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THE DECLINE OF THE RIAL IN THE IRANIAN MEDIA

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On July 11, 2012, the Minister of Culture and Islamic Guidance, Seyyed Mohammad Hosseini, publicly warned the Iranian press against publishing pieces about the negative effects of Western sanctions on the Iranian economy. This was the first time Hosseini openly admitted to the censorship of media, claiming that, “Our country is not in a position to allow the press to publish any analysis which is not agreeable with regime and national interests.”¹ This was three months before Iran saw its worst economic crisis since the Iran-Iraq war. By October 3rd, 2012, the rial hit a record low against the dollar—dropping to nearly 38,000 rials to the dollar—with inflation estimated around 40 percent and merchants in Tehran’s bazaar closing their shops in protest.

With these new developments, the Iranian government cracked down even harder on the press and banned reporting on the newest currency rates. Sites that normally provided foreign currency rates, such as Mesgal.com and Mazanex.com were either completely shut down or, if able to be accessed, had blacked out rates for the dollar and the euro.² All branches of the government downplayed the sharp decline of the rial. On October 2nd, Ahmadinejad stated at a press conference that it was not simply the sanctions, but internal conspiracies and the psychological warfare of the West that had caused the fluctuation of exchange rates. He announced that the economic crisis was only temporary, that the government was doing everything it could, and “that the media has made the situation worse by announcing the prices.”³ The Supreme Leader, Ayatollah Khamenei, gave a speech to a crowd of 10,000 people in the northern province of Khorasan and claimed, “News from the West has made our young people discouraged and desperate,” but “Our nation has never capitulated under pressure and never will.”⁴ The head of the Basij commented on October 15th that, “The Iranian economy will flourish at new heights, while Europe will be caught under an avalanche.”⁵ Paradoxically, the former Minister of Interior under Ahmadinejad, Sadegh Mahsouli, argued, “We are not in crisis, but actually in the best circumstances since the victory of the Islamic revolution. In every respect from internal security, political stability, public welfare, scientific progress, and spiritual influence in other countries and the world...”⁶ Finally, the Minister of Economy, Seyyed Shamseddin Hosseini, assured the public that the media was exaggerating the situation and that the government would swiftly resolve the economic hiccups. Despite these proclamations by government officials, the Iranian media was not as uniform in its reactions

¹ <http://www.radiofarda.com/content/news/24641883.html>

² <http://mesghal.com/index.php>

³ <http://www.bultannews.com/fa/news/103300/> است. ارز. نرخ. نوسان. عامل. داخلی. روانی. جوسازی. و. خارجی. تحریم

⁴ <http://www.irna.ir/fa/News/80367938/> از. بسیاری. شود. حمایت. ملی. تولید. اگر. دارد. را. گوناگون. جهات. در. پیشرفت. استعداد. ایران. ملت. سیاسی. شود. می. برطرف. اقتصادی. مشکلات

⁵ <http://baztab.net/fa/news/16222/> گیرکرد. بهمن. اروپا. زیر. در. حرکتیم. قله. سمت. به. شکوفایی. ر. روبه. کشور. سردار. نقدی. اقتصاد

⁶ <http://www.etemaad.ir/Released/91-07-11/204.htm>

to the currency crisis.

THE IRANIAN PRESS IS NOT A COMPLETE MONOLITH

Despite common misconceptions, the Iranian state's media is not completely homogenous. It does heavily censor dissident opinions against the ruling regime, but the media within the ruling faction is quite diverse, especially daily print media. There are those outlets that quite obviously support the Supreme Leader, such as *Kayhan*, *Jaam-e Jam*, and *IRNA* (Islamic Republic News Agency) and those that back Ahmadinejad, like *Iran. Fars* and the weekly publication, *Sobh-e Sadegh*, represent the Revolutionary Guard. Other press is connected to powerful individuals within the regime; for example, *Khabar* is associated with Speaker of Parliament, Ali Larijani, *Alef* with the MP Ahmad Tavakoli, *Baztab* with former presidential candidate and head of the Revolutionary Guard, Mohsen Rezaei, *Saham News* with Mehdi Karroubi, and finally *Kalame* with Mir Hossein Mousavi, former presidential candidate and reformist politician. These factional divisions, within both the political system and the press, are extremely important in fully understanding what is printed in the Iranian media.

Unsurprisingly, with the onset of the economic crisis, *Iran* ran a headline titled: "Economic Conspiracy is Not Effective," citing that 78 percent of the Iranian population is content with the current development of the country. The article also claimed the people are not yet seriously thinking about the next presidential election, but an initial survey showed 57 percent would vote for Ahmadinejad again or the candidate Ahmadinejad supports.⁷ Additionally, those media outlets supporting the Supreme Leader hardly mentioned the decline of the rial at all—instead choosing to focus on Ayatollah Khamenei's visit to the northern province of Khorasan. For four days in the first week of October, *IRNA*'s headline stories were all focused on Khamenei's trip north. Other reports were not as silent on the decline of the currency and vehemently blamed Ahmadinejad for the nation's economic woes.

THE ATTACK ON AHMADINEJAD

On October 2nd, *Fars* ran a story titled "Mr. President, how many thousands of tomans does the dollar have to reach for you to solve the issue."⁸ Only a day later, the newspaper, *Khorasan*, ran an article named "Are you the President of the country, Mr. Ahmadinejad?"⁹ Both stories argued that the President should present a solid plan to the people for economic reform instead of blaming others for the problems. He should take responsibility and be honest with the Iranian people. *Alef* also ran an article stating that Ahmadinejad's economic programs have failed, mostly because of his liquidity injections into the economy. For this reason, the author argues the government must apologize to the Iranian people for the severe inflation, specifically for the sharp rise in food prices.¹⁰ *Baztab* even published a short piece accusing Ahmadinejad of deliberately trying to make things worse for his successor, implying he and his cronies were personally controlling the currency fluctuation.¹¹

Next, Members of Parliament also spoke out against Ahmadinejad and his government. Both *Baztab* and *Radio Farda* profiled one Member of Parliament who accused the government of issuing over 150 million dollars through illegal traders.¹² Another MP claimed Ahmadinejad's subsidy reform program was the main cause of the economic decline and publicly asked the question, "Into whose pocket is our money going?"¹³ *Aftab News* ran a story entitled "The Government Wants to Raise the Price of Currency," quoting one MP, Ahmad Tavakoli who argued that the Ahmadinejad regime intentionally sacrificed the rial to pay for its subsidy reform program. Additionally, Tavakoli argued that the subsidy reform program has "no legal standing."¹⁴ A leading member of the Expediency Council, Hassan Rowhani, also spoke out against Ahmadinejad proclamation that production will not be fixed by slogans and headlines. He also argued, "the country needs a manager, not a servant," referring to Ahmadinejad's self-proclaimed title as a servant of the Iranian people.¹⁵ Even the head of the political bureau of the Revolutionary

⁷ <http://www.iran-newspaper.com/1391/7/18/Iran/5196/Page/3/Index.htm>

⁸ <http://archive.farsnews.com/archive.php?day=12&mon=07&yer=91>

⁹ <http://www.khorasannews.com/Default.aspx?type=1&year=1391&month=07&day=12>

¹⁰ <http://alef.ir/vdchm6nzx23n-qd.tft2.html?168753>

¹¹ <http://baztab.net/fa/news/16103/می-تحويل-بعد-دولت-به-را-چیزی-چه-نژاد-احمدی-؟-«سوخته-زمین»-استراتژی>

¹² <http://baztab.net/fa/news/15859/نموده-منتفع-دلار-فروش-از-شیراز-حافظ-خواجه-فقط-ارز-دلالتان-دستگیری-از-عجیب-های-یافته>

<http://www.radiofarda.com/archive/news/20121012/143/143.html>

¹³ http://www.tehrooz.com/1391/7/20/TehranEmrooz/1011/Page/8/TehranEmrooz_1011_8.pdf

¹⁴ <http://aftabnews.ir/vdceve8zpjh8fzi.b9bj.html>

¹⁵ <http://www.dw.de/a-16305999-1/نوکر-نه-دارد-نیاز-مدیر-به-کشور-روحانی-حسن>

threatening announcement, Ahmadinejad and the Larijani brothers all publicly professed their loyalty to the Supreme Leader and vowed to fulfill their own responsibilities. However, only a few days later the bickering continued, albeit less harshly.

These factional political conflicts are more than internal struggles for power; they represent an ideological battle between the traditional, conservative ruling elite and those associated with the Ahmadinejad regime over every aspect of Iranian policy, both foreign and domestic. Supreme Leader Khamenei has made it clear that he will not tolerate conflicts that threaten Iran's stability, however; he only criticized Iran's leaders for infighting over the issue of Javanfekr, not the economic crisis. In fact, Khamenei has intentionally stayed away from the debates regarding the decline of the rial and has not directly commented on any branch of the government's role in the economic decline. Infighting over the economy actually benefits Khamenei—when blame is thrown at the Ahmadinejad regime, the Larijani brothers, and other sectors, the Supreme Leader can successfully avoid any accountability for failed policies. As long as the Larijani brothers keep pointing the finger at the government and Ahmadinejad responds by criticizing the Parliament and the Judiciary, Khamenei remains guilt-free. In truth, the devaluation of the Iranian currency and inflation are based on a complex combination of factors—therefore, the current economic situation in Iran is not directly caused by only sanctions or simply the economic mismanagement of the government—but most likely a combination of both. The use of the Ahmadinejad regime and other branches of government as scapegoats for the economic decline facilitate Khamenei's consolidation of power and preparation for the presidential election of June 2013.

WHO IS REALLY SUFFERING FROM THE SANCTIONS? – THE INDEPENDENT IRANIAN PRESS

With the price of paper up more than 200 percent, Western sanctions have affected independent publishers. *Kalame* ran a story entitled “100 independent publishers shut down”; detailing the struggles the industry is facing under sanctions.²³ The price for 70 grams of paper has risen from 28,000 rials to 60,000 rials in less than two months and 100 publishers were shut down in the past year. All sectors of the economy are struggling, but what is unique about independent publishers is that they have been totally cut off from funding, both private and government-based. Media outlets connected with the Ahmadinejad regime receive financial assistance from the government, while those connected with the Supreme Leader and other religious lobbies, receive their funding from private religious networks—it is the independent press that is suffering the most under the sanctions. It seems one of the negative effects of Western sanctions is its impact on the ability of independent publishers to print—an act which cuts off a main source of reformist communication. Therefore, the sanctions are in fact helping the current ruling elite by successfully eliminating the independent press and reformist expansion; a great help for the Iranian regime, especially with the upcoming presidential elections in June 2013.

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²³ <http://www.kalame.com/1391/05/03/klm-107339>