proportion of female employment than other sectors, are highly industrialized, and their role in the war effort was also much appreciated (see Picture 4.4). Moreover, the Workers' House preferred the chemical, beauty and pharma industries over other industries with female workers, such as textiles or electronics, due to the closer political relations it had with the managers in these sectors. In particular, many of these firms were either administered or owned by the Social Security Organization, workers' prime insurance and pension fund. SSO-affiliated managers tended to be more facilitating to Workers' House intentions than the private sector or other state-owned industries.

In April 1995, when labour reacted strongly to a *majles* bill allowing women with twenty-five years of work experience to retire, the Kanun entered politics for the first time. Female workers wrote petitions and letters criticized the bill for discriminating against women and for not including a bonus for difficult work. Some petitions demanded that working women should be able to retire after twenty years, rather than twenty-five, and without having to pay monthly insurance payments, arguing that such concessions were given to female civil employees.[37] As a result of such bottom-up pressure, Jeludarzadeh also included this demand in the Workers' House program for the 1996 Parliamentary Elections.[38]



Picture 4.4: Workers' House 1987 May Day poster showing female pharma workers side-by-side with male workers (*kargar)*, engineers (*mohandes*), Islamic preachers (*modares*) and Khomeini. *Source*: *Kar va Kargar,* Ordibehesht 12, 1366.

[37] Various *Kar va Kargar* reports, Ordibehesht 1374.
[38] *Kar va Kargar*, Esfand 16, 1374: 4.

Khatami and the Reformists

The rise of 'reformism' (*eslahtalabi*) in Iran was driven partially by these emerging social patronage relations. Reformism presented itself as a progressive and emancipatory set of ideas that stressed local participant democracy, social justice, civil society involvement, political liberalization, and a loosening of state enforcement of cultural and social norms. The reformists consisted largely of a re-invented coalition of former statist groups. In contrast to the 1980s the majority of the reformist coalition converged with Rafsanjani's technocratism and liberalism on economic policy. However, many reformists disagreed with Rafsanjani's rather China-style approach to national development, stressing instead the importance of 'political development' (*towse'eh-ye siasi*) before 'economic development' (*towse'eh-ye eqtesadi*).

During the 1997 Presidential Elections, there was an intense debate within the Workers' House as to whether to openly endorse Mohammad Khatami, the official reformist candidate, or to wait and see. The logic behind this reluctance to join former allies derived not so much from the reformists' pro-market inclinations, but from the Workers' House closeness to Rafsanjani. WH leadership felt slightly estranged from the vanguard groups of the Khatami front, particularly the organized student movement under the *daftar-e tahkim-e vahdat*, which had been much more critical of Rafsanjani's democratic record over the previous years.[39] Moreover, the WH Central Council had serious doubts about Khatami's chances of winning the elections and wanted to be able to reach out to the winning conservative candidate, either Ali Akbar Nateq Nuri or Mohammad Reyshahri, in case Khatami lost. The labour empire's flexibility in supporting either faction was further facilitated by the similar economic programs offered by all presidential candidates. A liberal and technocratic approach to economic development had become fully hegemonic.[40] The Workers' House impartiality was showcased on May Day 1997, when it invited all three candidates to explain their program to over 12,000 workers gathered in Tehran's Azadi Stadium.

[39] Ali Akbar Mahdi, "The Student Movement in Iran," *Journal of Iranian Research and Analysis*, 15/2 (1999).
[40] *Kar va Kargar,* Ordibehesht 31, 1376: front page.

Nevertheless, the Workers' House was unable to keep its empire in line, and splits about whether to support Khatami emerged both within the leadership, and between the rank-and-file and the senior cadre. This came out in the open on May 11, when several labour MPs declared their support for Khatami. Local unions and WH branches, many of which were pro-reform, interpreted this as the official WH position. Over subsequent days, vast numb ers of IWCs across Iran, in coordination with workers, management and local WH offices, started to mobilize in support of Khatami. This was opposed by some in the leadership however, who warned about the dangers of a Khatami loss. A last minute vote by the Workers' House Central Council, taken just three days before the elections on May 20, ended in a 15 to 13 in favour of remaining impartial –a result which, although significant, could barely affect the momentum of grassroots campaigning.[41]

Khatami won the elections with landslide victory, gaining 69.1 percent of the vote on the Second of Khordad (23 May). Soon after, the work commission in parliament, where WH deputies held sway, declared its full support for Khatami's economic plan, which was largely a technocratic continuation of Rafsanjani-era liberalization. Even if the Workers' House had in the last minute decided not to endorse any candidate, the new Khatami government was eager to include the labour empire in its reformist coalition, and decided to keep Hosseyn Kamali as Labour Minister until 2001.

Between 1997 and 2001, aspects of party incorporation that had been developing under Rafsanjani blossomed. Political liberalization progressed to a hitherto unseen extent, enabling the Workers' House to pursue not only social questions, but also explicit political demands. Unlike Rafsanjani, the Khatami government faced significant opposition from powerful state institutions, particularly the Guardian Council and the judiciary, and was thus much more reliant on maintaining broad popular support. This reliance on electoral mobilization enhanced the political influence of the Workers' House significantly. The Workers' House was able to turn

[41] After the victory of Khatami, it became increasingly common to claim that the Second of Khordad front consisted of eighteen groups, of which the Workers' House was one. The impartiality of the WH in the 1997 Elections complicates this claim, even if it is true that it only took months for the Workers' House to commit itself fully to the new reformist coalition.

itself into an actual party. In February 1999, the Islamic Labour Party (ILP) was registered as the WH's official party wing. Facing accusations from some in the business and state elite that the Workers' House was a political organization and should not be allowed to act as a union, the ILP also helped to quasi-formally separate the labour empire from party politics, strengthening the WH claim as the sole legitimate national 'union confederacy' of the working class.

During Khatami's first presidential term, and continuing in different degrees until the end of his second term in 2005, labour politics shifted drastically. The labour empire started allying with other social movements, particularly the student movement, and extended unionization beyond industrial workers, to include journalists, nurses, municipal workers and a range of other urban occupations.

The Labour-Student Coalition

Since the Second of Khordad, the student movement was of first-degree importance to the Workers' House. In contrast to labour, which after the revolution first lost much of its influence only to regain this slowly during the 1990s, the student movement burst on the scene in 1997, playing a vanguard role in the election of Khatami.[42] The demographic explosion that Iran experienced certainly played an important role. Between 1979 and 1997, the Iranian student population had more than six-folded to over 1.2 million, and Iran's median age was only around nineteen.[43]

The *daftar-e tahkim-e vahdat* (The Office for Consolidating Unity, OCU) had been the prime *khatt-e emami* student organization in post-revolutionary Iran. In contrast to the Workers' House, the OCU had only been half-heartedly supportive of Rafsanjani.[44] Yet to the surprise of the WH, the OCU was able to massively mobilize students to the reformist cause and transform

[42] Before his presidential candidature, Dr. Khatami was the president of the National Library and Archives of Iran – an exclusive spot where top students come to study. The OCU was also the first to officially announce support for his presidency, followed shortly afterwards by doctors, dentists and pharmacists.
[43] Data from the Institute for Research and Planning in Higher Education.
[44] Mahdi, "The Student Movement in Iran."

itself quickly into a powerful political organization.[45] The Workers' House was keen to learn about the OCU successful mobilizing strategy, and hoped to integrate the labour and student movements. When the Islamic Labour Party was established as the Workers' House official party wing in 1997, its first statement emphasized the importance of both the young and women.

The integration of the labour and student movement had more than just strategic origins. As civil society movements, both experienced varying degrees of state suppression and sanctioning. Alireza Mahjub, the WH leader during Khatami, summarized this when he explained that "there is a difference between us and the student movement. When somebody from the student movement is put in prison, his allies try to release him by promoting his cause (*taharok-e tablighi*), but due to a variety of reasons we don't have the capacity to do this."[46]

Overlapping economic concerns also made an alliance intuitive. Unemployment was an acute issue for both social groups, as was precarity and redundancy.[47] During the 1990s larger share of higher education became privatized and fee-paying, while remaining poor in quality.[48] In response, students staged a host of local protests over food quality, classroom sizes, or lack of instructors, in a shift away from the unencumbered engagement in political affairs that was the norms in the 1970s and prior.[49] A prime case in which such shared exigencies united in collective action is the late 2002–early 2003 protests by non-teaching staff in Tarbiat Moallem, a large Tehran-based university that trains teachers.[50] Around the same time, teachers were staging the largest demonstrations in decades in response to what they believed was low pay and their limited purchasing power in comparison to other civil employees.[51] In these upheavals,

[45] For an account, see Malekzadeh, Shervin. "Education as Public Good or Private Resource: Accommodation and Demobilization in Iran's University System," in Daniel Brumberg and Farideh Farhi, eds, *Power and Change in Iran: The Politics of Contention and Conciliation*. Bloomington: Indiana University Press, 2016: 101–134.
[46] *Kar va Kargar*, Mordad 24, 1380: 2.
[47] A movement of 'unemployed graduates' as seen in Morocco and Tunisia for instance never existed in Iran, even despite unemployment being an enormous issue. One important reason is that the OCU was always tempted more by political than by economic demands.
[48] Zep Kalb, "Neither Dowlati nor Khosusi: Islam, Education and Civil Society in Contemporary Iran," *Iranian Studies,* 50/4 (2017): 575–600.
[49] Mahdi, "The Student Movement in Iran," 16; Asef Bayat, *Making Islam Democratic: Social Movements and the Post-Islamist Turn* (Stanford: Stanford University Press, 2007): 68–69.
[50] The university was later renamed Kharazmi University and has over 10,000 students.
[51] Mohammad Maljoo, "Motalebat-e eqtesadi-ye tabaqeh-ye motevaset dar Iran: nemuneh pajhuhi-ye geruh-e shoghl-e mo'aleman," *Goftogu*, 46 (1385): 21–57.

both the Workers' House and the OCU supported and even participated in the Tarbiat Moallem protests against months of wage arrears and managerial threats of redundancy.[52]

Finally, external threats helped to deepen ties between the OCU and WH. The student movement came under severe attack in and after July 1999, when university protests over the slow pace of political liberalization were attacked, killing several students. The Islamic Labour Party, hoping to come to the defence of students, responded by establishing its youth-wing one month later. On the first anniversary of the 1999 protests, the ILP released a statement supporting the student movement.[53] In the early 2000s, when the OCU rapidly fell apart due to internal splits and suppression, the Workers' House continued to defend the student movement, putting pressure on the judiciary to move the case forward.

External pressure on the Workers' House only increased after mid-2001, when the second Khatami administration replaced Labour Minister Hosseyn Kamali with a figure not related to the Workers' House. Following the advice of foreign agencies such as the World Bank and the IMF, the new Labour Minister was interested in reforming the Labour Code and easing employment regulations further. To contest these developments, the Workers' House organized a major march in Tehran in July 2002. However, the timing of the march could not but disclose its close affiliation to the anniversary to the student protests, and indeed, the demonstration itself was appropriated by students and workers to protest these external threats. A prominent slogan during the march, which was attended by an estimated 90,000, was "worker, student, unity, unity."[54] Even later, in spring 2006, when the Ahmadinejad government was threatening the survival of both the reformist student movement and the Workers' House, the latter, not capable of organizing large protests anymore, now hailed large youth protests against labour reforms in France as a model for the Iranian student-worker alliance to follow.[55]

Extending Unionization

[52] *Kar va Kargar*, Dey 10, 1381: 3; Dey 16, 1382: front page.
[53] *Kar va Kargar,* Tir 18, 1379: front page.
[54] *Kar va Kargar*, Tir 25, 1381: front page.
[55] *Kar va Kargar*, Farvardin 15, 1385: 1.

During the Khatami administration the number of active enterprise-level unions continued to increase as workers were encouraged to unionize and party-friendly managers could be convinced to the cause of corporatism (Table 4.3). The absolute peak of such unions was reached in 2001, Hosseyn Kamali's final year as Labour Minister. In contrast to Rafsanjani times, the Workers' House, the Labour Ministry and the wider Khatami bloc started to encourage the formation of Guild Associations over IWCs too.[56] The GAs were commonly called 'syndicates' (*sandika*, an originally French word) for they had much in common with the industry-level syndicates of pre-revolutionary times and were advocated too by Western agencies such as the International Labour Organization. As discussed, the GAs had more flexible structures that did not require a managerial representative on the board and could be established in any enterprise with over ten workers.

The expansion of GAs went together with a push to expand unionization to hitherto unorganized occupations. Although this was more straightforward for urban occupations such as municipal workers, bakers or fruit and vegetable vendors, the creation of new unions and labour empires in a set of occupations with high status and political weight was contested. In particular, the Journalist Syndicate, the Nurses' House and the teachers' unions became focal points for intra-elite conflict, pitting the reformists, who hoped to integrate these occupations in the Second of Khordad movement, against conservative forces.

Table 4.3: Union Formation (1996–2001)

	IWCs		**Reps**		**Guild Associations**		**Total**
	No.	Growth	No.	Growth	No.	Growth	
1996–97 (1375**)**	2220	14%	899	4%	112	53%	*3231*
1997–98 (1376**)**	2261	2%	1230	37%	126	13%	*3617*
1998–99 (1377**)**	2652	17%	1255	2%	174	38%	*4081*
2001–02 (1380**)**	2900	9%	1160	-8%	N/A	N/A	*N/A*

Note: Data on some years missing. No data on number of Gas in 2001-02. Hosseyn Kamali is Labour Ministry until mid–2001.

These prestigious labour organizations were thus at least as much political projects as they aimed to benefit their members materially. Emerging forms of class conflict and

[56] Alireza Mahjub, "Anjoman-e Senfi ya Showra: Kodam Yek?" *Sharq*, Tir 9, 1386.

representation had to make way for party considerations. As a result, the new unions or labour empires tended to be founded and dominated by the occupation's elite strata of managers. These managers were often reformist ideologues, were related to reformist elites through kinship ties, or (commonly) both. This included, for example, the editorial managers in the Journalist Syndicate, the school managers in the various teacher unions, and the healthcare managers in the Nurses' House. The Workers' House played a particularly important role in the formation and development of the Journalist Syndicate and the Nurses' Union, only the latter of which could be called a labour empire while the former was registered as a proper union.[57]

The Journalist Syndicate (anjoman-e senfi-ye ruznamehnegaran-e Iran)

During the 1990s, as political pluralization progressed, the number of newspapers and journalists exploded. Still, liberalization in a semi-authoritarian context meant that permits, especially of the more controversial and popular dailies, were often suddenly revoked.[58] Journalists were sacked when they disagreed with their newspaper's political slant or if management believed the journalist could endanger the newspaper's survival. Apart from the enormous economic insecurity this meant for journalists, reformists, who were the prime target of such media censuring, wanted their best writers to stick to the job.

Cultivating senior party connections, managers and senior editors rather than mainstream journalists were the prime drivers behind the formation of the Journalist Syndicate. Already in May 1995, Ata'ollah Mohajerani, Rafsanjani's advisor in parliament, publicly supported a union for "media workers."[59] He had backing from powerful figures in the IRIB national broadcasting organization and in the Ministry of Culture.[60] Yet, the Journalist Syndicate only held its first public meeting on October 1, 1997, when Mohajerani had become Khatami's

[57] Unfortunately I have no space to discuss the case of the teachers' unions. This union was created without Workers' House help, but is also closely affiliated to the reformists.
[58] For the most complete discussion of journalism and media workers in this period, see Hosseyn Shahidi, *Journalism in Iran: From Mission to Profession* (London and New York: Routledge, 2007).
[59] *Kar va Kargar*, Ordibehesht 20, 1373: front page.
[60] *Kar va Kargar*, Ordibehesht 11, 1373: 3.

Culture Minister, and with relentless support from Hosseyn Kamali, the WH Labour Minister.[61] In order to dim its reformist identity, the union's founders congregated from a diverse set of newspapers, from the conservative Keyhan*,* Jomhuri-ye Eslami and Resalat*,* to the reformist Kar va Kargar and Salam.[62] The structure of the Guild Association then required managers to transfer responsibility to actual journalists, making way for a leadership of prominent writers such as Ali Mazru'i and Abbas Abdi.

Of the two main reformist newspapers, particularly Ali Rabi'i, WH member and head of Kar va Kargar*,* was an important force behind the establishment of the union.[63] The role of the Workers' House was also reflected in the location of the meetings, which took place on Kar va Kargar premises. Due to its political relevance, the Journalist Syndicate became an increasingly important pillar for Workers' House politics generally, fixating the labour empire's energy on political liberalization, albeit with a labourite twist.[64] It was thus often through Workers' House brokerage in parliament and beyond that welfare concessions were given to journalists and other media workers. For example, after the mass closure of newspapers in spring and summer of 2000, the Journalist Syndicate was able to collect 520 million rial (around $63,000) to support the recently sacked workers. The Workers' House contributed 150 million rial to this figure.[65] The Workers' House was also a critical force behind re-classifying journalism as a 'difficult and hazardous' occupation, which gave media workers access to higher monthly benefits and a better pension scheme. Partly because of internal contradictions within the labour empire (see next chapter), this re-classification was a drawn out process which started in 1998 but was only approved by the Social Security Organization in late 2005.[66] In early 2003

[61] Personal communication with Kambiz Nowruzi, January 25, 2017.
[62] Upon establishment, one prominent slogan was "let's not make this guild association political." See *Kar va Kargar,* Mehr 9, 1376: front page. Despite this, the union was still very much political. The managements of the conservative dailies were against their journalists' involvement in the union (*Kar va Kargar,* Mehr 9, 1376:3) and some, such as Esmail Alavi from Jomhuri-ye Eslami, were forced to leave. Others, such as Homeyra Hosseyni Yeganeh from Keyhan, played an important role in organizing opposition against their managements from within.
[63] Personal communication with Kambiz Nowruzi, January 25, 2017.
[64] The WH was occasionally lambasted for neglecting workers' rights and focusing too exclusively on media freedoms. Reza Sadaqat, "Sokhani ba dabir-e kol-e hezb-e eslami-ye kar," *Javan*, Mehr 25, 1381.
[65] *Kar va Kargar*, Mordad 6, 1379: 3.
[66] It also included photographers, interviewers, graphic designers and pretty much everyone else working in an average commercial newspaper. *Kar va Kargar*, Dey 8, 1383: 10.

parliament also extended early retirement benefits to journalists and photographers.[67] Independently, the Journalist Syndicate provided legal and cooperative services, and was able to extend housing loans to many of its 2,000 members. However, without Workers' House support, the syndicate would not have been able to push for job security to any significant degree.

There was disagreement within the Journalist Syndicate about WH influence. Part of the opposition can be traced back to the relative strength of a reformist journalism favouring economic liberalism. The type of labourite and welfarist politics that the Workers' House trumpeted was not dominant in a reformist journalism that was largely tailored to a well-educated middle-class audience.[68] Apart from Kar va Kargar, few to no other newspapers covered labour-related issues, and even coverage of May Day was minimal, eliciting occasional indignation from Workers' House members.[69] Some reformist newspapers, such as Asia or Donya-ye Eqtesad, were strong proponents of neoliberal reform. In September 2001, tensions between the Syndicate and the labour empire became public for the first time. The Workers' House was busy setting up a national GA, which did not yet exist. Having donated a significant amount of money to the Journalist Syndicate, the Workers' House expected the JS to play a central role in it.[70] Several sceptical journalists were perceptive of tightening WH control, and decided to start meeting in secret outside WH premises.[71] There are strong reasons to believe that this break occurred around the same time as the Workers' House started threatening the government with the use and legalization of strikes, while tensions within the Journalist Syndicate were building up over the newspaper closures, inadvertently encouraging growing support for a more radical, pro-strike element there too. Political and ideological rifts within the Journalist Syndicate thus weakened its coalition with the Workers' House – an alliance that

[67] *Kar va Kargar*, Dey 23, 1381: 10.
[68] See also my reports on this. Zep Kalb, "Journalism at Work: Labour and Media in Iran," *University of Pennsylvania Annenberg School of Communication* (January 2017); Zep Kalb, "Not Just About but For Workers: Media, Labour and Politics in Post-2009 Iran," *Iran Namag*, 2/2 (2017).
[69] For an example, see: *Kar va Kargar*, Ordibehesht 12, 1381: front page.
[70] *Kar va Kargar*, Shahrivar 19, 1380: 2.
[71] *Kar va Kargar*, Shahrivar 19, 1380: 2.

might have otherwise been put to better use against common rivals in early– and mid–2000s Iran.

The Nurses' House or Nursing Organization (khaneh-ye parastar/nezam-e parastari)

The Nursing Organization was established in reaction to the growing inequality between physicians (especially specialized scientific staff, such as surgeons) on the one hand, and nurses on the other. This work-floor class inequality had obvious but important gender dimensions too. Between 1994 and 1997, a fee-for-service (*karaneh*) system was extended to state hospitals in Iran, incentivizing doctors to treat more patents for higher pay. The system was not well designed and nurses were not compensated sufficiently for the increasingly large workloads that physicians demanded from them. The direct co-relation of doctor earnings with nurse workloads led to a highly exploitative system.[72]

In general reformist governments, which receive powerful backing from doctors' organizations (particularly the *nezam-e pezeshki*), have fought a conflicted battle against this system, trying to limit its extent while maintaining the principle. The Ministry of Health is highly integrated with both state hospitals and the schools of medicine, endowing a small group of specialized doctors on the board of these hospitals with extraordinary political power.[73] In the Khatami period, nurses' resistance to this system grew, and they organized several protests in hospitals and in front of parliament. By July 2001, the Supreme Leader was even publicly backing their cause, declaring that nursing "is one of the most difficult jobs, and exhibits sanctity and honour."[74] Finally, in early 2002, parliament endorsed their right to unionize. Two organizations were established: the Nursing Organization (*nezam-e parastari)*, responsible for syndicate rights (*hoquq-e senfi*) and economic benefits, and the *khaneh-ye parastar* (Nurses' House). Similar to the Workers' House, the Nurses' House functioned as a reformist political

[72] Nurses in Iran have criticized this situation relentlessly, which they claim is much more unequal than similar fee-for-service systems in the West. I refer the reader to Mohammad Sharifi Moghadam's online articles and interviews.
[73] Interview with Mohammad Sharifi Moghadam, January 31, 2017.
[74] *Kar va Kargar*, Mordad 4, 1380: front page.

organ with imperialistic tendencies.[75] Both the Khaneh and the Nezam cooperated closely. Both were led by Mohammad Sharifi Moghadam, an active labour activist from Kashan who had come to Tehran to study before the revolution. Similar to many other labour leaders, Sharifi Moghadam comes from a managerial background. After a bachelor in medicine, he pursued a master's in business. Although he started his career as a nurse, he quickly progressed in the career ladder to eventually become the nurses' training manager (*modir-e amuzesh*) in Tehran's Imam Khomeini Hospital, Iran's largest medical facility. Sharifi Moghadam is a proud reformist, even though he readily acknowledges that reformist governments have been the prime culprits of the dire condition that nurses find themselves in.[76]

The Workers' House, while playing a less direct role in the formation of the Nursing Organization, was from the start affiliated. Before 2002, the Workers' House had already been responsible for organizing nurses in the private sector, which it did through its loosely-organized "Union for Hospital and Clinic Workers" (*etehadieh-ye karkonan-e bimarestan-ha va marakez-e darmani*). Many of the WH's female members were active in the healthcare sector, making the sector important for the Workers' House efforts to integrate women. In parliament too, the Workers' House strongly advocated the unionization of nurses.

Close ties between the labour and nurses' movements were maintained after 2002. This peaceful co-operation was partly due to the lack of competition between the two empires. Unionization through the Nursing Organization was legally restricted to state hospitals, and the Workers' House focused on the growing private sector. For the 2004 Parliamentary Elections, the Workers' House, the Nurses' House and the House of Industries and Mining – three reformist labour organizations – even decided to establish a "National Coalition for Labour and Production." While Alireza Mahjub invited workers to vote for pro-nurse MPs, Sharifi Moghadam wanted nurses present in the May Day demos.[77] By this time however, conservative

[75] That the Nurses' House benefited from benevolent support from within parts of the reformist elite, even as other reformist organizations opposed them, is reflected also in the central Tehran building that houses this organization, which was donated personally by Khatami.
[76] Personal interview, January 31, 2017.
[77] *Kar va Kargar,* Bahman 30, 1382: 3; Ordibehesht 9, 1383: front page

forces were on a definite rise to power, and the Guardian Council had disqualified many reformist candidates.

CHAPTER FIVE: REACTION, COLLAPSE AND RE-INTEGRATION

The project of party incorporation pursued by the Workers' House and its allies fostered growing discontent. In this chapter, I will argue that this was due to several reasons, one of which was the executive and legislative failure of the reformist bloc. Reformists failed to implement key parts of their political program due to persistent opposition from the judiciary and the Guardian Council. The Guardian Council also tightened its vetting procedures, particularly for the 2004 Parliamentary Elections. However, reasons for the labour empire's collapse go beyond these political considerations. In particular, the incorporation project itself generated a variety of contradictions and impasses, ranging from the labour empire leadership's penchant for elitism and compromise to conflict of interests within the organization's growing labour empire.

As a result, the Workers' House failed to get several of its key program points approved, did so with long delay, or, even worse, failed to block new regulations and legislation that were to prove detrimental to unionism generally. I argue that these failures fostered a reaction from below against the Workers' House, and by extension, its reformist allies. Trying to sustain popular mobilization, the Workers' House retreated to increasingly xenophobic rhetoric, attacking Afghan migrant workers and the elite. These last-ditched measures proved unsuccessful, or perhaps even counter-productive, and labour reacted, unprecedentedly, by rejecting the reformist/Rafsanjani bloc, and voting for Mahmud Ahmadinejad, a hitherto little-known populist conservative. Ahmadinejad's subsequent attempts to construct a parallel corporatist system, as well as his determination to destroy the Workers' House, effectively broke reformist influence over labour – a situation which became clear during the mass demonstrations of 2009.

Opposition to the Reformist Project

Opposition to reformist rule has been well documented by a wide variety of scholars and observers both in- and outside Iran.[1] In short, both the judiciary and the Guardian Council, aided by strong conservative networks crossing the Revolutionary Guard, Expediency Council, the Office of the Supreme Leader, and other organizations, were from early on squarely opposed to Khatami's reform project. Even if Ali Akbar Rafsanjani had facilitated the coming to power of the reformists in 1997, as head of the Expediency Council he did little to support the reformist, and in fact commonly sided with the opposition. The peak of Khatami's success was reached early on in February 1999, when the first rural, municipal and provincial council elections were held. This major reformist victory, improving democratic oversight over local government, was followed by an intensifying executive deadlock.

Opposition went beyond institutions, and included targeted assassinations and criminalization of reformist political and cultural elites, including the failed attempt on the life of the vice-chair of the Tehran City Council, Sa'id Hajjariyan, one of the leaders of the more radical, pro-democracy side of the reformists. The brutal suppression of the 1999 Student Protests is another example of such extra-judicial action. The judiciary did little to speed up investigations into these events.

Institutional obstacles increasingly paralyzed the Khatami government apparatus. Permits for important reformist newspapers were revoked by the judiciary in 1999. In February 2001, the Guardian Council rejected the budget passed by parliament. A 2002 bill to curb to powers of the Guardian Council was, predictably, rejected by the Guardian Council, as was a second watered-down version in 2003. For the 2004 Parliamentary Elections, the credentials of half of the candidates were rejected, including those of up to 80 sitting deputies. An ailing Abolqasem Sarhadizadeh, the former Labour Minister who was now an MP, joined his peers in a sit-in in the *majles* against these developments, telling the press that: "what kind of law-making is this, that they [the Guardian Council] carelessly remove the dearest faces of the revolution with the worst accusations."[2] Unsurprisingly, these tough vetting procedures helped the so-

[1] For a good overview see: Arjomand, *After Khomeini*.
[2] *Kar va Karkar*, Bahman 14, 1382: front page.

called principalists (*osulgarayan*), the main conservative coalition, receive almost seventy percent of the vote.

Elitism in the Labour Empire

Although conservative opposition was important in directing the labour vote to principalist electoral candidates, I argue that factors internal to the incorporation project also set in motion a process of conservatization of labour in which a vote for the principalists became increasingly seen exactly as a vote against reformist corporatism.

Labour corporatism, which establishes a non-competing monopoly on the interest representation of an entire social group, has a strong tendency to detach the leadership from its social base and turn them in appendices of state and business elites, with all its classist and status-bound preconceptions included.[3] For the Workers' House elitism was most directly reflected in its de-proletarianized leadership, or what I call the *mohandesi* character of the Workers' House, after the Arabic/Farsi word for 'engineer' – a prestigious and highly-educated middle-class occupation, as opposed to *kargar* (worker). The WH always lacked *kargari* roots, even as it was conquered by Islamist forces after the revolution. Still, its *mohandesi* identity grew worse as the organization expanded. Table 5.1, which combines data on the identity of the top 11 Tehran-based WH candidates for the 2000 Parliamentary Elections, shows that not a single leader of the organization could legitimately claim to be a 'worker.' Even if the November 2000 Majles Law established that parliamentary candidatures required at least an associate's degree (*fuq-e diplom*), most Workers' House candidates were already in possession of a bachelor degree or higher. Of eleven candidates, only two were actual employees, while the others were either on party payroll, or worked as journalists, managers and bureaucrats. The middle-class background of the Workers' House leadership was also reflected in its ideological position. With the disappearance of the statists in the early 1990s, Rafsanjani's technocratic, liberal economics became hegemonic in the top-echelons of the organization too. This was reflected for example

[3] In the Middle East, this observation is universal, from Lebanon to Tunisia. See Lazar, *Where are the Unions?*

in the way the leadership called for welfare expansion, focusing excessively on the importance of higher wages, purchasing power and consumption, rather than issues of redistribution, social provision, or equality.[4]

Table 5.1: Social Background of WH Candidates for the 2000 Parliamentary Elections

Listing	Sex	Age	Education		Main Institution	Position
			Level	Program		
1	M	54	N/A	N/A	ILP	executive head
2	M	41	bachelor	N/A	WH	executive head
3	F	41	bachelor	Textiles	ILP	spokesperson
4	M	43	bachelor	Industrial management	IWC	employee
5	M	43	PhD	Architecture	ILP	journalist
6	M	42	masters	Industrial management	LM	bureaucrat
7	F	31	bachelor	English	WH	ILO rep
8	F	39	bachelor	communications	IWC	employee
9	F	39	bachelor	Chemistry	Pharma	manager
10	M	37	bachelor	Chemistry	Chemical	manager
11	M	55	N/A	N/A	SSO	regional CEO

Notes: ILP = Islamic Labour Party; IWC = Islamic Work Council; LM = Labour Ministry; WH = Workers' House.
Source: *Kar va Kargar*.

Moreover, even if the gender ratio of the Workers' House leadership was very progressive with four out of eleven candidates being female, only one out of four women functioned as a union activist, while the others were managers and politicians. The dominant female class background was also reflected in the WH approach to women's rights, which after 1997 became increasingly divorced from social class and started to approach the issue as a liberal question of man vs. female. By 2001, the WH view on female employment had diverted from its earlier focus on welfare rights and had moved closer to dominant liberal Reformist view. Soheyla Jeludarzadeh was concerned primarily with the question of "what do female managers and workers have less than men," rather than talking about the needs of working class women.[5] That the Workers' House leadership was internalizing dominant status hierarchies was also

[4] A wide variety of WH statement attest to this rather bourgeois ideological intake, from the books written by some of the leadership, to public speeches in favour of economic growth and higher wages. For key works, see: Kamali, *Eqtesad-e siasi-ye ravabet-e kar*; Hosseyn Kamali, *Jame'eh, kar va towse'eh* (Tehran: Sazman-e Chap va Entesharat-e Vezarat-e Farhang va Ershad-e Eslami, 1383); Alireza Mahjub, *Qarardad-ha-ye movaqat-e kar dar Iran* (Tehran: Entesharat-e Vajheh, 1383).

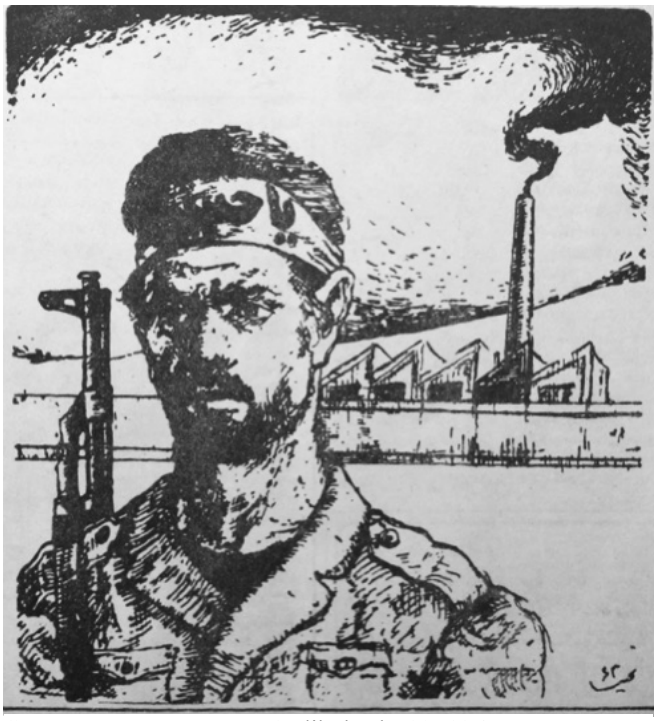
[5] *Kar va Kargar*, Shahrivar 18, 1380: 4.

reflected in their visualization of workers. While the worker (*kargar*) was visualized as a strong militant man in the 1980s, by the mid– 2000s the Workers' House imagined labour to be an old, impotent and poor man (see Pictures 5.1 and 5.2 below).

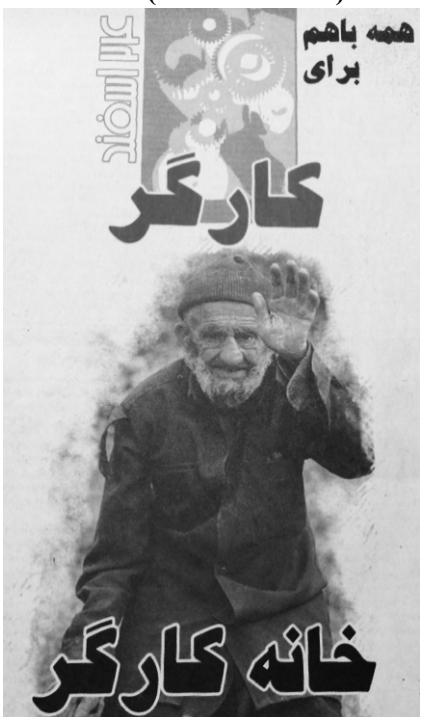
Yet, rather than dimming the leadership's elitism, organic governance cemented and furthered the organization's *mohandesi*'s identity. Organic governance tied the organization simultaneously to labouring communities and to business and state elites. This complex patron-client network transformed the Workers' House into a veritable labour empire, harbouring a large set of internal contradictions and conflicting commitments. One aspect, already discussed above, was the WH and LM's need to court business elites and employers in order to preserve and expand their influence in unions. These ties were maintained on a day-to-day basis, and local Workers' House branches would regularly send out postcards and gifts to affirm these relationships. With the integration of the Workers' House in national bargaining committees and gradual privatization of state-owned enterprises, the labour empire of the Workers' House increasingly reached beyond independent employers, including the Social Security Organization, Iran's largest pension and healthcare fund, and the national employers' organizations.

The Social Security Organization is one of the backbones of welfare provision in Iran. It is the largest healthcare and pension fund, combining contributions from employees, employers and the state towards individual insurance arrangements. Even if the organization is formally controlled by the government, it is registered as a non-profit organization and is thus largely regarded as independent. SSO has maintained its own pension fund (SHASHTA). Throughout the 1990s and early 2000s, this pension fund was increasingly forced to expand its market activities and acquire state assets scheduled for privatization as government subsidies to the organization fell. In the Rafsanjani and Khatami presidencies, the Workers' House, Labour Ministry and SSO were closely allied, and many of their senior cadres flowed between the three organizations, even if the increasingly profit-geared position of the SSO could create severe internal conflict of interests. The Workers' House based its political legitimacy on the expansion of welfare provision, while the SSO opposed unreasonable increases in welfare expenditures.

Pictures 5.1 and 5.2: Workers' House Visualization of the Worker (1986 and 2007)



Source: *Kar va Kargar*, Ordibehesht 13, 1365.



Source: *Kar va Kargar*, Esfand 11, 1386.

Secondly, the Workers' House started to court employers' organizations in order to reach mutually beneficial goals in the few existing tripartite bargaining platforms, notably minimum wage negotiations. These senior organizational relations started to warm particularly during the Khatami government, when the main employer union, the Confederation of Employer Associations (CEA), became better organized. One important reason behind why employers became more willing to support unionization was that Iran entered a period of "private sector growth without privatization, " as former MP and economist, Ahmad Meydari has described it.[6] This meant that while the state retained key public assets, there was blossoming of private sector activity alongside or within (through outsourcing and contractualisation) of state-owned corporate structures. These new, often reformist business elites tended to be more accepting of such liberal bargaining mechanisms. The most notable practical examples of this well-integrated party-inflected corporatism included the CEA public endorsement of higher minimum wages, defending its positive impact on real productivity.[7] In return, Hosseyn Kamali, the WH-affiliated Labour Minister, proclaimed that he wanted to see employers' unions empowered on the model

[6] Harris, "Vectors of Iranian Capitalism: Privatization Politics in the Islamic Republic," 222.
[7] *Kar va Kargar*, Esfand 13, 1380: 10.

of the "advanced countries."[8] In late 2004, the CEA could even boldly call for an expansion of the number of labour unions, arguing that their presence was fully "in tune" (*hamsu va hamsang*) with the interest of employers.

The Rise of an Anti-Labour Faction in the Reformist Bloc

Moreover, cracks appeared in the ability of the reformist coalition to hold its constituting partners together, leading to the purging of the Workers' House from the second Khatami administration (2001–05) by a set of more pro-globalization and pro-market elites. After Khatami's re-election as president in 2001, Hosseyn Kamali, who had been Labour Minister for the past twelve years, was replaced by Seyyed Safdar Hosseyni. Safdar Hosseyni had no relations with the Workers' House. In fact, before taking on the post of Labour Minister, Hosseyni had been a senior bureaucrat at the Management and Planning Organization (MPO), one of Iran's main headquarters for economic technocracy and liberalization regularly opposed to the WH's social democratic agenda.

Perhaps more important than their ideological disagreement were the clashing interests and heightened class tensions produced by the simultaneous integration both labour and pro-globalization entrepreneurs into one political bloc. For instance, in mid–June 2001 the government and the MPO agreed to transfer the ownership of 29 hospitals from the SSO to the Ministry of Health – a move which was criticized sharply by the national IWC.[9]

In the months leading up to the cabinet reshuffle, pro-market newspapers and commentators stepped up their criticism of the Workers' House, its political interference and its social democratic agenda.[10] The labour empire also put up a fight. It mobilized for the re-instatement of Hosseyn Kamali, and Ayatollah Musavi Ardebili, one of the most respected religious figures and a former statist, publicly endorsed Kamali.[11] Mobilization proved unsuccessful however, and between 2001 and 2005, the Workers' House could not rely on its

[8] *Kar va Kargar,* Esfand 20, 1379: 2.
[9] *Kar va Kargar,* Mordad 9, 1380: front page.
[10] See for example Mohammad Asgari, "Khaneh-ye kargar, nahad-e madani ya hezbi? *Asia*, Tir 6, 1381: 15.
[11] *Kar va Kargar,* Mordad 13, 1380: front page.

alliance with the Labour Ministry – a crucial component of its organic governance. As a result, the number of unions dropped quickly as employers took the chance to dismantle weaker unions (see Table 5.2).

Table 5.2: Union Formation after Hosseyn Kamali (2001–04)

	IWCs		**Reps**		**Guild Associations**		**Total**
	No.	Growth	No.	Growth	No.	Growth	
2001–02 (1380**)**	2900		1160		~175		*~4500*
2003–04 (1382**)**	1257	-57%	860	-26%	172	-1%	*2289*

Note: Some data on 2001–2 is missing.

The Absence of a Coherent Polanyian Counter-Movement

Its commitments to business and political elites, the contradictory and conflicting interests within its own labour empire, conservative opposition, and the purging of pro-labour elements from the reformist bloc after 2001 – all of these factors contributed to the failure of the Workers' House to push for a *coherent* Polanyian counter-movement to marketization. Ever since 1991, but increasingly thereafter, the Workers' House had to make concessions, and was unable to tailor government policies to its own interests. In the long-run, the advance of the market and a jumbled defence of social welfare reduced labour's ability to engage in unionism, thereby structurally undermining the WH's labour empire.

I will review key pieces of legislation in which the Workers' House took weak, compromising or disregardful positions by analytically dividing up the reactions the labour empire showed. Between 1991 and 2005, the Workers' House expressed three main 'anti-social' reactions: indifference and compromise, approval, and weak/minimal opposition. I will only refer to the most important cases for each reaction.

Approval

The WH defended several pieces of legislation that expanded the role of markets because its leadership agreed with Rafsanjani's hegemonic economic policy-making in which economic growth and employment creation were encouraged, without questioning the ways in which pro-growth and pro-market policy could affect the quality and forms of work. On May 9, 1994

regulations concerning Free Trade Zones were approved.[12] These regulations stopped implementation of the Labour Code in these zones, and replaced them with flexible hiring and firing regulations. The Workers' House did no criticise FTZs or any of these regulations. To the contrary, its newspaper published several long-length reports explaining the potential contribution to economic growth these FTZs would make.[13]

Indifference

WH indifference often ended in compromise and complicity. Initial unawareness as to what the long-term consequences of a particular piece of legislation were would eventually necessitate WH compromise with high-up interests. One of the most prominent developments that should have merited WH opposition, but did not receive any, was the legalization of temporary contracts by both court and Labour Ministry. The 1991 Labour Code does not elaborate on the issue of temporary contracts, and only explains in note 2 of article 7 that "where no period is specified in a contract for work which is *permanent by nature*, the contract shall be deemed to be permanent."[14] Several local courts soon had to make particularistic decisions on what 'permanent' meant. But, on March 6, 1995, the WH-dominated Ministry of Labour itself legalized the indefinite renewal of temporary contracts. Even if it later tried to backtrack on this decision, it was prevented to do so by the court. Moreover, in late 1996, a legally-binding ruling by a high civil court (the *divan-e edalat-e edari*) interpreted note 2 of article 7 as meaning that any contract with a stipulated end date can be temporary. In other words, the civil court and the Labour Ministry's combined actions enabled employers to make the vast majority of their contracts temporary by simply adding a contract expiry date, and then renewing these contracts indefinitely.[15] In the first years after this framework came into existence, the Workers' House fully ignored its adverse consequences, and there was not a single outcry until temporary

[12] See "Regulations on Workforce Employment, Insurance and Social Security in Free Trade, Industrial and Special Economic Zones," Ordibehesht 19, 1374, accessed June 8, 2017, http://bit.ly/2sgYQa7.
[13] *Kar va Kargar,* Esfand 25, 1372: front page.
[14] Note 2 of article 7 of the 1991 Labour Code. My italics.
[15] Mahjub, *Qarardad-ha-ye movaqat-e kar dar Iran*: 87–92.

contracts started to become a commonly witnessed phenomenon in the late 1990s.[16] The first real occasion on which the Workers' House discussed temporary contracts were the 2000 May Day rallies, almost five years after the legislation had come into force.[17]

Impotence

Weak opposition was the final and most important characteristic of the failing counter-movement politics of the Workers' House. In fact, anxiety at its own impotence – the feeling of being but an accessory to more powerful state forces – has been with Workers' House leadership from the start. In the late 1980s, Rafsanjani even mocked several Workers' House leaders who had come to visit him as being "afraid that the rich will win."[18] Anxiety was re-produced by the organization's restricted ability to represent labour on the national level, compounded by broader political disinterest in labour.

The exemption of small-enterprises from the Labour Code is an iconic case of WH impotence. Article 191 of the Labour Law states that "small-scale enterprises with fewer than ten workers may, as circumstances require, be temporarily excluded from some of the provisions of this Code." In April 1999 a largely reformist-controlled parliament was for the first time tempted to invoke this article. A proposal circulated to exempt micro-businesses with fewer than three employees from key articles of the Labour Code. This proposal was popular because not only would it reduce state costs to monitor the vast economy of small-businesses in Iran, but it could also be sold as a plan with "the aim of creating employment [of up to 1 million people] and reduce the employment crisis," since small-businesses at the time employed over eighty percent of the workforce.[19] From the start, WH representative Alireza Mahjub spoke out against the plan saying that it "will not only not increase employment but it will throw the job security of close to 800,000 workers […] in danger." Moreover, it will cause "the destruction of workers'

[16] *Kar va Kargar* reports for Esfand 1373, and Farvardin and Ordibehesht, 1374.
[17] *Kar va Kargar*, Ordibehesht 12, 1379: 2.
[18] Rafsanjani, *Khaterat,* Azar 16, 1367.
[19] *Kar va Kargar,* Ordibehesht 1, 1378: front page.

rights, unemployment, and exploitation (*estesmar*)."[20] In the major May Day demonstrations of that year, Workers' House officials again employed the highly-loaded term of *estesmar* to reject the parliamentary bill.[21]

Although this fierce opposition could postpone the bill for several months, it failed to prevent its approval. One day after parliamentary elections were held in early 2000 – a day on which the Workers' House was unable to mobilize – the bill was pushed through rapidly, and, more significantly, its scope was suddenly expanded from enterprises with fewer than three to enterprises with five employees and less.[22] While the national IWC rejected the shock therapy-style in which the plan was changed and approved by parliament, an official Workers' House statement exclaimed that the bill was orchestrated by "the advocates of wealth and the shop economy (*eqtesad-e maghazeh-i*).[23] Even more radically, the Workers' House immediately organized protests, continuing for several days, in front of parliament and several other major cities to contest the new law, and calling on the Supreme Leader, the Guardian Council and the President for support.[24] When these actions were all to no avail, the Workers' House exclaimed that it was even ready to push for the legalization of the right to strike.[25] All of this rhetoric however soon turned into compromise and capitulation. On January 19, 2003 the Supreme Labour Council approved an expansion of the original employee exemption bill to included all enterprises of fewer than ten employees. This time the Workers' House did not oppose the move at all, busy as it was criticizing the Guardian Council for rejecting the core of reformist candidates for the Tehran city council elections.[26]

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[20] Ibid.
[21] *Estesmar* is historically a strong Marxist term referring to class exploitation. *Kar va Kargar,* Ordibehesht 12, 1378: 2.
[22] Interestingly, contested pieces of legislation in Iran are often approved on electoral or commemorative days when MPs are not as much under the scrutiny of their constituencies.
[23] *Kar va Kargar,* Esfand 9, 1378: front page; 2.
[24] On March 9, 2000, 5,000 labour activists protested in Tehran, threatening to strike. *Kar va Kargar,* Esfand 10, 1378: front page; 2.
[25] This was first stated by the national IWC on April 4, 2000, and repeated a week later by WH officials in Hamedan, who declared that "to strike is our definite right." Several months later, an important IWC leader even stated that "striking is a tool used in the private sector to guarantee the job security of the work force," in effect marking a first step away from the corporatist logic. *Kar va Kargar* reports.
[26] *Kar va Kargar*, Dey 21, 1381: 4 and 10; and following days.

Impotence was further exacerbated by the internal contradictions within the Workers' House's labour empire. Most importantly, the Workers' House had for years pushed for the approval of the the Early Retirement Law for Difficult and Hazardous Work. The first early retirement law was approved months before the war ended, on 18 May 1988. After expiring in 1992, the Workers' House lobbied the Rafsanjani government, and subsequently the Khatami government to re-instate welfare provisions for early pensions, particularly for difficult and hazardous jobs.[27] Yet, the bill faced a set-back in May 2000 when the Social Security Organization, which formed part of the labour empire, managed to convince the majority of parliament to reject it.[28] In reaction, the Workers' House mobilized its grassroots and lobbied political leaders over the next months. Eventually Mehdi Karrubi, the then-head of parliament, endorsed the plan, and he was invited by the WH on the anniversary of the Islamic Republic in February 2002 to speak to a crowd of thousands of workers, where Karrubi re-iterated his wish to see the law approved soon.[29] After parliament approved the law several days later, it faced further obstacles. First the Guardian Council refrained from signing it into law for over a year. After the Guardian Council had finally approved the bill in the autumn of 2003, the SSO avoided implementing it. In response, one of the main WH slogans for May Day 2004 was the resignation of the entire SSO managerial board and their replacement with more pro-labour figures, and full implementation of the Early Retirement Law.

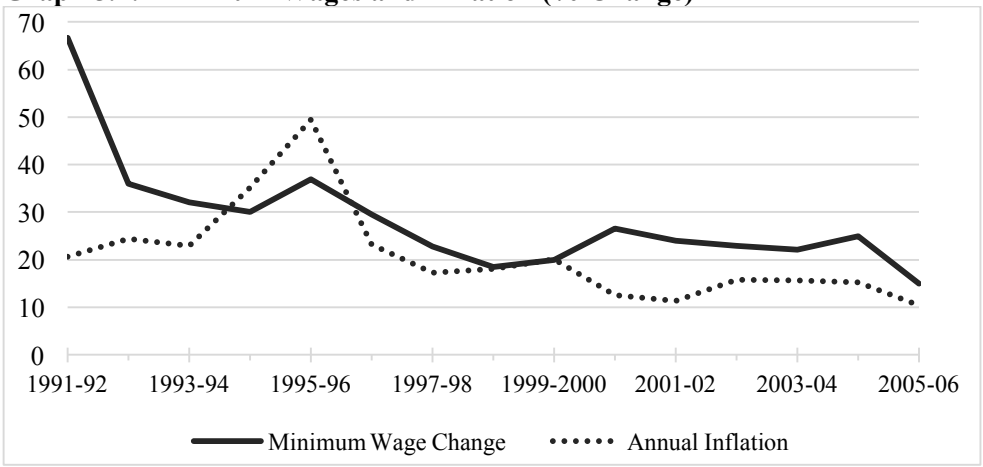
Limited Success

Beyond these key failings, it is certainly not true that the Workers' House was power*less*. For example, during Safdar Hosseyni's tenure as Labour Minister, the labour empire successfully mobilized against Labour Code reform, which had been advocated by the International Labour Organization, the IMF and the World Bank.[30] Hoping to loosen regulations, reduce costs and

[27] The law was renewed on Shahrivar 24, 1370. For original law see http://bit.ly/2t8Jq4b, accessed June 11, 2017.
[28] *Kar va Kargar,* Khordad 2, 1379: 2.
[29] *Kar va Kargar*, Bahman 19, 1379.
[30] IMF, "Iran Article IV Consultation–September 18, 2002." IMF, "Iran Article IV Consultation–September 10, 2004."

formalize a labour force that was by now largely removed from the original 1991 legislation, the Labour Ministry first touted plans to reform the Labour Code in the summer of 2002. The Workers' House moved fast against this plan, and in coordination with the student movement (see Chapter 4) it staged a major march of up to 90,000 people. This show of force postponed all reform plans, and several months later Safdar Hosseyni conceded that any legal change will be occur via "tripartite consent" (*sejanebeh garayi*).[31] When Naser Khaleqi replaced Hosseyni as Minister of Labour in 2004, the position of the Ministry softened even more. Khaleqi argued that the "Labour Code has a lot of benefits (*zarfiyat-ha*), and there is no need for reform."[32] Clearly, the Khatami government hoped to retain the support of labour even as they had ousted the Workers' House from government.

Graph 5.1: Minimum Wages and Inflation (% Change)



Another area where the labour empire stamped its mark was minimum wage bargaining. These yearly negotiations are the responsibility of the Supreme Labour Council, a tripartite committee consisting of three Labour Ministry officials, three national IWC activists, and three representatives from the employers' unions. When in control over the Labour Ministry and the IWCs, the labour empire played a direct role in any final decision, even if the Labour Ministry had to independently take into account other, often more powerful actors, and in particular overlapping state and business interests. The warming of relations between the employer union and the labour empire from the late 1990s onward strengthened the position of the latter. As a

[31] *Kar va Kargar*, Dey 21, 1381: 4; 10.
[32] *Kar va Kargar*, Khordad 14, 1383: 4.

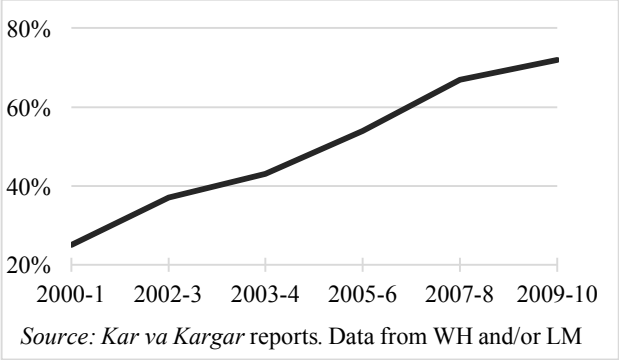
result, in the 1997–2005 period, minimum wages outpaced annual inflation quite substantially (see Chart 5.1). Only in the year 1996–97 was the Workers' House forced to agree on a twenty percent minimum wage drop in real terms. The organization's leaders tactfully ignored the case, instead allocating time and energy to the 1996 Parliamentary Election.

In sum, even if there was a partial and targeted Polanyian counter-movement against market expansion, the Workers' House was not fully in control of it. The various key occasions when the labour empire did forego its prerogatives, be it under duress, due to ignorance or complicity, hollowed out the basis for unionism in Iran, even as labour incorporation actually helped to improve the socio-economic position of workers in a range of development indicators. The Labour Code exemptions, in combination with spreading job precarity and contractualisation, *structurally weakened* the ability of workers to organize. As Graph 5.2 below shows, between 2000 and 2005 the percent of employees on temporary contracts increased from 25 to around 50 percent. Moreover, 402,000 out of 450,000 economic units, or 89 percent, were removed from most Labour Code regulations in 2003 with the approval of the small-enterprise exemption, according to the Labour Minister.[33] The steady growth of FTZs worsened the situation. Easy FTZ regulation and the absence of the WH spurred the growth of private human resource contracting, particularly in the southern oil, gas petrochemical industries.[34] Outsourced labour in these areas had to endure highly precarious work conditions. As a result, the Workers' House gradually lost its embedded relations with workers and their families, and thereby its mobilizing power. Workers were increasingly handling two or more jobs at a time, and their insecure employment in industrial enterprises meant that fewer were able to engage in labour politics.[35] Many union activists noted the destructive effects of these shifting economic conditions on trade unionism. In early 2006 the head of the IWC of West Azerbaijan blamed the

[33] *Kar va Kargar*, Dey 21, 1381: 4; 10.
[34] Mohammad Maljoo, "Eqtesad-e siyasi-ye niru-ye kar-e san'at-e naft dar Iran-e pas az jang," September 2012, accessed April 14, 2017, http://bit.ly/2rOLHn4.
[35] By March 2004 even Alireza Heydari, head of the national IWC, was complaining about the prevalence of working multiple jobs and its negative effect on unionism. *Kar va Kargar,* Farvardin 18, 1383: 4.

drop in active enterprise-level unions in that province from 54 to 32 on the rise of temporary contracts.[36]

Graph 5.2: Growth of Temporary Contracts in Iran



Source: Kar va Kargar reports. Data from WH and/or LM

Workers' House Reactions to the Impasse

The logic of party incorporation, which stressed cooperation among reformist employer, labour and government organizations, had mixed results for workers. On the one hand, various welfare indicators, notably real wages, were improving. On the other hand, welfare legislation prioritized by the WH was either delayed or rejected. At base therefore, the WH was gradually weakened institutionally, and the structural obstacles to unionism were increasing. These growing contradictions hollowed out the labour empire's legitimacy. The Workers' House offered two solutions to the impasse of the hegemonic corporatist pact, both of which the organization believed could link it back up with its labour base. First, the organization became radicalized in its anti-elite slogans, and second, it upped its nationalist, anti-Afghan propaganda. This simultaneous foregrounding of class politics and anti-immigrant nationalism precipitated the much broader conservative back clash that was unleashed by Mahmud Ahmadinejad in 2005.

Anti-Establishment, Anti-Elite

The labour empire's verbal joustings against the elite took on new dimensions after 1999. Class-inflected rhetoric was unheard of in the political arena of Islamic Republic after the collapse of the statists and the approval of the Labour Code in the early 1990s. In fact, the 1979 constitution

[36] *Kar va Kargar,* Ordibehesht 26, 1385: 3

explicitly forbids political activity that could fuel class tensions.[37] Parliamentarians were thus surprised when Alireza Mahjub accused them of being "lazy rich people" (*morafahin-e bidard*), after the early retirement bill was rejected in 2000.[38] Trying to lobby support for a new bill, Mahjub proclaimed several months later that "the rich fear the word 'worker' " and that "we oppose capitalist rule in this country."[39] For the 2001 May Day demonstrations, the Workers' House had even drafted slogans that included lines such as "death to incompetent managers," "death to employers," and "death to the opponent of labour."[40] Moreover, for the first time in the history of the Islamic Republic, the Workers' House started talking about strikes (*e'tesab*) openly, a highly sensitive term actively avoided by politicians, media, and even the Labour Code.[41] On 4 April 2000, the labour empire declared it was ready to legalized strikes (*qanunmand*), and only days later WH officials in Hamedan joined in, declaring that " the strike is our definite right."[42] The Workers' House paradigm shift was welcomed among some former statist circles. Notably, Ayatollah Musavi Ardebili, the former head of the judiciary, defended the WH move, arguing that "if employers don't commit to their obligations, workers have the right to respond in kind (*moqabeleh be mesl*) […] and halt production."[43]

During most of the Khatami presidency, the Workers' House did not realize its threats for fear it would endanger its ties with political and business allies. Indeed, the labour empire used the 2004 May Day to de-escalate the situation by emphasizing that it would only pursue strikes once all other options had been exhausted.[44] Still, that between 2000 and 2005 even routinized labour bargaining increasingly included the Workers' House's populist, anti-establishment campaigning was reflected in minimum wage negotiations, which after spring 2000 became one of the the central arenas of labour politics. Even if the Workers' House had significant power over the negotiations due to its affinities with senior employers' unions, the

[37] See for example article 28 of the Iranian Constitution.
[38] *Kar va Kargar*, Khordad 2, 1379: 2.
[39] *Kar va Kargar*, Bahmad 18, 1379: 2.
[40] Hosseyn Akbari, "Bonyan-e vaghe'i-ye khaneh-ye kargar," *Andisheh-ye Jame'eh*, Dey 1380: 49–51.
[41] Zep Kalb "Journalism at Work: Labour and Media in Iran."
[42] *Kar va Kargar*, Farvardin 15 and 23, 1379: front pages.
[43] *Kar va Kargar*, Esfand, 16, 1382: 3.
[44] *Kar va Kargar*, Ordibehesht 12, 1383: 2.

organization handled an anti-employer bargaining strategy that started with publicizing demands for unfeasibly high increases, followed by quietist acceptance of any final figure (see Table 5.3).

Table 5.3: The Process of Workers' House Minimum Wage Bargaining

Year	First Proposal (%)	Final Proposal (%)	Final Figure (%)	Inflation in preceding year (%)
2002–3 (1381)	85	60	23	*11.4*
2003–4 (1382)	15	30	22	*15.8*
2004–5 (1383)	143	25	25	*15.6*
2005–6 (1384)	88	88	15	*15.2*

Notes: Minimum wage negotiations took place 1–2 months before start of the new year. Final figures are based on the current inflation rate.
First proposals are the first suggestion made by IWC and WH activists, usually a month or two ahead of the negotiations. Final proposals are those voiced just before negotiations begin.

The exception to WH preference of rhetoric over action was the year 2005–6, when verbal threats were realized for the first time. The change of heart occurred because the 2005 Presidential Elections showed a win for Mahmud Ahmadinejad. The Workers' House, recognising that its allies would soon exit political office, took the opportunity to stage a large nation-wide strike to protest low minimum wage increases, which in real terms remained constant. The Workers' House believed that real wages should rise as they were doing for civil servants. The labour empire called on all workers across the country to go on strike for two hours on 16 July 2005. The call was largely heeded, and the strike was potentially the largest ever in the post-revolutionary history of Iran. In Tehran up to 30,000 workers participated, with another 70,000 reported in the rest of the country.[45] The Tehran IWC also staged a sit-in in front of the Labour Ministry. Eventually, the government was forced to accept several of the labour empire's demands, but the coming to power of Ahmadinejad's government cut short any further WH strike actions.

Anti-Afghan, Anti-Immigration

Aside from anti-establishment slogans, the Workers' House hoped to substitute its failing class politics with anti-Afghan nationalism. The WH's nationalism went hand in hand with a rejection

[45] *Kar va Kargar*, Tir 13–29, 1384. Figures are my own calculation.

of globalization. Ironically, the Workers' House tapped directly into the worldwide alter- and anti-globalist movements that were then organizing around the World Social Forum against the G8, WTO, IMF and World Bank. While increasingly powerful segments of the reformist elite were keen to engage with the IMF and the World Bank, Workers' House MPs and Hosseyn Kamali rejected the WTO, arguing that it would "negatively affect" domestic production (*ziyanbar ast*).[46] The WH's main 2002 May Day slogan was "we oppose economic globalization."[47]

Yet, as attested by Hosseyn Kamali's lauding of the International Labour Organization and his frequent trips to other states in the Persian Gulf, anti-globalization was not so much strict WH ideology as a rhetorical and political means to encourage the state's increasingly anti-Afghan policies. In the context of a growing domestic unemployment crisis, especially among the young, and a cohort of around two million Afghans, many of whom had either fled the war in their own country a decade earlier or were migrant workers, the reformist government became increasingly intolerant of Afghan migrants. The Third Development Plan (2000–5) stated explicitly that the government should try to prevent illegal employment of foreigners.[48] The 2001–2 Budget Law also established a "Unit for the Prosecution of Immigrant Employment," which within the first month of operation had fined almost 5,000 employers and sacked up to 15,000 Afghans.[49]

As part of this wider government crackdown, the labour empire devoted itself to increasingly aggressive anti-Afghan propaganda. The Labour Ministry's anti-Afghan stance started in spring 2000, in the last year of Hosseyn Kamali's tenure, and continued more resolutely under his non-WH successors. The Workers' House embraced this change of air. For the 2001 May Day rallies, Workers' House slogans included "foreign workers create unemployment," "foreign workers should be sacked," and "shame on employers; sack the foreigners." The Kar va Kargar newspaper also started printing increasingly non-compromising

[46] *Kar va Kargar,* Esfand, 20 1379: 2.
[47] *Kar va Kargar*, Ordibehesht 2, 1381: front page.
[48] See articles 48 and 180.
[49] *Kar va Kargar*, Mordad 23, 1380: front page.

cover pages. The 23 July 2001 issue asked: "200,000 employed Afghans; 170,000 jobless Isfahanis – who is responsible?"

In short, in order to solve the labour politics impasse, the Workers' House spearheaded a populist and nationalist campaign against the elite and migrant Afghan workers. As we shall see, this campaign helped turn the workers to the conservatives, and particularly their candidate Mahmud Ahmadinejad, during the 2005 elections, who was the only candidate publicly espousing such ideas.

Reaction from Below I: The Left

Popular discontent with the Workers' House grew. Some disagreed with its anti-Afghan rhetoric, others with its obsession for control, again others with its compromising attitude and policy failures. WH patronage became regarded as a stifling rather than a socially-conscious aspect of local associational life. Calls for autonomy and independent organization grew.

I argue that the reaction from labour came from two sides, what could broadly be called 'the left' and 'the right.' The leftist reaction, which liaised with Iran's small socialist community, was limited in scale, but quite successful in action. The right-wing reaction was far more global in scale, and could mainly be seen in labour's rejection of Rafsanjani as the 2005 presidential candidate and support for Mahmud Ahmadinejad. Let us start with the former.

The independent labourite Left (*chap-e kargari*) was severely beaten by the Islamic Republic. First in the skirmishes between Islamist groups and the secular and Kurdish Left in the early post-revolutionary days. Then in terms of the suppression of the workers' council movement. The mass executions of prisoners in the late 1980s further decimated the Left's ranks.[50]

Yet the independent Left re-produced itself. The statist elite commonly propagated third-worldist left-wing rhetoric, and advocated characteristically socialist policies such as nationalization, price controls and welfare expansion. While statists eventually moved away

[50] Even if the explicitly non-communist, non-Marxist Mojahedin-e Khalq claimed up to three/fourths of all executions after June 1981. See Abrahamian, *Radical Islam*: 1.

from these ideas, their support of socialist policies in the early years of the Islamic Republic legitimized the recycling of these ideas by other groups at a later time. Moreover, as shown in Chapter 3, state control over the new social spaces created during and after the Revolution was never absolute, and they continued to be appropriated from below. Activists in sectors with a long history of unionization, such as shoemakers, bakers or mechanical steelmakers, avoided isolation through the flourishing cooperative economy. Finally, the increase in freedom of speech and association during the Khatami presidency enabled dormant left-wing networks to become activated and spread their ideas publicly, gaining a degree of traction among workers.[51]

The first autonomous leftist workers' organizations were established at the tail-end of reformist rule in 2004 and early 2005. These organizations were not enterprise-level unions, but action committees. In other words, they consisted of workers' activists and intellectuals lobbying for the establishment of independent unions. The so-called *komiteh-ye peygiri*, or Lobby Committee for the Establishment of Workers' Unions, brought together around a hundred ex-Maoists and Komeleh members, mostly from Kurdistan.[52] The *komiteh-ye peygiri* was licensed officially by the Labour Ministry, which was after the departure of Hosseyn Kamali in 2001 less fixated on preserving Workers' House dominance.

A second organization, the *komiteh-ye hamagangi*, or the Coordination Committee for the Establishment of Workers' Unions, was founded on May 1, 2005.[53] This organization rejected the licensing procedure, arguing that the right of association was guaranteed by the constitution. Although including some members of the *komiteh-ye peygiri*, the *komiteh-ye hamahangi* had its roots mainly among former Rah-e Kargar and Tudeh members, and was based primarily in Tehran.[54] The *komiteh-ye hamahangi* also counted around a hundred members. They met up regularly in the *hosseyniyeh* of the Bakers' Guild Association in southern Tehran.

[51] Though potentially much more among intellectuals and students.
[52] Full name: *komiteh-ye peygiri-ye ijad-e Tashakkol-ha-ye kargari*. Komeleh is a communist and separatist Kurdish organization.
[53] Full name: *komiteh-ye hamahangi-ye ijad-e Tashakkol-ha-ye kargari.*
[54] For good studies of the Left in Iran, see: Maziar, *Rebels with a Cause*; Sepehr Zabih, *The Left in Contemporary Iran: Ideology, Organization, and the Soviet Connection* (London and Sydney, Croom Helm, 1986).

Thus, both of these organizations (re-)connected an (re-)activated Marxist and socialist networks that advocated workers' control.

These emerging leftist solidarities, and the *komiteh-ye hamahangi* specifically, went on to play a key role in the establishment of two independent enterprise unions: the Vahed Bus Drivers' Syndicate and the Haft Tappeh Sugar Cane Workers' Syndicate. Although some foreign observers have contextualized the emergence of these unions with reference to Ahmadinejad 'repressive' presidency, workers in these enterprises were reacting more to local issues than to national politics, including years of stifling managerial control, lacking labour representation, precarity and poor working conditions. Both of these unions were thus a clear attack on and threat to the model of labour representation advocated by the Workers' House. I will discuss both of them here very briefly.

The Vahed Syndicate

In 1956 Vahed was set up as the main state-owned bus company in the Tehran metropolitan area. Vahed was a focal point during the revolution of many competing left-wing groups, and in the following years its bus drivers managed to maintain a relative autonomous and vocal IA. In the early 1990s, the then-Tehran Mayor, Gholamhosseyn Karbaschi, cooperated with the Rafsanjani-affiliated Vahed management to set up an IWC. Over the coming years however, many drivers became dissatisfied with the IWC, which, while keeping up mobilization for WH projects, stopped holding public sessions and became heavily bureaucratic.[55] Moreover, in the late 1990s and early 2000s, bus drivers were facing compounding financial difficulties, including the rapidly rising cost of housing in Tehran, the SSO's reluctance to pay them their difficult and hazardous work-related pension benefits, talks to restructure the company and privatize its assets, as well as the perception that real incomes were rising too slowly. Although the size and political importance of Vahed precluded newspaper coverage of collective actions, it was telling

[55] The Vahed Company was and is one of the largest companies in Tehran and thus benefits from high prestige among WH officials. Vahed bus drivers had mobilized for the Workers' House on occasion. In early 2001 for example many drivers donated the equivalent of one day's work to the WH Fund for Unemployed Workers (totalling around $40,000). See *Kar va Kargar,* Esfand 21, 1379: 3.

that at least one Tehran evening newspaper reported that Vahed workers had halted production for several hours on May Day 1999.[56]

With the help of the *komiteh-ye hamahangi*, Mansur Osanlu and Ebrahim Madadi established the independent Vahed Syndicate (*sandika-ye sherkat vahed*) in early 2005. It grew rapidly, and within twelve months faced state repression. The syndicate organized its first activities around weekly educational and discussion classes in the Bakers' GA's *hosseyniyeh*. Every Tehran district covered by Vahed was assigned a union representative responsible for spreading awareness about the existence of the syndicate. With the organization growing, a petition circulated for its formal establishment. When the Workers' House became aware of this development, it invaded the *hosseyniyeh* with police help on May 9, 2005. The syndicate emerged from this initial attack and managed to elect its leadership board (*hey'at modireh*) in June. A not insignificant ten percent of Vahed's total workforce participated in the elections, or around 1,700 people.

The syndicate's first industrial actions were organized in autumn of that same year. In the first action drivers kept their lights on during the day, and in the second they refused to accept ticket money from passengers. None of these actions were reported in the local or national press, but the news spread quickly via word of mouth in the Tehran area. Emboldened by the success of their organization, some in the union's board, especially Osanlu, determined it was time for a strike. A controversial and contested decision in the board, the strike was eventually set for December 25. Osanlu was arrested shortly beforehand and on the day police presence was rife. Still, the strike was successful in several Tehran districts, and an estimated 1,000 to 1,500 drivers participated.[57] Soon afterwards, police repression started, particularly after the syndicate rejected the limited concessions offered by the Tehran Mayor, Mohammad Bagher Qalibaf. When a new strike was planned for January, all board members were imprisoned, and several hundred core supporters of the union were sacked.

[56] This was later denied by management, but the fact that it was published suggests a lot. *Kar va Kargar,* Ordibehesht 15, 1378: 2.
[57] According to diverse news reports from the national media. See '*Etemad* and *Kar va Kargar* for Dey 5, 1384.

Despite the crack down, the Vahed Syndicate's strike had a positive influence on working conditions: wages increased substantially, drivers started receiving their wages on time, and loan and housing facilities improved. A combination of foreign pressure and internal workers' activism has kept the flame of the Vahed Syndicate burning over the following years, and by the mid–2010s the organization had become a quasi-institutionalized part of labour bargaining in the company and the wider Tehran municipality.[58] Simultaneously, control and surveillance have prevented the syndicate from growing.

The Haft Tappeh Syndicate

In contrast to the largely Tehran-based politics that I have so far discussed, the Haft Tappeh Syndicate was established in southern Iran, in the mixed Arab–Lor province of Khuzestan. Its socio-economic situation differed sharply from that of the capital, and the Workers' House had never been able to negotiate the establishment of an IWC there. The Haft Tappeh Sugar Cane Company was established before the revolution, and grew into one of the largest industrial enterprises of southern Iran, excluding the hydrocarbon sector. Haft Tappeh claims the most fertile land of Khuzestan and in the early 2000s employed around 4,500 workers, even if many thousands of extra hands were often hired on a seasonal basis. The company operated a strict labour hierarchy, combining a small industrial sector with significant benefits (company housing, generous pensions, …) populated with second, third and even fourth generation workers with a much more precarious, low-paid and seasonally-employed agricultural labour force, the so-called *neybors* ("reed-cutters").[59] With the growth of dam-construction and the dispossession of many smaller farmers in the 1990s, the ranks of reserve *neybors* swelled,

[58] There are many competing narratives about the politics of the Vahed Syndicate, about the persona of Osanlu, outside influence, etc. Lacking credible sources, I am not interested here in tracing Vahed's politics, or engage in normative discussions regarding the validity of the Syndicate's actions.
[59] Also see Bayat, *Workers and Revolution in Iran:* PAGE

heightening ethnic tensions and causing intermittent violence between the Lor and the Arab agricultural workforce.[60]

The industrial labour force was the prime force behind the syndicate movement, and seasonally-employed *neybors* did not even have the right to participate in the union's elections. In particular, the movement posited the upper-ranking strata of engineers and managers, who largely came from Dezful, against the lower and middle industrial workers, who maintained ties with the cities of Andimeshk and Shush. All three of these cities are part of the oldest urban communities in the world, and city identity is thus a critical part of wider ethnic affiliation.[61] The overlap of competing urban identities with labour hierarchies heightened discontent of the lower-ranking industrial workers with company management. Financial and economic factors contributed to that dissatisfaction. The management had changed for the worst in 2003, resulting in the company accumulating debt and increasingly delaying wage payments. There were plans to privatize the company in a context in which tariffs on imported sugar were lowered, making Haft Tappeh less valuable. In early 2006, management circulated rumours that the company would file for bankruptcy soon. Strikes accumulated, and demands included payment of wage arrears, housing benefits, the right to buy company houses, prudent privatization, higher wages and job security, as well as associational rights.

The *komiteh-ye hamahangi* and diaspora leftist network were soon fixated on these industrial actions, and various members of the Komiteh stayed around the company for months to advise the local activists. The movement was characterized by high kinship solidarity among the people from Shush and Andimeshk, making the situation explosive. Demonstrations could include up to 5,000 participants, blocking highways or protesting in front of the governor's office. Potentially because of these kinship ties, the movement was also much less coherent, less well organized and more horizontal than Vahed. The organization took a long time to take shape,

[60] Kaveh Ehsani, "Rural Society and Agricultural Development in Post-Revolution Iran: The First Two Decades," *Critique: Critical Middle Eastern Studies*, 15/1 (2006): 79–96; Kaveh Ehsani, "Bohran-e Ab, Bohran-e Abadan," *Goftogu* (2000).
[61] Rasmus Christian Elling, *Minorities in Iran: Nationalism and Ethnicity after Khomeini* (New York: Palgrave Macmillan, 2013).

and when the union's constitution was finally approved, it eclectically combined injunctions from different legal templates and competing union structures. Tellingly, the union was initially called a "syndicate – guild association."

When elections were held on 22 October 2008, a large share of the lower-ranking industrial workers, around 1,100 people, voted. The elected nine-member board consisted of both moderates and more radical figures. However, state repression of the independent syndicate was almost immediate, with Ali Kordan, the Interior Minister, warning that workers' syndicates and "other social movements" constitute a "national threat."[62] The state legitimized its crackdown with reference to the contact that some of the union's leadership had had with foreign news channels and exiled communist parties. Yet, despite repression and similar to Vahed, the situation of workers improved markedly after these collective actions, and even the management gradually came to acknowledge the corporate benefits of endowing this independent employee's union with some autonomy.

In conclusion, the Vahed and Haft Tappeh syndicates were both enterprise-level reactions to stifling managerial control. Both of these unions received critical support from re-organized and re-activated leftist networks who rejected the hegemonic labour politics pursued by the Workers' House and other organizations. Their emergence at the end-tail of and soon after reformist rule indicates to what extent expectations of an inclusive labour politics under the umbrella of the Workers' House had faded among left-wing activists. Vahed bus drivers reacted against the exclusionary and bureaucratic politics of its local IWC, which had mobilized for the Workers' House but had given drivers little in return. In contrast, in Haft Tappeh, workers reacted against the failure of the ruling reformist government to extend even minimal unionization to their factory.

[62] *Radio Farda*, Aban 3, 1387, accessed June 13, 2017, http://bit.ly/2so56gn.

Reaction from Below II: Populist Conservatism

Even if effective where it hit, the Left's reaction from below was limited in scope. Within the political structure of the Islamic Republic, the freedom of manoeuvre of networks advocating workers' control was severely circumscribed and repression was swift, even if is was not absolute. It is thus unsurprising that labour expressed its dissatisfaction with the reformist party and the country's dominant corporatism through electoral mobilization. I argue that the victory of populist conservatism in 2005 reflected the contradictions and failures of party incorporation of labour under the reformists and Rafsanjani.

With their political program largely obstructed by the Guardian Council, the reformists were not ready for the 2005 Presidential Elections. Some reformist groups did not support any particular candidate. Other groups congregated around two main figures: Mostafa Moin, a human rights advocate, and Mehdi Karrubi, a staunch economic liberal and former speaker of parliament. Former president Akbar Hashemi Rafsanjani, who had allied frequently with the Guardian Council against the reformists over the past years, also decided to run independently. Honouring old alliances and indicative of its move away from reformism, the Workers' House supported Rafsanjani's candidacy, as did a range of more conservative groups, notably the Combatant Clergy Association. The Workers' House mobilized swiftly: up to 300 IWCs sent in letters in support for Rafsanjani.[63] However, the labour empire found it harder to mobilize the GAs, many of which were set up by managers and political entrepreneurs more closely affiliated with the reformists.[64]

The aggrandisement of Rafsanjani by WH executive officers clashed with the first-hand experience of many workers. Even as Rafsanjani was by now commonly known as one of the wealthiest men in the country, WH officials tried to actively portray him as a pro-labour candidate. For example, the executive officer for the Tehran province WH branch claimed that "Hashemi Rafsanjani has been the biggest supporter of the people and especially workers, and

[63] *Kar va* Kargar: Khordad 25, 1384: 13
[64] This claim is based on an analysis of support letters in the *Kar va Kargar* newspaper during the election period.

the problem of temporary contracts will be solved by a Rafsanjani government," ignoring that temporary contracts originated during his presidency in the 1990s. When Rafsanjani followed this up with a speech in which he rejected the legality of temp contracts, Alireza Mahjub was forced to re-interpret his program, which fixated on economic growth and efficiency, as pro-labour. Declaring that "only Rafsanjani officially acknowledged workers," the executive officer of West Tehran even stated that "in his entire eight-year presidency not a single case can be found of privatization gone wrong."[65]

Labour was hardly motivated by the WH candidate. This was acknowledged by union activists. One Tehran IWC leader told reporters that "despite intense Workers' House publicizing of Rafsanjani, the workers' vote has been split and fragmented due to the number and diversity of presidential candidates." In particular, the working class was attracted to Mahmud Ahmadinejad. Initially, Ahmadinejad was a largely unknown figure on the list of conservative candidates, but his campaign made him an imminent success. He ran on a radical populist platform emphasizing egalitarianism, oil redistribution, and fiercely nationalist anti-Western rhetoric. He also blasted against rampant corruption in the reformist and Rafsanjani governments. He explicitly addressed himself to Iran's lower and 'popular' sectors, publicizing his simple lifestyle and identification with workers (*kargaran)*, the downtrodden (*mostazafan*), the poor (*foqara*), and the common man (*avam*). With the reformist vote split between Rafsanjani, Moin and Karrubi, Ahmadinejad ended second in the first round. He subsequently defeated Rafsanjani effortlessly in the final round, with only the peripheral regions of Kurdistan, Azerbaijan and Baluchistan showing majority support for the former president.

The Destruction of the Workers' House

The incoming Ahmadinejad administration was bent on neutralizing reformist political organizations as well as mobilizing labour for alternative union structures. Therefore, what we witness between 2005 and 2009 is not only institutional destruction, but also the establishment

[65] Tir 1, 1384: 4. This claim also neglects the intense and headline-making discussions that were taking place in Rafsanjani's second term over the privatization of Chitsazi Rey, in southern Tehran.

of new partisan platforms. Ahmadinejad appointed Mohammad Jahromi, a former Guardian Council bureaucrat and one of the key lieutenants of Ahmadinejad's populist program, to the post of Labour Minister. Jahromi was a highly partisan figure, and over the next years did his best to dismantled the entire corporatist framework so carefully built by Rafsanjani and the reformists. In fact, the conservative attack applied to employers' as much as to labour organizations, but I will focus here on the latter only.

Destruction could be pursued relatively easily via bureaucratic routes. The 1991 Labour Code located significant vetting power over unions in the Labour Ministry, and the Workers' House was, on paper, a purely political entity. Just a few months after Ahmadinejad came to power in mid–2005, the Labour Ministry announced that it planned to reform the 1991 Labour Code.[66] Jahromi accused the Code of being "communist" and argued that up to 80 percent of its clauses had to be eliminated.[67] In January 2006 the ministry renewed the exemption of firms with fewer than ten employees from parts of the Code, boasting that up to a million enterprises avoided its jurisdiction. The ministry even declared it wanted to extent part of these exemptions to firms with under fifty employees.[68] Around the same time, bureaucrats in the ministry had started sending letters to various state organs claiming that the national IWC is an "illegal" organization.[69] The ministry refused to confirm the veracity of the national IWC elections, thus barring the group from holding any other meetings or elections. This also meant that its members could not participate in the annual minimum wage negotiations. The ministry then proceeded to send letters to every single company with an IWC, instructing employers to forbid any local activists from mingling with national IWC members, and taking disciplinary action if employees accepted an invitation to a demonstration issued by the national IWC. The Labour Ministry also actively started vetting the candidates for district and factory IWCs that had pro-WH credentials.[70]

[66] *Kar va Kargar*, Bahman 11, 1384: 3.
[67] *Kar va Kargar*, Farvardin 15, 1385: 3.
[68] *Kar va Kargar*, Bahman 17, 1384: 3.
[69] Ibid.
[70] *Kar va Kargar*, Farvardin 29, 1385: 3.

In coordination with several provincial pro-Ahmadinejad IWCs, the Labour Ministry then organized new elections for the national IWC. With pro-WH activists prevented from participating, a heavily pro-Ahmadinejad board was elected to lead the new national IWC. One of the new leaders, Mohammad Parsa, an administrator at the Iran Fisheries Organization, argued that "in the current government, national and provincial IWCs have been established that are the real representatives of all workers and were elected through their vote," rejecting "the political and partisan organization called the Workers' House."[71]

Moreover, the government took the wind out of the sail of the WH's claim that its role in tripartite bargaining was to the benefit of workers by increasing the 2006–7 minimum wages by its highest figure in five years.[72] Simultaneously, Jahromi comforted industrialists and investors by telling them that this high increase had "nothing to do with labour's need [for higher wages], but was determined according to the circumstances of the labour market (*sharayet-e kari*)" and to "protect financial circulation in the industrial, mining and services sectors."[73]

The Workers' House had limited means at its disposal to respond adequately to this outright attack. At first, WH staff stuck to complaining about the Labour Ministry in a way that acknowledged the "proximity" (*nazdiki*) of the Labour Ministry's populist ideas with their own, in effect legitimizing Ahmadinejad's government.[74] Then, in mid–February 2006, all WH executive officers convened an "emergency" meeting in Bandar Abbas to try to come up with a "new strategy." This new strategy was not designed to re-connect with its social base. Instead, the Workers' House prepared to respond to the conservative government in a highly politicized, non-populist, partisan way. For example, Ahmad Panjaki, the head of the national IWC, directly accused the Labour Ministry for the growth of "anti-regime syndicates" –a reference to the Vahed Syndicate –because the ministry had weakened the official trade unions.[75] WH officials also argued that unemployment was worsening because of the government-orchestrated increase

[71] *Fars News*, Khordad 29, 1387, accessed on May 13, 2017, http://bit.ly/2qkv7aK.
[72] Minimum wages increased by 22.4 percent (nominally), and pensioners' benefits by even more. Inflation was around 11 percent.
[73] *Kar va Kargar,* Esfand 20, 1384: 3.
[74] *Kar va Kargar,* Bahman 17, 1384: 3.
[75] *Kar va Kargar,* Esfand 18, 1384: 3.

in minimum wages – a position squarely opposed to what the labour empire had advocated in the past, namely real minimum wage increases.

Table 5.4: Workers' House Demands in the 2006 May Day Demonstrations

Political			Social
West	**Labour Ministry/Government**	**Vahed Syndicate**	
Don't insult the Prophet; right to nuclear power	Don't weaken IWCs; don't weaken the WH; don't change the LC; don't nationalize the SSO; improve tripartism; stop increase in unemployment; no LC exemptions; more union independence from LM	" [we] will neutralize conspiracies to create unrest among workers."	Change laws on temp contracts; increase unemployed insurance fund; improve work conditions, esp. for overwork

The collapsing labour empire saw the 2006 May Day demonstrations as a critical moment to attack the Ahmadinejad government. The rally was attended by tens of thousands, and was, according to the Workers' House, the largest May Day demo in a decade. The organization claimed that high attendance was a product of labour's dissatisfaction with the incumbent administration, but it was clear it was at least as much a product of the national upscaling of anti-Western rhetoric. For one, the Workers' House had been forced to organize the rally in front of the former US embassy, and, as Table 5.4 shows, anti-Western slogans were prioritized. Indeed, these demands indicate how the Workers' House had to stage an eclectic mix of attacks on all the threats it was facing simultaneously, including the West, the Vahed Syndicate and the Labour Ministry. Non-politicized, social demands took a backseat.

For the 2006 May Day demos, the Workers' House could not rely on any of its social movement allies, notably the student movement. The Office for Consolidating Unity had been fatally weakened by this point. Yet, the Workers' House hoped to show that the May Day demonstrations represented society, and not just labour. Therefore, beside a shrinking pool of loyal supporters, the Workers' House also relied on many of its own students, enrolled mostly in short-term vocational courses, to carry the banners. Over the previous years, the Workers' House had increasingly engaged in the educational sector, particularly after the Third Economic Development Plan (2000–05) opened up private tertiary education to smaller contestants through the legalization of private vocational education (the so-called *elmi-karbordi* or *herfeh-i karbordi*

schools). [76] The Workers' House had started to invest in such vocational training from 2003 onward and by late 2005 the labour empire was already enrolling over 250,000 individuals on short- and long-term courses.[77] For lack of other options, the WH mobilized these students on May Day 2006. That these were only students in the formal sense of the term, rather than in the deeper socio-economic and political sense became clear not only from the advanced age of these 'students,' but also of their gender make-up, which was almost exclusively male, and mainly of working class background.[78]

Over the next months, the Workers' House managed to keep up its mobilization as the government was planning to push through a range of unpopular reforms. Most notably, the organization mobilized against Labour Code reform plans in the autumn of 2006. By this point, government restrictions on protests had become so tight that the labour empire had to resort to petitions. Yet, in the end, the Workers' House campaign was undermined when Ahmadinejad himself intervened and told the press labour reform would be postponed. With this change of heart, unpopular labour reform was off the table, and the WH had lost its cards.

Corporatism Redux?

The Ahmadinejad government was quite successful in constructing parallel corporatist structures and integrating segments of the labour movement in them. To the dismay of the Workers' House, it did so first of all by co-opting dissenting voices within the IWC hierarchy. Indeed, the IWC was split from the top-down, with many labour activists in regional assemblies and even the national congregation motived by the new president's anti-establishment populism and the Labour Ministry's attempt to restructure the corporatist scene. For example, Nahid Jalali, a member of the national IWC, praised the Labour Ministry's decision to hand-pick the representatives of labour during the wage negotiations, arguing that "unlike previous years" the negotiations were not bogged down "by political and factional (*hezbi*) issues."[79] Moreover, the

[76] Kalb, "Neither Dowlati nor Khosusi."
[77] *Kar va Kargar,* Bahman 28, 1384: 2.
[78] *Kar va Kargar,* Ordibehesht 11, 1385: 11.
[79] *Kar va Kargar,* Esfand 27, 1384: 3

Ahmadinejad bloc supported loyal labour activists in the union hierarchy. In a short time, a whole range of conservative activists had climbed up to positions of authority in the IWC, the SSO Pensioners' Union and in the GAs, not only in Tehran but across the country.[80]

Perhaps more radically, the Ahmadinejad administration was interested in erecting a parallel corporatist structure alongside the IWCs and the GAs. While the IWC was supported by Rafsanjani and the reformists were keener on the GA, the Ahmadinejad bloc focused its energy on strengthening the third legal union structure, the worker representative. As Table 5.5 shows, between 2003 and 2011, the number of single representatives grew from 860 to over 4,000, bypassing the number of IWCs rapidly.

There were three reasons why the Ahmadinejad preferred to expand the number of structurally weak unions, including both GAs and representatives. First, the weakness of these unions suited Ahmadinejad's populist conservative bloc, powerful segments of which strongly rejected the idea of organized labour. Soon after his election, Ahmadinejad commenced a program of mass privatization of state-owned enterprises that went beyond anything attempted by his predecessors. However, instead of empowering a competitive private sector, privatization was designed in such a way as to re-distribute state assets to a host of parastatal companies, political cronies and affiliated contractor firms.[81] This created a potentially reliable social base for the Ahmadinejad administration, consisting largely of provincial, lower-level managers in a variety of industries that were set to benefit, such as car manufacturing, construction, arms manufacturing, pharmaceutics and the hydrocarbon sector. Most notably, conservative entrepreneurs with connections to the Revolutionary Guards were eyeing the future social mobility deriving from such a large privatization program. These lower-level entrepreneurs firmly opposed organized labour, but simultaneously preferred not to anger their employees, who were often their former co-workers, by allowing some bottom-up representation.

[80] The most important pro-Ahmadinejad union leaders were Naser Borhani, Gholamreza Abbasi and Ali Akbar Khabazha, leaders of the Tehran IWC, the Tehran GA for Brick Kiln Workers, and the SSO Supreme Council for Retired Workers respectively. In addition to them, a host of other conservative union activists attained leadership positions in union assemblies across the country.
[81] Harris, "Vectors of Iranian Capitalism."

Secondly, the Ahmadinejad administration was keen to assert top-down control over the three union types. Clashing with years of WH penetration, this project was most violent in the case of the IWCs. As discussed, the Labour Ministry first disbanded the pro-WH national IWC and re-organized it several months later. In contrast, the Workers' House had never developed extensive control over the two other, weaker union types. The number of GAs was small, and only several of them, notably the journalists' or teachers' unions, had an invested reformist base. Banking in on weak WH penetration, the Labour Ministry planned to set up two new national union confederations in order to steer labour from the top. While the lack of a national confederation for GAs was due to the reformist government's failure to set one up, the establishment of a national confederation of worker representatives was more controversial. Such an organization was not foreseen by the 1991 Labour Code, which only legalizes the establishment of national GA or IWC confederations, and was thus quasi-illegal. The Ahmadinejad government established both these national congregations after 2009.

Table 5.5: Union Formation during Ahmadinejad (2003–12)

	IWCs		**Reps**		**Guild Associations**		**Total**
	No.	Growth	No.	Growth	No.	Growth	
2003–04 (1382**)**	1257		860		172		*2289*
2011–12 (1390**)**	1297	3%	4037	469%	671	390%	*6005*

Note: No data found for the period 2003/4 to 2011/12.

Finally, party incorporation by the Ahmadinejad bloc was successful because of the rapid progress made in social policy. The privatization of state-owned enterprises was designed in such a way that employees classified for ownership, in effect revamping the age-old profit sharing program, around since Pahlavi times. Moreover, part of the privatization would see so-called "justice shares" given to variety of social groups, including, in order of priority, villagers and nomads; public sector retirees; beneficiaries of the Imam Khomeini Relief Fund and other welfare organizations; families with martyr status; seminary students and clergy – and journalists.[82] While the Khatami government was unable to implement the Early Pension Law, the Ahmadinejad government managed to get two benevolent early pension bills for civil

[82] Ibid.

servants and SSO members approved in 2007 and 2008 respectively.[83] Another law, designed to even out pay differentials between civil servants and please in particular the teachers' movement, was approved in late 2007.[84] Finally, the Ahmadinejad co-opted the nurses' movement by shaking up the dominance of reformist physicians in the Health Ministry, and getting one of the most progressive laws for the reduction of pay differentials between doctors and nurses approved in mid-2007.[85] Even if in hindsight many of these new laws seemed more symbolic gestures and went largely unimplemented, they created the impression that actual progress was being made.

[83] *Qanun-e bazneshastegi-ye pish az mova'ed-e karkonan-e dowlat*, Shahrivar 5, 1367; *Qanun-e bazneshastegi-ye pish az mova'ed-e bimeh shodegan-e tamin-e ejtema'i*, Ordibehesht 28, 1367.
[84] *Qanun-e Modiriyat-e Khadamat-e Keshvari*, Mehr 24, 1386.
[85] *Qanun-e ta'refeh gozari-ye khadamat-e parastari va ta'dil-e karaneh-ha-ye parastari*, Tir 6, 1367.

CHAPTER SIX: CONCLUSION

Labour entered the year 2009 fragmented, divided and repressed. Like in the past few years, the Tehran governor did not issue a permit for outdoor May Day rallies. The Workers' House grumbled but complied. Yet, on the morning of the first of May, socialist families started to gather in Laleh Park in central Tehran, with the belief that the upcoming presidential elections had eased political repression. These families and activists had come together from the Vahed Syndicate, the Haft Tappeh Syndicate, the Free Union (*etehadiyeh-ye azad*), the *komiteh-ye hamahangi* and the *komiteh-ye peygiri*. To their own astonishment, many students joined in, and up to 1,500 gathered for an afternoon of talks and picnics. United, they called on the government to free political prisoners, abolish child labour, promote gender equality, stop mass redundancies, and make sure that wages were paid on time. Before long however, the gathering was violently attacked by police. A reported 150 individuals were arrested and sent to Evin Prison. Many were released soon, but over thirty remained imprisoned for a more extended period of time, including high-profile activists.[1] Only days earlier, a two-day nation-wide teachers' strike had also ended in the arrest of members of the main reformist teachers' union.

The labour movement appears to have been a primary target of state repression in the weeks prior to the presidential elections. The elections themselves pitted Mahmud Ahmadinejad against two well-known reformist candidates, *sheikh-ol-eslam* Mehdi Karrubi and Mir-Hosseyn Musavi. Karrubi had been speaker of parliament twice, first in the early Rafsanjani period and then during the later Khatami presidency. Mir-Hosseyn Musavi had been one of the statist leaders during the Iraq War, but retired from politics in 1989, pursuing architecture and lecturing art classes instead.

Mir-Hosseyn Musavi in particular quickly turned into the leader of the reformist movement. Rallying around his promises for democratization and cultural relaxation, the urban

[1] For an account by the event organizers themselves, see "Etla'iyeh-ye shomareh yek bargozari-ye marasem-e avval-e mah meh 88," accessed June 10, 2017, http://bit.ly/2r7iEbP.

middle class was "exuberant" at the prospect of a country led by an educated and liberal architect.[2] His war-time government was contrasted with Ahmadinejad's and depicted nostalgically as the time when the state effectively promoted growth, reduced inflation and redistributed resources.[3] Musavi also mobilized the ethnic minorities. He spoke in his mother tongue of Azeri Turkish to crowds in Tabriz, promising to implement the constitution and give minorities their language rights.[4] His speeches were translated into Kurdish and published in the main pro-Musavi daily.

The Workers' House also endorsed the candidacy of Mir-Hosseyn Musavi over Karrubi. In previous years Karrubi had made himself known as a staunch advocate of the free market. Musavi, even if it took him time to move from themes of cultural and political liberalization to economic and welfare-related topics, stressed the importance not only of the usual "economic growth," "battling corruption," and "inflation reduction," but he also called for the expansion of welfare and insurance. By and large however, Musavi's approach to social and economic issues was, unlike Ahmadinejad's, exceedingly elitist and technocratic. He argued that "poverty is caused by managerial weakness" and that recent factory bankruptcies were due to "managerial instability" in a context of high oil revenues. He posited that Ahmadinejad's key mistake had been "to spend without planning."[5]

The Worker's House tried to flip Musavi's technocratism to its advantage. Speaking to workers in Lorestan, leader Alireza Mahjub praised Musavi highly, stating that "how could we not be thankful that an architectural engineer is participating in the elections, about whose genius (*nokhbeh*) and professionalism (*kardani*) we have no doubt." Mahjub called Musavi the "lifeline" (*nun-e shab*) of the Iranian economy, saying that the low inflation rates of Musavi's war cabinet "were not repeated afterwards."[6]

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[2] Kevan Harris, "The Brokered Exuberance of the Middle Class: An Ethnographic Analysis of Iran's 2009 Green Movement," *Mobilization*, 17/4 (2012): 435–455.
[3] *Kalameh-ye Sabz*, Khordad 13, 1388: front page.
[4] *Kalameh-ye Sabz*, Khordad 5, 1388: front page.
[5] *Kar va Kargar*, Khordad 11, 1388: front page.
[6] *Kar va Kargar,* Ordibehesht 29, 1388: front page.

Musavi moved closer to labour in the wake of the arrests of leftists and teachers around May Day. He met with the Workers' House leadership personally and told them that the government should "respect" unions. The Workers' House used the May Day demonstrations to further cultivate Musavi's image as "one of the most faithful followers of the Imam" and a "production-centred man" (*mard-e towlid mahvar*). While most of the WH demonstrations were held indoors, including in Tehran, several small outside marches took place in Kerman, Yasuj, Qaem Shahr and Gorgan.

The election day was June 12, 2009. Mahmud Ahmadinejad won an astounding victory, gaining 60 percent of the vote. It seemed clear: labour had not convincingly rallied behind the reformists. Yet, Mir-Hosseyn Musavi and Mehdi Karrubi pointed to voting irregularities and called for a recount. When he lost the presidential election in 2005, Karrubi had also accused the government of rigging the vote. This time round however, and to their own surprise, the two candidates had a movement behind them. On June 15, an estimated one to three million people marched in Tehran against alleged electoral fraud.

The Green Movement was born. With their print media swiftly rounded up by the judiciary, a call for a general strike was circulated on the Facebook pages of Musavi and his wife, Zahra Rahnavard, on June 16. The call was phrased in highly Islamic terms. Rather than a 'strike' (*e'tesab*), the reformists wanted an *e'tekaf* to take place from July 6 to 8. These days corresponded to the holy days of the middle of the Islamic month of Rajab (*ayam ol-beyz*), in which the practice of *e'tekaf*, or refraining from work while committing to praying and fasting, had higher spiritual virtue.

The strike attempt failed – tremendously so. For one, the government outwitted the opposition by declaring that air pollution levels were dangerously high and that all civil employees would get two days off, which not by co-incidence overlapped with the planned strike dates. A rather secular response to an Islamic call for prayer! More importantly however, labour itself was fragmented and divided. None of the labour empires were able or willing to mobilize their constituencies to stage industrial action. Not a single major factory strike was reported in Tehran or beyond.

Labour did not join the protests in 2009. The Green Movement failed to rid itself of its urban middle-class identity. In this thesis, I have tried to argue that this outcome was produced not only by important last-minute strategies and developments, but also by the *longue-durée* trajectory of labour incorporation and integration in particular political blocs (Table 6.1).

Table 6.1: The Ideal-Type Trajectory of Labour Incorporation in Iran

		Pahlavi	**Islamic Republic**				
Period		*1963–78*	*Revolution 1979–82*	*Iraq War 1983–88*	*Reformist 1991–2001*	*Transition 2001–05*	*Conservative 2005–09*
Mode of	**Incorporation**	State	None	W. Party	S. Party	W. Party	Fragmented
	Governance	Coercive	Autonomy	Coercive	Organic	W. Organic	Parallel
	Mobilization	Liminal	Competing	Liminal	Electoral	Oppositional	Repression

Note: S. and W. stand for strong and weak respectively.

Rooted in the delayed development of its capitalist state, signification incorporation of labour only commenced in the 1960s, when an oil-powered autocratic monarchy employed the military and a welfare bureaucracy to incorporate the country's 'modern' social groups, including industrial workers, civil employees, the bourgeoisie, and the peasantry, against the 'old' aristocracy and bazaar. The oil boom of the early 1970s heightened the project's class tensions and social contradictions, pushing the state to resort to populist rhetoric against the 'West' and the 'elite paired with occasional labour mobilization.' Such mobilization was more than just symbolic – I argued that it was liminal. State-orchestrated protests temporarily inverted social roles, and workers were encouraged, for a few hours only, to attack the connected business elite and flip around relations of authority.

At base, the Pahlavi regime lacked strong popular legitimacy and had to rely on coercion to maintain its hegemony. Unsurprisingly then, Pahlavi corporatist structures unravelled with lightning speed during the 1979 Revolution. Initially, competing revolutionary forces were unable to get a grip over the rapidly advancing labour movement, which concentrated on local autonomy and factory control, while the Islamic Republican Party itself had a rather lukewarm interest in workers. Only when a fledgling institutionalized structure of intra-elite competition emerged in 1983 were efforts made to incorporate labour again. Yet, because the state elite as a whole never managed to decided on how to incorporate labour, incorporation projects were pursued by political blocs reliant on political mobilization.

Rather than self-identified 'left-wing' statists in the 1980s, it was Akbar Hashemi Rafsanjani's centrist political bloc that seriously committed itself to labour incorporation through the elaboration of welfare arrangements, extension of corporatist union structures and approval of the 1991 Labour Code. Having had to accept the legalization of a weak bottom-up system of labour representation, Rafsanjani encouraged a particular political organization, the Workers' House, to systematically appropriate, invade and influence unions and other related organizations in order to mobilize and integrate workers in his bloc. Turning the legal template for unionism into a battlefield, the Workers' House gradually turned into a labour empire that was in control of its own financial resources and whose power extended over a variety of institutions, networks and labouring communities. The influence exerted by the Workers' House at the grassroots and community-level was boosted by the labour empire's 'organic' patronage relationship with local unions. The Workers' House's organic governance allocated a key role to locally-embedded former war veterans and union activists, who, as employed WH officials, did their best to steer local working people.

These unfinished and contested processes of institutionalization and labour incorporation in the Islamic Republic have contributed to a rapid succession of critical junctures in state-labour relations in Iran, overlapping since the late 1990s increasingly with presidential elections. The Workers' House became unable to neglect its constituency's core social and political demands, and after the 1997 Presidential Elections, most corporatist labour organizations were fluidly re-integrated in the reformist bloc led by Khatami. The reliance of the Khatami bloc on a wide popular front led to increasingly mutually exclusive interests and demands from its various constitutive parts. An intense class struggle over globalization within the Khatami bloc eventually led in 2001 to the ousting of the Workers' House from government, and the latter's descent into confrontational strategies that included oppositional rallies, anti-Afghan nationalist rhetoric, and much verbal jousting against the elite. These strategies itself precipitated the rise of a populist, nationalist conservatism under Mahmud Ahmadinejad.

Alongside the simultaneous incorporation of labour and a variety of other social groups, labour incorporation in the Rafsanjani and then Khatami blocs occurred alongside economic

liberalization, commodification and market expansion. Such processes, although not evenly or directly reducing labour's living standards, did change existing modes of interaction and heighten precarity, hollowing out the basis of unionism on which the labour empire relied for its influence. They also fostered labour discontent with the incorporation project itself and generated impressions that social inequality was deepening. The Workers' House, which cultivated ties with business and state elites and entered the private sector on its own initiative, could not keep itself excluded from such accusations.

Finally, the reformist bloc faced tremendous political obstacles from powerful conservative institutions and networks. Opting for accommodation rather than confrontation, the reformists and the Workers' House failed to realize many of their electoral promises, adding to popular dissatisfaction with the ruling government.

Labour's reaction to these weakening intermediations of wealth redistribution, class conflict and political representation expressed itself in a rejection of the Workers' House and the reformist project at large. Despite years of repression, small and independent left-wing networks effectively organized several factory-level movements that demanded independent workers' representation. Yet, labour's prime reaction was articulated in electoral terms, and particularly in the vote for Mahmud Ahmadinejad in the Presidential Elections of 2005, where he ran on a populist and conservative platform that rejected corruption, the establishment, and the West, while promising popular re-distribution of oil revenues. The Ahmadinejad government was from the start squarely opposed to the reformists, and did its best to dismantle their organizational base and to re-integrate labour in a new conservative bloc though parallel corporatist structures and welfare.

Between 2005 and 2009, the linkages between workers and the political elite fragmented and corporatist organizations weakened. Labour lost its ready link with the reformists, while the Mahmud Ahmadinejad's government hoped to rely exclusively on populist electoral mobilization rather than embedded corporatism. In 2009, Ahmadinejad's strategy appeared to work. Four years later however, Ahmadinejad was all but pushed out of the state by his own former allies.

The question remains whether the identity and character of the Green Movement can be re-articulated and become attractive to labour too, or, if not, whether and when a political bloc will able to re-integrate labour in a way that could enhance long-term electoral success.

Indeed, if the Islamic Republic's first three decades are to be any indication of its future, labour and class will continue to be key to understanding political change in the country.

I am ending this thesis with a short poem by Abdollah Vatankhah "Felezban," an effervescent labour activist and socialist, who, through sheer creativity and intellect, managed to get himself elected vice-president of the Supreme Council of Workers' Representatives, one of the main Ahmadinejad union confederacies.

دولت کارگری
داشته هامان
به تعدادِ انگشت هامان – نمی رسد.
نداشته هامان را –
چرتکه ای می خواهیم
هرکه –
وارونه کند نسبتِ ما
دولتِ ماست.

A Workers' Government
What we have
Can be counted on the fingers of one hand
What we don't have
Needs an abacus
-Whoever changes this order
Is our government

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