

# New economic plan compounds Iran's woes

by Adam K. East

In the 1970s, the Shah promised a "new civilization" for the Iranians. He envisioned Iran to be in the same class as the so-called developed countries by the end of the century. But due to the utter failure of his own economic policies and subjected to the West's policy of "technological apartheid," the monarch was swept away in the violent storm of the British Petroleum-sponsored Islamic Revolution.

Along came Ayatollah Khomeini and his "Islamic ideas." The clergy believed that the ideas of economic development, such as industrialization or the expansion of the oil industry, were part of the "Great Satan's" campaign aimed at destroying their "Islamic Revolution."

This resulted in the mass exodus of thousands of professionals such as doctors, engineers, and the intelligentsia. Iran was taken back to the age of medieval barbarity. The hard-core Khomeini-ites also believed that "true Muslims" did not need any luxuries such as furniture or refrigerators, which resulted in the shutting down of factories and the loss of thousands of jobs throughout the country. This is just a glimpse of what the country's economy went through during the early phases of the revolution.

Shortly after, Iran fought a bloody and senseless war with Iraq for eight years, which caused a loss to the economy of \$309 billion in the first five years alone. The highly destructive war, which gutted the economies of both countries, was run and sponsored at both ends by the masters of geopolitics based in London and Washington.

After Khomeini's death in 1989, which weakened the role of the hardliners in the government, Hashemi Rafsanjani, known for his moderate views, was elected President. By now the population of the country was tired of the privations of war and was reluctant to continue sacrificing for the "revolution."

## The new five-year plan

Rafsanjani, in his attempt to reconstruct the economy, which still had not recovered from the ravages of the Islamic Revolution and the devastation of the war with Iraq, announced his first five-year economic development plan for 1989-94. During this period Iran also announced its policy of "economic reform" and "privatization." But up to now, the first five-year plan, which has loosened state control on

the economy, has failed miserably to reduce the country's reliance on oil revenue and has not done much to promote industrial exports.

In its recently announced new five-year plan, Teheran has decided to press ahead with its free-market reforms which aim to give the private sector a bigger role. Leaders in Iran are failing to take notice of the destruction of the economies of the eastern European countries and the virtual social anarchy which persists in those countries, as a result of their futile attempts to remedy their economic ills by embracing the western-prescribed free-market reforms. The new plan, which covers 1994-99, contains huge cuts in the civil service and calls for reduction of subsidies.

Under this plan, banks will be allowed to decide on loan requests from the private or public sector solely on technical grounds, ending the existing policy of discrimination in favor of state enterprises; the civil service will be reduced; the government will continue selling industries; fuel, electricity, and water prices will rise gradually; and subsidies will be reduced.

The Supreme Council of Economy, which is the author of the new five-year plan, has also decided that in the second plan the government would meet its general budget by tax revenue and spend the oil revenue on infrastructural projects. This would mean that the government will have to raise taxes drastically in order to achieve this goal, since oil exports provide more than 66% of government revenue while taxes account for only 23%.

Also, in its efforts to imitate the farce better known as the "Chinese economic miracle," Iran recently announced the opening of a second free trade zone in the eastern province of Kerman. Iran's other free trade zone is on the Island of Qeshm, located a few miles offshore from Bandar Abbas.

## Population control measures

Bowing to international pressure or perhaps moving toward the "China model," the Iranian Parliament (Majlis) recently passed an outrageous piece of legislation granting special government benefits only to the first three children of a family. The bill asks Iranian universities to include "population control and family planning" in their curricula, and encourages journalists, filmmakers, and artists to "tackle the issue" in their work. Although it is not known yet when the bill will take effect, it nonetheless stands in clear violation of Islamic teachings and is unprecedented in all of the Middle East countries. Iran, which has about three times the territory of Germany, has a population of only 57 million people.

The Islamic Republic, which is targeted for depopulation and destruction by the Anglo-Americans and their partners in crime among the French and German governments, seems to have its priorities mixed up. Given the overwhelming efforts by the West to isolate Iran, the Islamic regime should keep in mind that there is nothing "Islamic" about austerity, forced birth control, or the exploitation of slave labor.