~MIDDLE EAST MEDIA MONITOR~

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." 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." 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." 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." 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

است-ارز نرخ نوسان عامل داخلي رواني جوسازي و خارجي تحريم /http://www.bultannews.com/fa/news/103300

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

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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. 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." Only a day later, the newspaper, Khorasan, ran an article named "Are you the President of the country, Mr. Ahmadinejad?" 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. 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. 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?" *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." ¹⁴A 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 titled 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

دهد؟-مي-تحويل-بعد-دولت-به-را-چيزي-چه-نژ اد-احمدي-؛ «سوخته-زمين»-استر اتژي /http://baztab.net/fa/news/16103/

¹² http://baztab.net/fa/news/15859/ نبوده-منتفع-دلار-فروش-از-شیر ازی-حافظ خواجه-فقط-ارز-دلالان-دستگیری-از-عجیب-های-یافته/15859/ 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

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Guard, Yadollah Javani, mocked the President, saying, "The BBC is fairer than the heads of Ahmadinejad's political office." ¹⁶

The persistent criticism of the President culminated on October 10th when 102 MPs signed a petition to summon Ahmadinejad to Parliament to answer questions concerning the economic crisis.¹⁷ Ahmadinejad, who was also questioned in March 2012, is the only President in the Islamic Republic's history to ever be summoned by the Parliament for questioning.

FACTIONAL POLITICS—THE JAVANFEKR CONTROVERSY

The Western media usually oversimplifies Iran's internal factionalism as infighting between the Supreme Leader and the government; however, there are also deep-rooted ideological tensions that have caused the current government to be pitted against the Parliament and the Judiciary. Recent contentions, especially concerning Iran's economic situation, have been mostly between Ahmadinejad and the more traditionally conservative Larijani brothers, who are the heads of both the Parliament and the Judiciary. Although Ahmadinejad received intense criticism from all factions of the Iranian political sphere, the most vociferous attacks came from the Speaker of Parliament, Ali Larijani. He announced in early October that only 20 percent of Iran's economic problems stemmed from the sanctions, while 80 percent are a direct result of the government's mismanagement. He also added that "Robin-hood like tactics" don't work in economics, referring to Ahmadinejad's populist methods. Ahmadinejad promptly rebutted Larijani's remarks, saying, "If sanctions aren't having an effect, than his (Larijani's) decisions are definitely having an effect" and "Instead of giving interviews, our respected head of parliament should come forward and help." The next attacks came from the head of the Judiciary, Ali Larijani's brother, Sadegh Larijani.

Iran's current factional conflict is most clearly manifested in the controversy surrounding Ali Akbar Javanfekr, President Ahmadinejad's most influential press advisor. The issue began as an internal, personal squabble and transformed into a full-blown and prolonged public altercation between the heads of the three branches of government. While Ahmadinejad was in New York at the UN General Assembly, Javanfekr was charged with insulting the Supreme Leader and sentenced to 6 months in prison. Following his return to Iran, Ahmadinejad sent several requests to Sadegh Larijani to obtain a permit to visit Ervin. After the head of the Judiciary rejected this request twice, Ahmadinejad publicly remarked that the President has no need to ask the Judiciary for permission to fulfill his legal duties and that Larijani's actions were unconstitutional. Sadegh Larijani quickly responded to the President by announcing to Iran's Student News Agency that the President has, "No understanding of the responsibilities of the three branches of power and the limits of duties" and that his request for a visit was unsuitable in these times when managing the economy is of much more importance.²⁰ The situation only worsened over the next week as both Ahmadinejad and Sadegh Larijani wrote open letters that were published in numerous media outlets criticizing one another. Ali Larijani took the side of his brother, continuing his criticism of Ahmadinejad's economic policy. Tensions escalated to the extent that Ahmadinejad actually threatened to cut the judiciary's budget. In response, Sadegh Larijani wrote another response to the President claiming that he had, "Chosen silence for a long time in the face of your irrational and illegal attacks on the Judiciary and its authorities," but he would do so no longer.²¹ The mounting internal conflict only ceased when the micromanager of Iranian politics, Supreme Leader Ayatollah Khamenei, publicly shamed Ahmadinejad and the Larijani brothers.

On October 31st, Khamenei urged, "The heads of the three branches to mind their own business" and proclaimed that until the presidential elections in June, any internal bickering would be viewed as committing treason.²² The Supreme Leader emphasized that, especially in these economic times, this type of correspondence is irrelevant and the nation should be focused on uniting to solve its problems. Furthermore, these internal tensions give the West more ammunition against Iran, subjecting the country to foreign media scandal and enemy abuse. After Khamenei's

¹⁶ http://www.rahesabz.net/story/61172/

¹⁷ http://www.khabaronline.ir/detail/249825/politics/parliament

⁻از-لاريجانيE2%80%8C صريحE2%80%8C انتقادات/E2%80%8C استقادات/E2%80%8C صريح

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²⁰ http://www.khabaronline.ir/detail/253651/society/judiciary

²¹ http://www.kayhannews.ir/910804/2.htm

 $^{^{22} \} http://www.nytimes.com/2012/11/01/world/middleeast/iran-ayatollah-warns-subordinates-to-stop-bickering.html?adxnnl=1\\ \&seid=auto\\ \&smid=tw-nytimesworld\\ \&adxnnlx=1352396273-BGeoPep2$

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, Khamanei 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.kaleme.com/1391/05/03/klm-107339