

IRAN - All Ahmadinejad has done is create poverty



Martin Fletcher and Ramita Navai in Tehran

Until President Ahmadinejad's name is mentioned Mokhtar, an Iranian labourer, stands listlessly with his friends on a street corner in a blue-collar district of south Tehran. Suddenly he grows animated. He voted enthusiastically for Mr Ahmadinejad in 2005 because he had pledged to help the poor, he says. Now he feels so disillusioned that he will never vote again. "I will not pollute myself," he declares.

His family is suffering, Mokhtar explains. Work is scarce. The rent on his one-bedroom flat has jumped from \$120 (£60) to \$180 a month. Food prices are soaring. He has no health insurance, cannot afford a car and may soon have to move somewhere even cheaper. He recalls Mr Ahmadinejad's pledge to put oil money on every Iranian's dinner table. "It was precisely for that slogan that I voted for him but it didn't happen," he says. "I'm very disappointed. All he's done is create inflation and poverty."

Tomorrow Iran elects a new Majlis (parliament) and although the hardline President is not a candidate the results will be scrutinised to assess his chances of re-election next year.

The threat to the *bête noire* of the West comes not from the reformists swept from power in 2005. The Guardian Council, Iran's Islamic watchdog, has disqualified hundreds of their best-known candidates, including former government ministers and sitting MPs. The reformists will contest barely half the 290 seats. "It's like a soccer game with 11 players and the referee taking on a team of two," complains Muhammad Atrianfar, who was editor of the reformist newspaper *Shargh* (East) until the Government closed it last year.

The greater challenge to Mr Ahmadinejad and his "principlist" candidates comes from fellow conservatives critical of his confrontational style abroad and economic performance at home. These "pragmatic" conservatives have coalesced around three grandees: Muhammad Baqer Qalibaf, the Mayor of Tehran; Ali Larijani, Iran's former nuclear negotiator who resigned over Mr Ahmadinejad's refusal to negotiate and Mohsen Rezaie, a former Revolutionary Guards commander.

By Western standards this is a curious and remarkably low-key election. There are no opinion polls, rallies or formal party platforms. The week-long campaign has consisted of little more than hanging banners bearing opaque slogans such as "Action is the solution" in public squares.

Reformists accuse the Government of restricting campaigning to exploit its media monopoly. But through some mysterious process of osmosis Iranians seem able to divine who stands for what. If "pragmatic" conservatives outperform Mr Ahmadinejad's candidates either Mr Qalibaf or Mr Larijani is most likely to emerge as the President's main challenger next year.

Such an outcome appears entirely possible but not for the reasons that the West may think. Most Iranians are proud of the way that Mr Ahmadinejad has defied the West and strongly support his pursuit of nuclear power. His insistence that "Israel must be wiped off the map" caused less shock in his own country than abroad.

Even though oil is fetching \$100 a barrel, Mr Ahmadinejad's weakness is the economy. In his desire to help the poor he has spent swelling oil revenues as if there were no tomorrow. He has reactivated hundreds of development projects abandoned in the years of austerity after the Iran-Iraq war and the 1990s oil price crash.

He has offered millions of poor Iranians "justice shares" in privatised companies, cheap loans to buy homes and social programmes such as the Imam Reza Love Fund, which helps young people to marry and get jobs.

He has replaced top officials with inexperienced loyalists and nearly wrecked the banking system by ordering banks to set interest rates well below the inflation rate.

Few Iranians question Mr Ahmadinejad's sincerity but many say that he has achieved the exact opposite of what he intended. The official inflation rate has risen to 17 per cent, and the real rate is nearer 30 per cent. Property prices and rents have doubled or tripled. The rich have become richer, the poor poorer.

“He has a well-intentioned desire to redistribute wealth but has gone about it in ridiculous ways that have ruined the economy,” a diplomat said.

Mr Ahmadinejad used to be Mayor of Tehran but his support in the capital has waned. “We’ve seen nothing but inflation and rising prices,” said Javad Sabaghi, 27, who runs a fruit stall in southern Tehran.

Northern Tehran's wealthy, cosmopolitan inhabitants have always loathed this President from the provinces who champions rigid Islamic orthodoxy, while students - disillusioned by the failure of the reformists for whom they fought so hard in the 1990s - appear to have given up on politics.

Of half a dozen approached by *The Times*, not one intended to vote. They saw no point. Nowadays they get on with their double lives, reluctantly conforming with Islamic strictures in public while receiving Western news, films and music on clandestine satellite dishes, buying black-market alcohol and meeting girls behind closed doors.

To dismiss Mr Ahmadinejad, however, would be a serious mistake. He still appears to have the broad - but not uncritical - support of Ayatollah Ali Khamenei, the supreme leader of Iran, the Revolutionary Guard and the Basij religious militia. He also enjoys great support in traditional, devout rural Iran, on which he has lavished funds and where his piety, personal honesty and humble background play well. He is the first President to have visited all 30 provinces of a country seven times larger than Britain.

Mr Ahmadinejad must hope that Iran's pious poor continue to ignore material considerations during next year's presidential election.

Liquid assets

\$50bn estimated annual Iranian oil revenue

3rd largest proven oil reserves in world

85% of government income comes from the oil sector

\$70bn was amassed in foreign exchange reserves during Mahmoud Ahmadinejad's presidency — \$1,000 for every Iranian man, woman and child

\$3,172 GDP per capita

\$635m value of British exports to Iran in 2006

Sources: CIA, Economist Intelligence Unit, Hansard