Woodrow Wilson International Center for Scholars

Middle East Project

AN ASSESSMENT OF THE IRANIAN PRESIDENTIAL ELECTIONS

Woodrow Wilson
International
Center
for Scholars

Middle East Project

AN ASSESSMENT OF THE IRANIAN PRESIDENTIAL ELECTIONS

EDITED BY
Haleh Esfandiari
and Andrea Bertone

This publication is supported by a grant from the Central Eurasia Project of the Open Society Institute

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

LEE H. HAMILTON, DIRECTOR

BOARD OF TRUSTEES

WILSON COUNCIL

ABOUT THE CENTER

The Center is the living memorial of the United States of America to the nation's twenty-eighth president, Woodrow Wilson. Congress established the Woodrow Wilson Center in 1968 as an international institute for advanced study, "symbolizing and strengthening the fruitful relationship between the world of learning and the world of public affairs." The Center opened in 1970 under its own board of trustees.

In all its activities the Woodrow Wilson Center is a nonprofit, nonpartisan organization, supported financially by annual appropriations from Congress, and by the contributions of foundations, corporations, and individuals. Conclusions or opinions expressed in Center publications and programs are those of the authors and speakers and do not necessarily reflect the views of the Center staff, fellows, trustees, advisory groups, or any individuals or organizations that provide financial support to the Center.

CONTENTS

BIOGRAPHICAL NOTES ON PANELISTS AND CONTRIBUTORS

Shaul Bakhash is Clarence Robinson Professor of History at George Mason University and a former Public Policy Scholar at the Woodrow Wilson International Center for Scholars. Prior to joining the faculty at George Mason, Professor Bakhash taught at Princeton University. He is the author of *Reign of the Ayatollah: Iran and the Islamic Revolution* and numerous other publications. His articles and opinion pieces have appeared in the *New York Review of Books*, *The Washington Post*, *The New York Times*, *Foreign Policy*, and the *Journal of Democracy*. Before coming to the United States in 1980, Professor Bakhash worked as a journalist in Iran covering political and economic affairs for *Kayhan Newspapers*. He also worked in Iran for international publications, including *The Economist*, *Times of London*, and *Financial Times*.

Daniel Brumberg is Assistant Professor of Government at Georgetown University and has been a visiting fellow at both the U.S. Institute of Peace and the International Forum for Democratic Studies. He is the author of many articles on Islam and democratic and economic reform in the Arab world and Iran. His new book *Reinventing Khomeini: The Struggle for Reform in Iran* has just been published by the University of Chicago Press. He has had a longstanding interest in comparative democratization, and is currently working on a comparative study of power-sharing and political reform in Indonesia, Algeria, and Kuwait.

Alireza Farahmand is Editor in Chief of *Karafarin* and *Sanat-e Kafsh* monthly magazines, and Managing Editor of *Eghtesad-e Energy* monthly magazine. Mr. Farahmand began his journalistic career at *Kayhan* Daily newspaper, where he served as the Foreign News Editor from 1961 to 1979. He holds a B.A. in Oil Industries from Abadan Institute of Technology in Iran.

Bijan Khajehpour is Managing Director of Atieh Bahar Consulting, an independent strategic consulting firm based in Tehran, Iran. Over the past seven years, Mr. Khajehpour, German- and British-educated in manage-

ment and economy, has commented on political and economic developments of Iran, especially through contributions to international conferences and reviews on Iran. He is the Editor of the UK-based *Iran Energy Focus* and editorial member of the Farsi social and intellectual review *Goft-o-gu (Dialogue) Quarterly Magazine*. Mr. Khajehpour is also a member of the Board of Trustees of Jomhur Research Institute in Tehran.

William G. Miller is Senior Policy Scholar at the Woodrow Wilson International Center for Scholars. He has led a distinguished career in the U.S. Foreign Service, U.S. Senate staff, academia, foundations, and non-profit organizations. Prior to joining the Woodrow Wilson Center, he served as the U.S. Ambassador to Ukraine from 1993 – 1998. Ambassador Miller had previously served as a political officer for the U.S. Embassy in Tehran from 1962 – 1964 as well as the U.S. Consulate in Isfahan, Iran from 1959 – 1962. He spent 14 years on Capitol Hill, where he served as the staff director for three different Senate committees, including the Select Committee on Intelligence. He also was the foreign affairs and defense officer for Senator John Cooper. Ambassador Miller has taught at Harvard University's Kennedy School of Government, Tufts University's Fletcher School of Law and Diplomacy, and Johns Hopkins – The Paul H. Nitze School of Advanced International Studies (SAIS). He has published numerous articles on U.S.-Soviet relations, Ukraine, Iran, and arms control.

Afshin Molavi spent the past year traveling across Iran conducting research for a book he is writing to be published by W.W. Norton. While in Iran, he wrote regularly for *The Washington Post*, *Business Week*, and other publications. Mr. Molavi has covered the other side of the Gulf for three years as a Dubai-based correspondent with the *Reuters* news agency and a Riyadh-based correspondent with the English language daily *Arab News*. Mr. Molavi's articles from Washington, Iran and the Middle East have appeared in the *Financial Times*, *The Christian Science Monitor*, *Foreign Policy, The International Herald Tribune, The Nation, The Journal of Commerce, Middle East Policy*, and the *Asharq Al-Awsat* Arabic daily. He is a graduate of the Johns Hopkins Paul H. Nitze School of Advanced International Studies (SAIS, '97) where he specialized in Middle East history and economics.

Morad Saghafi has been the Editor of *Goft-o-gu* (*Dialogue*) *Quarterly Magazine* since 1992. He earned a Ph.D. from Lausanne Institute of Technology in 1985. Dr. Saghafi is the author of more than thirty articles in Persian, English, and French.

Elaine Sciolino is Senior Writer at *The New York Times*, with responsibility for profiles and special projects. As a Fellow at the Woodrow Wilson International Center for Scholars and a Fellow at the U.S. Institute of Peace, she completed a book on Iran entitled *Persian Mirrors: The Elusive Face of Iran* (The Free Press, 2000). From 1992 – 1996, she was the Chief Diplomatic Correspondent – the first woman to hold that post at *The New York Times*. She was named senior writer in 1994, a position that is awarded to the best writers at the newspaper. Before that, she covered the intelligence beat from 1991 to 1992 and served as the diplomatic correspondent from 1987 to 1991. From 1985 to 1987, she was bureau chief at the United Nations, after joining the newspaper in June 1984. Ms. Sciolino is author of the book *The Outlaw State: Saddam Hussein's Quest for Power and the Gulf Crisis* (John Wiley & Sons, 1981).

Sussan Tahmasebi is an Iranian-American who has been living and working in Iran for the past two years. During this time, she has been engaged in independent research and has worked with the Iran NGO Initiative, a program which seeks to develop the capacity of Iranian non-governmental organizations to serve as equal partners with government in developmental efforts. Prior to her work in Iran, Ms. Tahmasebi worked with U.S.-based non-profit organizations active in the areas of women and children's issues.

FOREWORD

HALEH ESFANDIARI

The Middle East Project at the Woodrow Wilson International Center for Scholars arranged a series of meetings on June 25 and 26, 2001, to assess the June 9 presidential elections in Iran. A number of Iranian specialists from Iran and the U.S. took part in the sessions. This publication brings together the papers presented at these meetings.

The result of Iran's June 9th presidential election surprised many observers in and outside Iran. Prior to the election, analysts predicted Mohammad Khatami would either be re-elected with the same majority as in 1997 or, as seemed more likely, would be elected with a reduced percentage of the vote. Iranian voters were expected to show their dissatisfaction either by not voting in large numbers, or by casting their vote for other candidates. In 1985 and 1993 former presidents Ali Khamenei and Ali-Akbar Hashemi-Rafsanjani were both re-elected with smaller majorities in their second bids for the presidency. The Iranian Constitution limits presidents to two terms.

The last two years of Khatami's presidency moreover were marred by a sharp rise in the closure of newspapers, an increase in the number of people arrested for political activities, and controversy over the serial killings of intellectuals. The president's inability to control the military, the revolutionary institutions, and the judiciary, and his inability to control an uncooperative parliament, also suggested an erosion in presidential power. During his first term as president, Khatami had failed to improve economic conditions, despite the sharp rise in oil prices; unemployment and inflation were rampant. The president's inability to come up with a cohesive economic recovery plan left him vulnerable to criticism from political opponents, particularly on the right. Throughout the election campaign, Khatami's opponents harped on his inability to solve the economic problems of the country.

Khatami, nevertheless, went into the elections with certain advantages. Economic problems and right-wing-inspired political repression notwithstanding, he appeared to retain public trust. Many Iranians saw him as a leader who spoke truthfully about the problems facing the country and of his limited powers to deal with them. They appreciated the large degree of

transparency evident during his first term. They believed he was trying to strike a balance by functioning within the system while trying to open up society and political space. He was reaching out to the younger generation and to women who were turning their backs on the revolution. He had encouraged the movement for pluralism and democracy. Despite his inability to protect the students who protested the closure of the free press in the summer of 1999, and who ended up being beaten and arrested by the security forces, students continued to support him. He spoke of the necessity to strengthen civil society and the rule of law, even as his opponents on the right repeatedly undermined the rule of law.

Khatami also continued to enjoy the support of women and the young, who were instrumental in Khatami's first presidential victory in 1997. Both groups fared better under Khatami than under previous governments. Since the establishment of the Islamic Republic in 1979, Iran had not had a leader who addressed the needs of these two groups so vigorously. They rewarded him by voting for him in large numbers both in 1997 and in 2001.

In 2001, no other candidate had Khatami's charisma or enjoyed such a broad base of support. In the months preceding the elections, Khatami appeared reluctant to run for a second term. He waited until two months before the election, to announce his candidacy. The right wing judiciary would have preferred him not to run at all. But the president was also under pressure from his supporters and the public not to abandon the reformist cause he had championed.

On election day, despite the predictions of a low turnout and misgivings about Khatami's ability to perform and deliver, Iranian voters showed up at the polls in large numbers and elected Khatami by a large majority. In 1997 over 20 million people, or nearly 70 percent of the voters cast ballots for Khatami. He won a second term in 2001 by obtaining roughly 22 million votes or 77 percent of the total vote. Khatami's rivals received only seven million votes. Among the nine candidates running against Khatami were his own Minister of Defense, Ali Shamkhani. The right wing believed Shamkhani, as a southerner (he came from the province of Khuzistan and as a military man he had served as commander of the navy and as minister of defense), would siphon off votes away from Khatami. Abdollah Jasbi, the chancellor of Azad University, an institution with large number of branches around the country, targeted the youth vote by promising to do away with the university entrance exam and to provide free access to higher education. Ahmad Tavakoli, a former labor minister, was another candidate of the conservatives. His campaign emphasized eradicating corruption, eliminating poverty, and returning to

the austerity of the first years of the revolution. Another candidate, Ali Fallahian, a former intelligence minister, ran on a seemingly middle-of-the-road platform, but analysts thought he intended primarily to exonerate himself from association with unsavory actions by the intelligence service during his tenure at the head of the Ministry of Intelligence.

The Council of Guardians, a body that can disqualify candidates for elected office, had considered the application of 817 candidates, including 45 women, who wanted to run for president. It approved the credentials of ten people, including Khatami. There were no women among the approved candidates. In contrast to the 1997 presidential election when the then speaker of parliament, Ali-Akbar Nateq-Nuri, ran for president as the candidate of the establishment and had the support of the Leader, in the 2001 presidential election, the conservatives did not officially support a single candidate. Nateq-Nuri's humiliating defeat, and the loss of their majority that the conservatives suffered in the 1999 parliamentary elections were instrumental in this decision. The reformists had swept into parliament in 1999 by campaigning on a progressive, democratic platform, denying seats to powerful politicians like Rafsanjani and his daughter, Faezeh Hashemi. She had been elected to parliament from Tehran in 1995 with a large majority.

Negative campaigning was forbidden, but this did not stop those opposed to the reform movement from indirectly attacking the president.

It has become customary in Iran to hold elections on a Friday to get more people to the polling booths and to avoid disrupting the working day. Unlike the parliamentary elections of 1999, when walls in Iranian towns were covered with posters and pictures of candidates, and when the campaign included pamphleteering, election tracts, meetings, and concerts, the presidential election of June 2001 was a subdued affair. Campaigning was limited to three weeks, from May 19 to June 7. Billboards were erected around cities, but not as many as during the previous year's parliamentary elections; posters and leaflets could only be displayed in designated places. The ten candidates set up headquarters to disseminate information on their candidacies and their programs. Iranian television, controlled by the conservatives, allocated 13 hours of free time for candidates to talk about their plans, to take part in 'question and answer' sessions and debate each other. Negative campaigning was forbidden, but this did not stop those opposed to the reform movement from indirectly attacking the president and his reformist platform.

During the campaign, the ten candidates and their supporters spoke in mosques, addressed public meetings sometimes held in stadiums, and took part in rallies. Khatami's meetings were attended mostly by young men and women who did not, however, sit together. These youngsters occasionally wore T-shirts and sun visors with the picture of a smiling Khatami. Voting

age is 16 in Iran. In the 2001 elections over 42 million people were eligible to vote. Roughly 52 percent of those eligible to vote were under the age of thirty, and 22 percent were under the age of 20. Over five million had joined the ranks of those eligible to vote since the last presidential election.

The size of the turnout on election day was so unexpected that the voting time was extended for two hours. There were long lines at polling booths. The day started a bit shakily with some polling booths opening late or not operating because the supervisors did not show up on time. One inspector and three supervisors watched over each ballot box to guard against voting irregularities. But as the day went on, more and more people lined up to vote. When the count was completed, Khatami had managed to secure over 21 million of the roughly 28 million votes cast, a larger percentage of the total vote and a stronger mandate than in 1997.

The papers presented at the Woodrow Wilson Center meeting on the Iranian Presidential Election and published in this collection analyze the significance of the election and look ahead at the prospects and problems facing Khatami. Alireza Farahmand deals with the reaction of the conservative faction to the victory of Khatami. He refers to the conservatives as traditionalists and argues that the traditionalists in Iran can support change, but do not necessarily see eye-to-eye with the president and his reformist supporters. He cautions that they will be fighting to stage a comeback and cannot be easily dismissed. Morad Saghafi describes what the vote for Khatami means in the context of a theocratic state that is willing to accept the concept of a universal suffrage and tries to preserve its republicanism by allowing relatively free elections, having held 20 different elections in the last two decades. Noting Khatami's popularity with women and the youth, Sussan Tahmasebi analyzes the reasons why these groups voted in such great numbers for Khatami and what they expect from the president. Bijan Khajehpour discusses Iran's economic prospects in Khatami's second term. He notes that a cohesive economic plan will be difficult to implement, as long as there is no coordination between various economic institutions. Daniel Brumberg provides an overview of the efforts to liberalize Iranian politics, and the implications of democratization for political system and for Iran's future. Finally, Afshin Molavi tackles the seemingly insoluble problem of Iran-U.S. relations, the perceptions on each side, and the factors favoring and obstacles preventing a rapprochement between the two countries.

The next four years will show whether President Khatami will be able to fulfill the promises he made to the Iranian electorate, to improve the economy, fight unemployment, create jobs, extend democratic reform, fight for press and political freedoms and strengthen civil society.

THE CONSERVATIVES' PERSPECTIVE ON AND MANAGEMENT OF IRAN'S POLITICS

ALIREZA FARAHMAND

My talk will focus on the probable reactions of the losers of the recent presidential elections in Iran. This should be seen in a context of several other factors, including: how the winners will behave, the New Right, international balance of relations, the socio-economic situation in Iran, the price of oil, and the newly formed financial pressure groups in Iran.

Significant as they are for a better understanding of the subject of my talk, because of time limitation, I will ignore them here.

I have to start with some points on semantics. I find it inappropriate to identify the losers in the recent elections as "conservatives." Instead, I will use the term "traditionalists," but in an operational sense of the word, customized specially for this talk.

What is called a "conservative" is radical in Iran. Conservativism and radicalism seem to be incompatible. On my definition, traditionalism is the exploitation of, or appeal to, tradition as a basis for reform – even radical reform. Thus, the Renaissance was traditionalist in that it sought a return to ancient Greek traditions in order to make changes. In China, the Boxer Uprising in the late 19th century was motivated by traditionalism to oppose foreign interventions. During the Chinese Cultural Revolution, Mao wrote his Little Red Book, based on Chinese traditions to teach his version of Marxism (a rather modern school of thought) to his cadres. So did Mahatma Gandhi during his struggles against the British rule in India. Gandhi relied on the modern knowledge he gained during his years of studying law in Britain. Japan is another example, both during the Meiji Restoration and also in pursuing modern industrialism. Here in the United States, the frontal view of the White House is in the tradition of Greek architectural design. In the United States, the judiciary system, the Senate, the voting system, and many other things, even "democracy" itself, are all imitations of the traditions of ancient Greece and the Roman Empire.

Our traditionalists, too, try to build a power base upon which they can jump into the modern world on their own terms. Arnold Toynebee suggested in his *Mankind and the Mother Earth* that only two non-Western

nations – Russia and Japan – acquired Westernization voluntarily, so they could be selective. According to Toynebee, the rest of the world was forced into Westernization.

The Iranian traditionalists try to be selective in acquiring modernization, even if it involves some interactions with selective aspects of Westernization.

Now, there are examples of a different kind of traditionalism, which fall outside the scope of my definition. For instance, I am told there are still clusters of inhabitants of northern Scotland who reject electricity, and ride horse-ridden coaches rather than automobiles. Even in the U.S. when I was here 25 years ago, I met people who called themselves Christian Scientists and disliked to get medicine if they were sick, and preferred praying to God to get their health back.

My version of traditionalism is not like that. In the Seminary (*Howzeh)* in Qom, where young clerics get their education, students are skillfully working with computers, engaging in debates about Habermas, Foucault, and post-modernism. They read books (some in English) on economics, medicine, international relations, modern psychology, sociology, and modern literature. They drive cars. None of the traditionalists have indicated dissatisfaction against women's social achievements. The latest comprehensive university entrance figures show that 62 percent of all new students are girls, versus 38 percent boys.

The reconciliation of tradition and modern technology may have found impetus during the war with Iraq; I heard armed clerics in the war front pondering the parabolic path of projectiles in the religious preachings to the fighters. We have clerics who are physicians by profession, calling on patients and writing prescriptions; one of them is also the editor in chief of a traditionalist newspaper.

The traditionalists in Iran believe that tradition, with Islam as its core, is an asset. In Iranian Islamic history I know of no persecution or inquisition on scientific grounds (while ideological victims abound). That reminds me of the group of Japanese, who, during the early years of Meiji Restoration, wanted to import Western books and knowledge – only the scientific, technological and military ones – but no Shakespeare, no Descartes, no Bible, no Western clothing, no Western lifestyle.

The Iranians, even the most extreme traditionalists, have never been afraid of Kant or Shakespeare. They were translating Aristotle a millennium ago. Iranians boast to be the heirs to one of the four major worldviews (along with those of India, China, and Greece), surviving from the ancient times, strengthened by Islam (the same way Christianity strengthened the

Greek worldview after the fall of the Roman Empire). It should not be surprising to see sectors of the Iranians (notably, but not exclusively, the traditionalists) alerted against the push of alien values from the West. This push is called *tahajom-e farhangi* in Iran by those who see the West as bullying, showing off its one-dimensional material progress, and gaining hegemonic economic and political advantages.

This, they believe, will isolate the Iranian voice in the world, and eventually, will lead to the disintegration of the Iranian cultural and religious identity. In this they are supported by some secular thinkers in Iran and abroad, too.

The traditionalists, in their judgment of the Western attitude toward the rest of world, and in their concern of *tahajom-e farhangi*, seem to agree partially with American Vice President Cheney. Cheney had this to say: "There seems to be an assumption that somehow we know what's best for everybody else, and that we are going to use our economic clout to get everybody else to live the way we would like." (Mr. Cheney said this when he was chief executive of Dallas-based Halliburton Company, a major oil equipment company, in 1996 in Abu Dhabi, the United Arab Emirates. He may have changed his mind by now). It might be of interest to add that I have heard almost exactly the same wording in Iran to criticize the traditionalists' similar self-assurance. (Of course, without referring to the "economic clout").

The traditionalists challenge the notion that the whole world has decided to adopt bourgeois liberal values, freedom of thought, expression and markets.

The traditionalists challenge the notion that the whole world has decided to adopt bourgeois liberal values, freedom of thought, expression and markets. They think they have something of their own, worthy of recognition by the whole world. In that, yes, they believe in the likelihood of a "clash of civilizations." In fact, they suggest that such clashes have already happened in the past, the last of which was some two centuries ago, and in which they were defeated militarily and politically by the West; but that the defeat was not total. So, they anticipate new Western incursions leading to new clashes. This is not necessarily in contrast to Mr. Khatami's endeavor towards dialogue of civilizations. The dialogue was deemed necessary, only because of the likelihood of the clash.

Seen from the outside into Iran, the traditionalists may look conservative; but looking from inside Iran to the world at large, they are radicals of the global village who are dissatisfied by the status quo of the present world order. I could compare them to anti-globalization protesters on the modern far left. Traditionalists see some of Mr. Khatami's aides as conservatives who work as accomplices to that world order, wishing only limited modifications.

Yes, the traditionalists are against the Middle East peace process. I do not think I need to elaborate on that here. Neither do I see the need to go to the allegations regarding terrorism.

In Iran, reformist angry young men seem to like treating the traditionalist school as some extinct species, who make a nuisance of themselves by continuing their futile survival. But I recognize the Iranian traditionalists as a respectful, dignified, serious, thoughtful political force. After all, against some 22 million people voting for Mr. Khatami, some six million voted for Mr. Khatami's rivals, all belonging to the traditionalist side. They ought not to be reduced to street thugs, or a bunch of death squad fanatics who murder whoever they dislike.

I recognize the Iranian traditionalists as a respectful, dignified, serious, thoughtful political force. ... They ought not to be reduced to street thugs.

Having said all this, I admit that at the center of events which make headlines in Iran are the activists among the traditionalists, and their activities are not all that nice and neat. What is disturbing is the attitude and actions of those sections of our traditionalists who I call the "guerrilla wing" (like the armed wing of the Irish Republican Army which is recognized to be distinct from Sinn Fein, while enjoying occasional support of it).

II

I am going to speak on the methods and techniques used by the traditionalists up to now to cling to the remnants of their power. I will describe their stamina, motivations, faith, their guerilla faction and rebels among them.

For the time being, the traditionalists, following their defeat in the presidential elections, will wait for the dust to settle. They are good at timing. They will be more vigorous in the future, making full use of the following:

Point one: One of the key words in the traditionalists' art of survival is resilience, which is somewhere in between resistance and resignation. Compared to the other two, resilience involves less strategic planning, and is more improvised. Their way of putting up with successive election losses is an example of what I call resilience. I think physically they could have annulled the election results, declared a state of emergency, if they wanted to – like what Mrs. Indira Gandhi once did in India, the biggest democracy of the world. The constitution could have somehow been interpreted to allow them to do that. They did not do that; therefore, one can hardly deny that the elections in Iran have been up to now the most democratic ones in the region. That, at least, is what I heard Samuel Huntington once say in a seminar about Iran. He added, "in the Persian Gulf the most democratic government is the greatest antagonist of the United States while the least democratic government is America's closest ally." One could suggest a

change of syntax, using the same grammatical units: the U.S. is friendly to the undemocratic ones, and hostile to the democracies in the region.

Point two: When the time comes, the traditionalists will employ harsh methods once again. Some critics claim to find parallels between what the traditionalists call "un-Islamic" activities to "un-American" activities of the McCarthy era in the early 1950s with McCarthy's techniques of harassment, labeling, demagoguery, creating mass hysteria, disgracing people on doubtful evidences, etc. I don't find the analogy valid in many major respects, not least because the U.S. Senator lived some two centuries, and not just two decades, after the American Revolution, and not only because of the incomparable injustice that occurred during those two centuries. But without going into that, I would like to point out that in the course of the life of nations, during the process of consolidating the state power, rarely does one find absences of such extremism. No one has yet discovered the path of full efficiency and rationality for state-building and power consolidation. There could be more intensive violence, as the extremists in both camps may grow impatient with the relative moderation of their elders. But here again, I do not think a proper analogy can be drawn between what Iran's traditionalist extremists will do in defeat and what defeated groups have done in younger civilizations such as the United States. After the American Civil War, embittered southern confederates created the Ku Klux Klan. I don't think Iran will see the emergence of any such violent, regressive, underground group.

Point three: the traditionalists' approach has up to now been characterized by an economic use of power. I will explain this in a moment. No Tien Anmen Square bloodbath for Iran. The Tehran student riots in 1998 cost only one life and that only by accident. When I came to the U.S. in 1972, I was often lectured by those who tried to justify the killings of four students in Kent State University riots by police sharpshooters. It was the time of gagging defendants in courts. The use of violence by the state to silence dissent had gone on long before that. That was shortly after more than 100 people were killed during the ghetto riots after the assassination of Martin Luther King. That was also some 200 years after the American Revolution. These and similar experiences from around the world taught me something about the imperatives of the use of force by a power structure, especially when it feels threatened. When I witness my fellow journalists put in jail in Iran, it confirms once again for me that change only comes at a price.

Admittedly there have been more killings in Iran since Khatami became president than the one person killed during the student riots of Tehran. The number of deaths is in tens of lives, and not in tens of thousands, such

as during the U.S.-supported military rule in Chile, Argentina, Indonesia, and Vietnam, or the millions during the consolidating years of the state of the Soviet Union. No one can defend the killing of even one soul; I feel ashamed of going to arithmetic in such matters. But the comparison can be telling of what I mean by economic uses of power. I should add that I am talking about the recent developments, since the emergence of "traditionalism versus reformism." I think it is only clear that I do not need to explain anything here about the less than 1,200 executions during the first few months right after the Revolution, and the 4,000 casualties during the street fighting waged by armed MKO militias in 1980.

After the victory of the reformists in the parliamentary elections, followed by their victory in city council elections in 2000, and three years into Mr. Khatami's first term as president, many in Iran were fearing bloody clashes. We thought, that ought to be the imperative solution for both sides to escape what seemed to be a political impasse. The pro-reformists felt heaven was at hand, and on the side of the traditionalists, blood pressures were on the rise literally and figuratively. The bloody clashes did not happen. The traditionalists settled things their way, using much simpler bloodless methods. One day the pro-traditionalist judiciary closed down a dozen newspapers and on subsequent days another dozen, and several journalists were jailed. That was all. The judiciary even allowed several other reformist papers to continue publication. The pro-reformists descended to earth. More pro-reformist papers opened one at a time, still fully critical of the clampdown, understandably with a milder, less passionate, more calculated tone, than their predecessors.

Point four: the traditionalists are motivated, and motivate others, on the basis of religious duty. After their defeat in the parliamentary elections, one of the traditionalist activists, Mr. Massoud Deh-namaki said of the reformists, "the only thing they are capable of doing is voting." This could be read as hinting to an alarming message: "we have the muscles." I believe what he had in mind was that, "they win elections, but we have the faith." This should not be new to the readers of Max Weber who in his much quoted distinction regarding "ethics of responsibility versus ethics of ultimate ends," explained how proponents of the second school act on their duties regardless of what action wins and what action loses.

This may explain a conundrum: the traditionalists, and their guerilla forces, are not discouraged by the fact that they have played a losing game, which has cost them dearly in the past several years.

Point five: many of the reformists speak a modern sociological language, but are conservatives because of their firm religious background,

and in their life style and outlook. The traditionalists speak an old style language, but are radicals because of their revolutionary roots.

Point six: traditionalists are short of vision; the reformists seem to have little other than vision. The power of the traditionalists rests on their solidarity in allegiance to a patriarchal hierarchy. This facilitates their coming to quick agreements. They enjoy unity of purpose, coordination, and practical wisdom on a day to day basis, rather than strategic theorizing regarding future developments. Since a year ago some among them have recognized this as a handicap and are looking for a remedy. They call themselves new religious thinkers (*No-Andishan-e Dini*).

Traditionalists are short of vision; the reformists seem to have little other than vision.

Point seven: The traditionalists are pragmatic. For the coming months the traditionalists will talk much among themselves about reorganization; revise some of their methods and language; remain as polite as they could be; engage in intensive political maneuvering; ponder coalition with certain factions of the New Right (especially if the economic policy of Khatami's cabinet tilts to the left). They will suffer rifts within their ranks, even rebellions, both ways, hard-liners and moderates; they will lose some sympathizers to the reformists (gaining none). They may take two steps backwards, one step forward for a while, but will keep the substance untouched. They are traditionalists, after all. What remains of them (and among their followers) will be stronger solidarity.

Point eight: They (and the winners, too) will refuse the pull of reconciliation.

III

Among the reformists, too, minor rifts are predictable in the near future, from two directions; those disappointed to push Mr. Khatami to vigorous decisions, and others who will advocate that he be more amicable to elders among the traditionalists. Notables among the latter group are his coalition partners from the New Right.

A major rift among the reformists was what the traditionalists hoped for after the victory of the reformists in the last parliamentary elections. The traditionalists waited for a short while to allow the shoring up of the spoiled children among the reformists after their easy electoral success. In fact, the rift could have happened. But the traditionalists decided not to waste time, realizing that they were not to gain anything from the spoils. A coming rift, if any, in the reformist camp, will be minor this time.

IV

On President Khatami I present the following points:

Point one: Mr. Khatami will remain his noble self, adhering to his reputation for honesty. He will do that not because this fame is more important in Iran than political expertise in appealing to the public, but because he can hardly live and act otherwise. Nevertheless, resisting the temptations to resort to more serious open alternatives against traditionalists' incursions will not be easy this time. Second time successes have their own momentum.

Point two: During his previous term he refused to be pushed to react to explosive situations. His enigmatic paradoxical manner of acting passively, but in an active way, has led his adversaries to be explicit, more than they wanted to, on where they really stand. The closing down of newspapers, for example, was, for the traditionalists, a hasty imperative in the power game, but they were forced to do it anyway, without making a persuasive legal case for it. In this sense, Mr. Khatami's active passivity, even if not deliberate, looked like a work of art, and worked miracles for him.

Point three: Mr. Khatami, in his first term, was not a general, not a "philosopher king" like Marcus Aurelius. That ancient Roman emperor killed people during the day on the battle ground as an able, vicious, brutal general, fulfilling the greed of the Empire to grab lands; and wrote philosophical treaties on stoicism, grieving for human dignity, only at night. Mr. Khatami has been a man who grieves full-time. He stood against the old saying, "peace needs two sides; for war one side suffices." He managed to dodge a war of attrition.

Point four: He is not a history maker, but rather looks like a midwife to history in the eyes of those who like to see history in deterministic mirrors.

Point five: His second electoral platform remained in sharp contrast to those of his rivals who tried to catch votes by shiny promises in extensive areas; from economy and more jobs for ordinary people, to free access to universities to appeal to the youth, who made up a high percentage of the voters. Mr. Khatami chose not to come to earth, and did not let go of his elitist, abstract, elegant ideals, things such as human dignity, legality, civil society, universal justice, freedom, dialogue of civilizations, and Islam in the modern world. On the surface, there was nothing concrete in what he said. Some voters somehow understood him as one who speaks metaphoric epigram. But many took him for his words. The elite liked the dreams; the public followed the elite, while liking the music, the poetry; and they somehow "felt" the substance.

Point six: One could say Khatami's honesty leaves him uncertain and skeptical on many matters, but, so what? He is winning. In politics, that is what counts. He won elections, one after the other so far, but is he really winning?

Point seven: Khatami's weakest point is that he seems to lack the benefits of a well-organized, coherent team. Many people in his camp seem to care more for their own self-made original ideas.

V

For the people of Iran (in both camps), I see the following developments in their political insight during President Khatami's first term:

Point one: recognizing the meaning of a broad-based public opinion due to Mr. Khatami and the pro-Khatami papers' advocacy of tolerance;

Point two: recognizing the fact that one could live in despair, and do without the cult of wishful thinking;

Point three: recognizing that there is a distinction between "legitimacy" derived from custom and legitimacy based on law;

Point four: recognizing that traditionalism cannot be underestimated, and that political power cannot be reduced to some vote count;

Point five: the most important thing, I believe, was the erosion of the personality cult. It was something new to see a depersonalized leadership in Iran. In Iran, with its tough warp and woof going back to thousands of years of guardianship, this is revolutionary. Mr. Khatami did not see himself as a guardian, neither did his followers see him as such. Many of those who voted for him, or worked with him, have criticized him openly, sometimes to his face. This is in sharp contrast to what we have known of Iran's previous leaders. Even a democratic liberal-minded leader like Mossadeq (the popular leader who was overthrown by a CIA-directed coup in 1953), was unable to suffer being questioned by close friends without banishing them. Mr. Khatami's self-restraint and selflessness in similar cases has been exemplary.

Point six: the question remains: is Mr. Khatami the Savior?, "The One?" Or will it turn out to be for his followers a sweet, pleasant, romantic interlude?

I provided a snapshot of a historically short moment. The assumption was that events would proceed along a linear path, just like what is going on in a politically monotonous Canada, sleepy Norway, or boring United States (all three adjectives by Iranian standards). But irregular, unexpected eruptions, from above and below and from inside and outside, are not rare in times of interesting turbulence (remember the Chinese curse: "may you live in interesting times"). On that, one can only guess.

Even if we could suppose that internally we have been putting behind us the nightmare of turmoil and stepping onto the path of stability, dangers could come from the outside. This we experienced in the invasion by Iraq, and the sanctions and threats coming from the U.S.; hence, the concern for national security for which the traditionalists seem to be keener. They have proved their ability in mass mobilization during national emergencies.

Because of these factors, what is going on in Iran seems to be an open-ended game as far as one can see. I find myself unable to agree with those optimists who yearn for an assured, bright future easily attainable only if and when the traditionalists let go of their hold on harsh, crude techniques, and give way to the vague, romantic, and often incompatible aspirations of the pro-Khatami reformists. The stew of themes such as civil society, liberty, equality, progress, security, stability, all getting along well while preserving the dear, independent, national identity, all in one package, looks just too good to be true in the present tough age of globalization.

Even if we could suppose that internally we have been putting behind us the nightmare of turmoil and stepping onto the path of stability, dangers could come from the outside.

The major question seems to be who will be the final winner in the end game? To pro-Khatami people, an unwanted possibility is an establishment dominated by the New Right technocrats, if they, in their search for a pragmatic balance of international relations, and in their lust for economic growth, prescribe a return to pre-revolutionary autocratic solutions. That possibility may fit well to globalization and to the overall make-up of the Middle East region, but not to the voters.

To make my point clear, I quote a preface to a recent book presented to me here in Washington. This detailed research work entitled *Who Rules Iran? The Structure of Power in the Islamic Republic*, written by Wilfred Buchta, was published by the Washington Institute for Near East Policy. The preface caught my attention. It reads, "Clearly, the success of the reform movement – and the evolution of a more benign Iran less out of tune with U.S. interests – is by no means assured."

Now, it is only logical to think that the implied wish here is not exclusive; and that all policy makers, everywhere, should see the world as such: "in tune or out of tune" with one's national interests. The ideal is to overcome this binary opposition by eliminating the latter. I cannot help trying to understand more fully what "in tune" stands for here. Iran is surrounded by governments "more in tune" with U.S. interests in the region.

If the autocratic regimes of Saudi Arabia, Jordan, Egypt, Pakistan and Turkey are examples of countries more in tune with American interests, then that sort of an alternative could turn out to be even less democratic than what the traditionalists have been accused of intending. That will be less in tune with aspirations of those who voted for Khatami-language.

THE EIGHTH PRESIDENTIAL ELECTION: ANOTHER ELECTION WITHOUT A CHOICE?

MORAD SAGHAFI

On June 8, 2001, Iranian people went once again en masse to the poles to choose the person who will be their president for the coming four years. While the result of the election, that is the re-election of Mohammad Khatami, was by no means a revelation to anyone, both the volume of participation, which was less than but comparable to the previous level of 80 percent of the eligible voters, and the high percentage votes (77 percent) for the president-elect could be considered a surprise.

In fact, despite all prevailing analyses, reports and rumors on the drastic loss of popularity of the reformist president, despite the fact that not one real challenging candidate was opposing him and although his promises for reform had been realized only superficially, some 22 million Iranians gave Khatami a second chance at leading the reform movement. In my opinion the overall results of this election should be interpreted as a vote of confidence for Khatami – not only as a reformist president but also as one of the very few symbols of national unity in a country witnessing rapid atomization at all levels of society. However, the way in which various state and religious institutions organized and mobilized themselves, the approaches of these institutions before and during the campaign, and also the discourses adopted by various candidates says a great deal about the state of the art of politics in Iran and the fears or hopes for its democratic future.

Prior to such an analysis, it is important first to see how the concept of election is integrated into the nature of the Islamic Republic of Iran in general, and then to measure and trace the comportment of different Islamic institutions, especially after the seventh presidential election held in 1997 which brought Mohammad Khatami into his first term of office as president.

THE PLACE OF THE POPULAR VOTE IN A THEOCRATIC STATE

Of all characteristics that constitute a republic, there is one that the Islamic Republic of Iran could be most proud to exhibit: turning to universal suffrage or in other words, organizing general elections. In addition to the two

referendums – one which defined the nature of the post-revolutionary regime and the other which gave the regime its first constitution – Iran has experienced in the last two decades approximately 20 elections: eight presidential, six parliamentary, three designating the Assembly of Experts (the body charged, among other things, with the task of electing the Leader and supervising him), and two elections for local councils. More or less free and more or less significant, these elections have shown the determination of the revolutionary regime to preserve its republican institutions. But what about Islam? Where is its place in the irreversible process of building a modern state? How is Islam reflected in the republican voting procedure?

The legitimacy of power in the Islamic Republic of Iran is based on both republicanism (i.e. popular vote) and Islamic guidance.

It is widely accepted that the legitimacy of power in the Islamic Republic of Iran is based on both republicanism (i.e. popular vote) and Islamic guidance; what is less evident is the way this co-habitation is managed. This is unclear because the two sources of legitimacy contradict one another fundamentally and in their deepest layers. In fact, the republican basis of legitimacy is founded upon the simple idea of the equality of citizens, while the Islamic basis (especially Shi'ite Islam) is founded upon the obvious fundamental distinction between Muslims and non-Muslims, as well as the Shi'ite concept of the distinction from the masses of the 'source of emulation' (*Marja' Taghlid*). *Marja' Taghlid* is any one of the few most senior clergy with the highest level of seminary education having the right and the knowledge to give religious direction to their mass of followers called emulator (*Moghalled*). In addition to these distinctions is the ideological divide considered just as fundamental by the engineers of the Islamic Republic: the essential difference between seculars in favor of the separation of church and state with those who propagate the unity of the two.[1]

The initial rules that were supposed to manage this cohabitation were set by the constitution, specifying that candidates should be Muslim and faithful to the Constitution of the Islamic Republic. The actual criteria is applied by the Council of Guardians (*Shora-ye Negahban*) which is also charged with confirming the compliance of parliamentary approved bills, both with the constitution and with Islamic precepts. Its role in ascertaining candidates' eligibility has turned out to be severe. Other more aggressive methods have also been put to use while the Islamic Republic has continued to consolidate its power. Practically every political party other than the Islamic Republic Party is banned for alleged disloyalty to the regime. The number of potential candidates that could run for the popular vote is limited and their basis of legitimacy of Islamic guidance for the people has diminished. But it seems that even these measures could not fulfill completely the desires of the founders of the Islamic Republic in

what they considered to be a genuine Islamic regime. The above mentioned rules could only be useful to define lines between "self" and "others," preventing candidates from outside of the system to run in elections. They did not, however, set any rules for what the system should be.

The reality is that the troubles of pluralism are not confined to the exclusion of non-Muslims and/or seculars; the problem actually permeates into the community of believers. Exclusion is not merely based on the absence of a democratic political culture, but rather also the result of a very deep-rooted Islamic desire to see that there is in fact a consensus (*Ejma'*) within the community of Muslims (*Ommat*).[2] That is why very soon after the revolution a mode of operation was put into place in the political scene of the Islamic Republic to limit as much as possible the fragmentation of the popular vote. In fact, it seems that from the first election organized in the Islamic Republic of Iran to the seventh presidential election which brought Khatami to power, a motive always dominated the elections in the new-born republic, namely that elections should not turn into an occasion for dividing the nation. The leaders and eminent political figures of the Islamic Republic constantly insisted and worked so that any and every election became a sign of the unity of the nation.

The system which was put in place was in a way very easily formed: before each election, the main Islamic current of Iran's political scene came to an agreement for presenting one, and only one, candidate – or one list of candidates – for the election, showing among other things the fundamental solidarity that exists among them regarding important political issues of the country. The same candidate or list of candidates, which normally had the support of Imam Khomeini, became then known as the official candidate or list of candidates of the system.

As soon as the system selected the candidates, the whole political-social and often the ideological and economic apparatus of the Islamic regime was mobilized for bringing people into an election with no real choice. Thus campaigns were more campaigns for popular participation rather than for choosing a particular candidate. The number of voters was more a source for the popular legitimacy of the system, than a source of power for the candidate. This is why very often chosen candidates thank the population not only for having chosen them but especially and principally for having shown their faith in the regime by participating in the election. Thus any election in the regime is considered primarily as a plebiscite for the regime.

Figures from the Iranian elections showed that from the first parliamentary election which saw the Islamic Republic Party becoming the first political formation of the country with a majority of two thirds of the

seats of the parliament, up until the last presidential elections four years ago which gave Mohammad Khatami a chance to introduce the reforms with more than 60 percent of the votes, every election in the Islamic Republic of Iran has been more a plebiscite than an election in which different or at least two quite equally weighted rival individuals or political formations would dispute the people's vote – a characteristic which was and is much more visible when considering presidential elections. As a sign of this characteristic one can point to the fact that while the Iranian president has to be chosen on an absolute majority of the voters in the first round and a relative majority of voters in an eventual second round, each and every Iranian president has always been elected in the first round. In fact Bani Sadr, the first President of the Islamic Republic of Iran was elected in the first round with 75 percent of the votes, in an election in which 70 percent of the eligible voters participated. Since then the lowest figure for such an election was the 62 percent that Hashemi Rafsanjani received during the election for his second mandate. That election saw 52 percent of the population eligible for participating.

While one could consider this continuous need of the Islamic Republic for plebiscites as a sign of a lack of security in the tenants of power of the regime, it seems that the main reason behind this is to display a consensus in the community of believers. Admittedly, despite all the difficulties that the Islamic Republic has encountered since its establishment, notwithstanding its own partial responsibility for having created them, the regime has been able to mobilize a majority of people to participate into these one-man-show elections – elections without choice.

The result of such a system on the political development of Iran could be analyzed at different levels. One of the most important effects is the bipolarization of the political arena in Iran. In fact if participating in elections was primarily considered as voting for the regime, any non-participation could be seen as a vote against it: there is no choice left for citizens other than to be for or against the regime, regardless of the political, social or economic programs of the elected candidates. Politics in its deepest sense, that is the attempt to influence the decision of power centers in various ways, was left no space. Hence there was no need for the development of civil society. The other important result is the absence of any need for different political forces to organize themselves through parties or any other form of modern political organization. The overall result of this situation is that major political organizations represent the same traditional, and very often religious, institutions and organizations. In fact, the only modern or republican organizations are the ones that define the state, or to be precise,

the government and the parliament. This weakness of the republican institutions and the fragility of Iranian civil society are of vital importance regarding Iran's chances in finding its way to democracy. This will be discussed in the final part of my presentation. Here, I want to come back to the previously mentioned political system put in place by the tenants of power in Iran, intended to keep the consensus of the community of believers alive while continuing to search for legitimacy through popular vote.

THE LIMITS OF THE CONSENSUAL SYSTEM

The limited nature of the consensual system has been shown twice: first in the case of Bani Sadr, who had been considered the candidate of the system – at the time, there was a strong rumor that he was the candidate backed by Imam Khomeini,[3] elected as mentioned with 75 percent of the vote, but dismissed after one year when he came to oppose the powerful Islamic Republic Party (*Hezb-e Jomhuri-ye Eslami*). At that time the system paid a very high price (a civil war with Bani Sadr followers and the Mojaheddin on one side and the remaining Islamic political forces on the other) to re-build its sovereignty and reassert its authority.

The seventh presidential election showed for the second time the limits of this system, when 70 percent of the population – more than 20 million voters – preferred Mohammad Khatami, the outsider, to Nateq-Nuri who was known and promoted as the establishment candidate.[4] It is not an exaggeration to say that this election shocked the whole foundation of the Islamic Republic and it is not an overstatement to say that the Islamic Republic never gained its legitimacy after this event, an event that received the title of 'The Epic of Second Khordad' (*Hamasse-ye Dovvom Khordad*).

It is not surprising that soon after the election of Khatami, comparing Bani Sadr to Khatami became a common theme in the Iranian reformist newspapers. The papers warned the people about a conspiracy in the conservative camp to overthrow Khatami as they did with Bani Sadr. The newspaper *Neshat* was even taken to the press court for having insinuated this idea through a cartoon published on its first page.[5]

The consensual system is the system that wishes to present the elections as the unifying moment of the nation around the chosen candidate. The two experiences, namely the election of Bani Sadr and that of Khatami, lead to two different if not contradictory conclusions. The first conclusion is that Bani Sadr's experience opened the door for the clerics to take one more step toward the total control of political power in Iran. The defeat of Nateq-Nuri was to be considered the beginning of a withdrawal of the powerful clerical institution from the Iranian political scene.

In fact it is well known today that Imam Khomeini was very suspicious of clerics occupying presidential and even prime ministerial positions.[6] Despite very hard pressure from political clerics like Hashemi Rafsanjani, Ali Khamenei (the actual Leader), and Mahdavi Kani (the president of the powerful organization of Tehran mosque clerics), Imam Khomeini remained firm in his decision until the Bani Sadr crisis. The first attack from revolutionary clerics to change the Imam's position came after Mehdi Bazargan's resignation from the office of Prime Minister of the Provisional Government. The decision that Bazargan's resignation showed the very weak nature of non-clerics and their genuine drive towards the West, these clerics asked Imam Khomeini to change his view on non-clerics heading the executive power. With the bombing of the Islamic Republic Party headquarters, which led to the death of more than 80 political figures in the country a few weeks after the dismissal of Bani Sadr and the subsequent bombing of the prime minister's office in which another 10 people, including Prime Minister Rajai, died, Imam Khomeini gave the clerics a carte blanche to choose anyone they wanted as the candidate of the system for occupying the presidential office. Ali Khamenei was their choice. Clerics in the Islamic Republic Party controlled all three of the most important offices of the Islamic Republic: the presidency heading the executive power, the head of the judicial power, and the chairmanship of the legislative power.

The result was very different when during the seventh presidential election, Iranian people rejected en masse Nateq-Nuri, the candidate who wanted to be acknowledged as the establishment's candidate. Having put all their efforts behind the election of Nateq-Nuri, most political and religious organizations of the country found themselves in a very odd situation. In order to understand the level of shock that religious institutions experienced after the Second Khordad (May 23, 1997 on the Iranian calendar, date of Khatami's initial election victory), one should keep in mind their claim to be the only institutions in Iran in touch with the population and aware of its needs. Important organizations like the Society of Combatant Clerics (*Jamee-ye Rohaniyyat Mobarez*), the Society of Qom Seminary Instructors (*Jamee-ye Modaressin-e Hoze-ye Elmiye-ye Qom*), the Prayer Leaders of Tehran Mosques (*Aemme-ye Jamaat-e Massajed-e Tehran*) and other less important ones were quite active on behalf of Nateq-Nuri during the seventh presidential election. They even tried – with some success – to bring the Leader into their camp by announcing that, "every one knows the preference of the Leader in this election."[7] When the results became known, all these institutions went into a period of crisis, the first

result of which was that they kept silent during the subsequent two elections, namely the election for local councils and the sixth parliamentary election. Their withdrawal from the political scene was clear and quick. While no one could guess how long this withdrawal would last, it was evident that the crisis was deep enough to prevent them from intervening in the eighth presidential election.

Though this withdrawal did not prevent conservative candidates like Ahmad Tavakoli from entering the race (hoping perhaps that in the end these institutions would break the silence and back him against Khatami's re-election), the absence of religious institutions was nevertheless more than clear in the eighth presidential election. It seems that a quarter of a century after the creation of the Islamic Republic, religious institutions decided to leave politics to be determined by politicians and the people. Even the Leader limited himself to inviting people to participate in the election, leaving the republican institution to decide upon the destiny of the country. This is where the weakness of these institutions became evident: no political program was presented by any of the conservative candidates. Some candidates gave promises that everyone knew were not realizable. Abdollah Jasbi, the Chancellor of Azad University, promised to eliminate the system of general university entrance exams and to eliminate Azad University tuition; Ali Shamkhani, Khatami's minister of defense, promised to increase security in the country and along its borders in just a few months; Ahmad Tavakoli, the former Minister of Labor, said that he would replace all government administrators who were appointed for ideological reasons over the past 20 years with administrators chosen for their qualifications. The political mobilization showed the fragility of political parties and their low capabilities to keep rallies on a national level. Even in Tehran the impact of political parties was quite pathetic. Despite the absence of important religious and traditional institutions, the republican and modern groups were not present *au rendezvous* either. The nation was left to itself, unable to think of its future neither as an Islamic nor as a republican state. With a wisdom that looked more to the historical insight than a modern rationality, it did the best thing it could do: it gathered around the unique, secure asset it had, explicitly Mohammad Khatami – a man that certainly had disappointed them in the last four years by negotiating too much with powers which a majority of people believed had no legitimate reason for existing; a man who kept silent when 20 million followers were waiting for him to talk; a man who defended a constitution which prevented a wonderfully elected president and a no less spectacularly elected majority of a parliament from legally building a democratic and peaceful republic respectful of its tradition

It seems that a quarter of a century after the creation of the Islamic Republic, religious institutions decided to leave politics to be determined by politicians and the people.

and culture. At the time Khatami was the only man who showed that he wanted to end the most awful characteristics of the Iranian political culture, which was the discretion of political power to kill and to aggress the population for the sole reason of remaining in place.

Khatami was the only man who wanted to end the discretion of political power to kill and to aggress the population.

With the eighth presidential election, it became clear that since four years ago, two million more Iranians have decided that in spite of all economic difficulties and political obstacles they prefer to see themselves as a nation gathered around a president who defends humanistic values rather than leaving themselves the object of irrelevant promises. But it also has become clear that the country needs to rebuild the necessary institutions capable of representing it, partly because what was built two decades ago is no longer useful and partly because nothing was really built to replace it. More than at any other time, Iran is pressured to choose between enhancing its republican institutions and thus creating a modern state based on the equality of its citizens or re-activating the consensual system that permits it to assure unity within the community of believers.

While the socio-economic situation of Iran and its political trend gives greater chance to the second scenario, the difficulties of taking this option could disillusion more than one person. To evaluate the possible way that will be chosen, one should be aware of the causes that broke the consensus.

HOW THE CONSENSUS WAS BROKEN

Very soon after the end of the war with Iraq and the death of Imam Khomeini, the right wing Islamic forces, which during eight years of war had supported the hegemony of leftists in power, started their counterattack. By accepting the leadership of Rafsanjani, who started to take a very moderate position at that time (regarding both internal and external matters), they positioned themselves as a moderate group in the political scene of Iran wanting to rival the leftists, known at that time as extremists. Their strategy became well known when, during the second election for the Expediency Council, they forced candidates through the Guardian Council under their control to take an exam on knowledge of Islam before being certified as an eligible candidate. This experience showed that rightwing forces wanted to use the tool that during the first ten years of the establishment of the Islamic Republic had permitted the defining of the "self" versus the "others" for eliminating the presence of seculars in the political scene of Iran. The consensual system was receiving a severe coup. After less than a year, what leftists were more afraid of came to be a reality: the Guardian Council declared itself "The Institution" that may decide the eligibility of candidates without being asked by any other institution to

make the assessment. What was a guess during the Expediency Council elections became a certainty: rightwing forces wanted to eliminate leftists from the consensual system. Finally after six months of hard debate during which for the first time leftists started to resort to certain democratic concepts for defending their cause, the Guardian Council admitted the eligibility of the most prominent leftist figures for the third parliamentary election. The irony is that none of them were elected.[8] But it became clear that left wing Islamic forces had to lose their upper hand if they remained within the consensual system.

Not happy with this victory, the right wing, showing more and more their conservative face, tried to eliminate their last ally by running the country on their own as the unique and sole political formation. This happened before the fifth parliamentary elections, when Rafsanjani who continued to believe that the consensual system could be built only with centrists like himself and the right wing, asked the right wing to include in their list of candidates for Tehran only five of his men. The request was rejected. That was when he gave his men a carte blanche to build their own political party.[9] The consensual system was now completely broken. The right wing, who were already known as conservatives, were waiting with total confidence for the seventh presidential election to monopolize completely the Iranian political scene. As we know, Iranians turned their dream into a nightmare, the nightmare of being in the opposition after having broken the consensual system. Since then they are using a policy of carrot and stick (though much more stick than carrot) to force the reform movement to agree on a new consensual system with them.

As noted by reformist journalists, the conservatives forced Khatami to face one crisis every 10 days during the last four years. Although this figure seems exaggerated, the problems created for Khatami by conservative forces were significant. Starting with the serial killings of secular intellectuals to force Khatami to sign with blood its petition to the system; attacking two of his more important ministers, namely Abdollah Nuri (the interior minister) and Attaollah Mohajerani (the minister of Islamic guidance) then using the judicial power to take to court and jail a large number of reformist figures and/or journalists, altering the press law to limit press freedom (when they had the majority in parliament) and forcing the Leader to remove the more liberal press bill from the parliamentary agenda (when they lost their majority); the assassination attempt against Said Hajjarian, a member of Teheran's City Council; the intervention of the Guardian Council, who rejected the credentials of reformist candidates for different elections and then the intervention of the same council for annulling the votes in several constituencies

in the country and particularly in Tehran. This is not to talk about the long list of attacks by hooligans on students and intellectuals and especially the most savage attack, namely the assault on the student dormitory in June 1999. Banning more than 15 reformist newspapers and magazines in one day (using an anti-hooligan law dated from 1955) and closing down each new reformist newspaper that appeared after a period of only two days to two months – these are the elements of this long list, together with the imprisonment of members of the Iran Liberation Movement (the oldest Iranian reformist political formation) for alleged "conspiracy to militarily overthrow the Islamic Republic."

On the other hand, especially after the last parliamentary election that gave a majority to reformists, some of the well-known conservative formations have tried to switch to a policy of moderation. Several times during this last year, the Alliance of Islamic Associations (*Jamiyyat Motalefe-ye Eslami*) proposed directly and indirectly to the reformist movement to abandon its more republican than Islamic projects, and rebuild the consensual system with "old good friends."[10] The offer has always been rejected, but has in some cases given rise to discussion and negotiation between the two tendencies regarding the vital necessity for conservatives to change their rejectionist and anti-democratic strategy and attitude. Such negotiations have never yielded tangible results. Today, while important religious allies of conservative forces seem to remain silent, showing that they are willing to keep on withdrawing from the political scene, and while some conservatives elements (like Ghafoori Fard, the unsuccessful candidate of the last presidential election) shows real tendency toward reformist movement, the hard core of conservative forces persists in its anti-democratic politics.

CONCLUSION

While it seems that offers of conservative forces for rebuilding the consensual system are rejected by Khatami on the basis of the above mentioned events, it is also important to see that Khatami showed in several instances that he does not want to act or even react in a manner which would accelerate the collapse of the system. In other words, his response to the above mentioned crises and events shows that Khatami does not want to become the leader of the non-voters. In fact the four days of silence during the student dormitory crisis of June 1999, the absence of any reaction against the closure of the newspapers and the way the press bill was removed from the agenda of parliament, and finally Khatami's low-key reaction to the arrests of the members of the Liberation Movement of Iran, show clearly that he refuses to become the leader of the opposition of the Islamic Republic.

His aim could be best described as wanting to create another consensual system: more republican and more democratic. Will he succeed? The answer does not depend on him only. By refusing to back the consensual system as it was during the first decade in the life of the Islamic Republic, Khatami is doing his best to prepare for a new national accord, and does not want to accelerate the collapse of the system; he is giving time to society to develop its republican institutions. Thus the question of a democratic future in Iran seems to be more, on the one hand, up to the society and its ability to build democratic, modern and republican institutions, and on the other hand, up to conservative forces to accept that Iran has entered a new era in its history, an era in which the integrity of the nation could not be guaranteed through traditional institutions alone. Khatami's job is to help both trends and to give a legal framework to this passage.

Khatami is doing his best to prepare for a new national accord, ... giving time to society to develop its republican institutions.

While it is very difficult to certify the possibility of success of this challenge, it is possible to monitor the integration of people who were excluded from the consensual system during the first years of the revolution. Integrating into the apparatus of the state not only women but also various groups of the population such as the Sunnis and the Kurds, reforming the judicial system, presenting parliament with a liberal bill regarding social, cultural and political issues (bills are presented by the government and do not originate by the deputies themselves) could be clear indicators to demonstrate Khatami's determination for a more republican and democratic national consensus.

As for the conservatives, the indicators are not difficult to see: taking clear-cut positions against hooligan attacks and any other form of aggression in the society; organizing their challenges to the reformist movement in the form of political programs; and opening dialogue with the secular elements and movements showing at least their *de facto* acceptance of the existence and importance of these trends in society. It should be noted that with the publication of the newspaper *Entekhab* two years ago, the basis for such a strategy, namely the appearance of a democratic conservatism in Iran, is being prepared.

However, in my opinion, the most difficult task falls to civil society. In fact as mentioned before, the lack of republican institutions is much more dramatically evident in civil society. Even political formations like The Participation Front (*Jebhe-ye Mosharekat*) and The Solidarity Party (*Hezb-e Hambastegi*), two formations that were supposed to back Khatami and the reform movement and used to have many resources to organize themselves as real parties at national level, have shown real weakness in this regard. The same fragility is visible regarding unions (which pose more as state syndi-

cates than real independent ones), nongovernmental organizations (NGOs) (which are often in reality governmental organizations rather than real grassroots' organizations), and newspapers (which suffer from lack of professionalism among other multiple deficiencies). One should add to this list the historical bloody tear that Iranian society has experienced in the past two decades, a tear that has to be mended before the Iranian society is able to enter into a new agreement. Any serious step to deal with these weaknesses and difficulties will be the indicator to monitor the effort of society for building a new democratic and republican consensual system in Iran.

END NOTES

1. At different periods, especially during the first ten years of the life of the Islamic Republic another political-religious identification was added to the list of distinctions. Leftists defined and used concepts such as *Eslam-e Emam*, The Islam of Imam [Khomeini], denoting the revolutionary and true Islam, as opposed to *Eslam-e Emrikayi*, the American Islam, that was the reactionary Islam. The word *Eslam-e Nab-e Mohammadi* (The true Mohammedan's Islam) was also used to indicate the pro-poor and anti-rich version (although the prophet himself happened to be a rich merchant).

2. The desire for consensus in its more secular transposition sees in political rivalry a sign of a divided, and hence, weak nation.

3. This rumour was shown to be true when in 1999 the first volume of Hashemi Rafsanjani's autobiography was published. See. Hashemi Rafsanjani, *Oboor az Bohran*, (Trespassing Crisis) *Nashr-e Maaref-e Eslami*, Tehran, 1378 (1999), p. 22. In this book one can also follow the course of negotiation and "court bargaining" that would precede the nomination of a person as the system candidate.

4. For an account of this election and its revealing effect on the political system of the Islamic Republic of Iran, see: Morad Saghafi, "La Societé Civile en Iran: Leurre ou Realité?" (Iranian Civil Society: Illusion or Reality?), *Les Cahiers de l'Orient*, no. 49, 1998.

5. *Neshat*, April 20th, 1999, p.1 The scene shows two old persons talking together; one asking the other if he remembers how they got fooled by the system last time to move against the elected president?

6. See Hashemi Rafsanjani, *Oboor az Bohran* op. cit, pp.270-290; Mehdi Bazargan, *Enghelab-e Iran dar do Harekat* (*Iranian Revolution in two moves*), Tehran, 1363 (1984), p. 121.

7. Mahdavi Kani speech published in *Ressalat* newspaper, 17 may 1997.

8. For a detailed story of these events, see Morad Saghafi, "*Salam, rouzshomar-e yek tajrobe-ye siassi*" (Salam: Chronicle of a Political Experience), Goft_O_Gu, No. 4, summer 1994, pp. 89-109.

9. For a detailed story of this last crack in the consensual system, see Morad Saghafi, "La cinquième élection legislative en Iran, le vote d'une république mal aimée" (The Fifth Legislative Election in Iran, the Vote of a Poorly Loved Republic), Cemoti, No 21, 1996, pp. 320-330.

10. See *Ressalat* Newspaper especially during the period between February and April 2001.

THE WOMEN AND YOUTH MOVEMENTS DURING THE EIGHTH ROUND OF PRESIDENTIAL ELECTIONS IN IRAN

SUSSAN TAHMASEBI

I first started research for this talk with the idea of exploring the reasons behind the participation of Iranian women and youth in the presidential elections. As my research progressed, and with the elections moving closer, it became apparent that I should be exploring the reasons why Iranian women and youth would be voting for Khatami.

Perhaps an anecdote would explain better the overwhelming reason for the support of these two groups for Khatami as president. During the day of the elections on June 8, 2001, I spent a good amount of time at polling stations talking to voters. It was afternoon at a polling station in Vanak, a very busy area, which could be classified as mid-town Tehran, when a young man, a street musician or peddler, entered the polling station. He was immediately stopped by authorities and told that he could not play his music in the polling station or try to solicit money. He looked at the officials, with a confused look and informed them that he was there to vote. Upon entering the polling station, I asked him whom he intended to vote for. He replied with a smile, "Who do you think I intend to vote for? I am going to vote for the one who legalized music."

While the socially constraining policies of the Islamic Republic of Iran have left their harshest mark on women and youth, the socially liberalizing policies of the reform movement, under Khatami, have affected most significantly women and youth. This fact repeatedly was given as one of the main reasons why these two groups of voters would vote for Khatami, during my interviews with women and youth in Iran on election day. In the words of a woman who I interviewed, "Simply being able to add color to our wardrobe, not being harassed on the streets and in our workplaces for our dress is viewed as a big gain for women during these past four years. This was not the reality of life for women before President Khatami's election."

However, to say that social freedoms were the only driving force in participation of women and youth in the elections is naïve and a very limited analysis. In fact, Iranian society is a complex and dynamic society facing

rapid changes. Possibly the most exciting development that can be attributed to the Islamic Republic is the level of political maturity that is being achieved by the average Iranian citizen. I am purposefully attributing this development to the Islamic Republic and not solely as a result of developments over the past four years. In fact, I believe that the political maturity by voters was the main factor in sparking the development of the reformist movement. In other words, Khatami, Hajarian, Ganji and other reformists, did not bring about the reform movement, but the reform movement opened up opportunities for them to take on these new leadership positions.

Women in particular have had a catalytic role in the reform movement. The changing and increasing nature of demands on the part of women, their increased participation in social life, especially in the revolution, assisting in the war effort and the reconstruction effort that followed, and the increase in their levels of education, created a need on the part of women for reforms. Iranian society as it was, was incapable of meeting the needs of women and reform was necessary. They played a key role in bringing Khatami to power and this was indeed a mass movement on the part of women. However, during the past four years and the easing of restrictions generally, the lively debate of the press, including news media as well as the publication of books in general, and the creation of forums where the exchange of ideas can take place without deadly consequence, has sped up the process leading to political maturity among Iranian voters, but particularly among Iranian women. It should be noted that not only have women played a key role in bringing about the reform movement, they have accordingly sacrificed a considerable amount in order to keep the reform movement alive. Their intellectuals and thinkers have come under fire and have been arrested and as a result they have had to move more cautiously and conservatively with respect to their own demands and agenda.

Prior to the elections there was speculation on the part of several women I spoke with about the possibility that women would not vote overwhelmingly to re-elect Khatami because they were generally displeased with the manner in which Khatami had performed. Namely, they suggested, that the Iranian voters were displeased with Khatami's inability to protect other reformists from harsh crackdowns, to protect press freedoms, to nominate women to high posts, to take a stand in support of students in the dormitory incident, and to take a stand in support of his ministers who had come under legal scrutiny. In other words, these women claimed that the past four years, and the liberalizing policies of Khatami had in essence worked against him, by raising the expectation of women

and youth and by increasing their demands with respect to their government and their elected officials. In fact, it is true that voting during this past election was indeed quite different than in previous elections, particularly during the last presidential election. While the participation of voters in the last presidential election was largely classified as an "emotional" participation, the participation of voters in this presidential election and particularly their vote for Khatami was largely classified as a "rational" participation, whereas they voted purposefully to continue with reforms.

The test, in my opinion, of how politically mature or sophisticated voters in Iran actually are lies in part in the nature of their changing demands and their expectations of government. In other words, does the average Iranian citizen have demands from his/her government particular to their segment of society? In this case, do women and youth have demands from their government and do they feel that voting for a reformist president will help them achieve their goals? Moving forward with reforms has been viewed by many groups, particularly women and youth, as the best strategy for achieving their demands.

There is a lively debate in Iran among feminists about whether a true Iranian women's movement exists or not.

THE WOMEN'S MOVEMENT

There is a lively debate in Iran among feminists about whether a true Iranian women's movement exists or not. In my opinion, there is a women's movement in Iran. I base this assessment on the fact that women do have a political agenda, they are acting as agents on their own behalf to achieve and gain rights, and to force the government to respond to their needs. At the same time, the women's movement faces many obstacles.

First, women's issues tend to be highly sensitive as political issues in the Islamic Republic of Iran. Women's social demands, even simple ones, become quickly politicized. This is in part due to the Islamic nature of Iran. Another part, in a very related aspect, is due to the fact that women's issues and status is used as a political tool by politicians. The state of women reflects the piety of the nation, and as such the failure or success of any government. Islamists and secularists alike should take the blame for politicizing women's issues to a point where the consequences on women are almost always negative ones. Take the case of increasing prostitution, which has gotten much press lately. Those outside of Iran use this example to point out that the Islamic Regime has failed, in its foremost duty, to create a pious society. Those within Iran use this issue to point out that the liberalizing aspects of Khatami's reforms have created loose morals. And the underlying causes of increased prostitution are not addressed by any political faction, and because research on women's issues are of a low pri-

ority and again very sensitive, all of this talk is mere speculation. Another case in point is the recent legislation, which sought to establish equal qualifying measures for both women and men in receiving government grants for study abroad. It, too, quickly became a very politicized debate and in the end, in an attempt to strike a compromise, it was decided that the laws governing passports and exit visas should suffice in governing grants for study abroad activities of women, whether they were married or not.

Elites and activists have learned that they must be more cautious and conservative in their demands for women, in an attempt to de-politicize women's issues.

The second major challenge that faces the women's movement in Iran is the reform movement itself. Women's issues have historically taken a back seat to political issues in Iran. A case in point is last year's Majlis elections, where women lost seats. Some may argue that it is not the actual number that counts, but it is the quality of the candidate, and that the female candidates elected to the Parliament in the sixth round of elections are much more in tune with women's issues and better advocates on women's behalf. Nevertheless, if we use the number of elected officials as an indicator in the progress of women, women lost on this count. Elite women, who tend to lead the women's movement, were challenged by the reformists and by the conservatives alike. The women's agenda became even more politicized and intermingled with the politics of reform versus no reform. As a result, the elites and activists have learned that they must be more cautious and conservative in their demands for women, in an attempt to de-politicize women's issues. The challenge that remains for Iranian feminists and activists is how can they turn the women's movement into a social movement as opposed to a political one.

The third challenge facing the women's movement in Iran is the lack of cohesion between Islamic women and secular women who advocate for the rights of women. These groups have historically not worked well together and the politics around the revolution created even greater barriers for collaboration between these two groups. Secularists tend to resent the Islamic women for alienating and marginalizing them for the past two decades. Finally, these two groups are beginning to realize that they have some common goals, at least with respect to social issues pertaining to women. In fact one of the major accomplishments of the reform movement for women has been unintentional to say the least. What the reform movement has done for women is to allow for an opening for these two groups to work together. When activists and intellectuals, belonging to both groups, came under attack during the reform movement, the two groups found common ground, and worked effectively together in defending the rights of their peers. In fact, now women activists identify themselves not along the lines of secular versus Muslim, but along the lines

of their willingness to engage in dialogue with their peers who represent differing viewpoints.

A fourth challenge facing the women's movement in Iran, is lack of clarity in terms of the roles that women who are elected or appointed to high office should play vis-à-vis the women's movement. Women appointed to high posts within the presidential cabinet was indeed one of the major campaign issues and a promise that Khatami had made to women. In fact, this was probably the leading issue with respect to women, which candidates acknowledged openly. Ghafoori Fard, a presidential contender, promised that posts in his entire 22 person cabinet would be filled by women, should he be able to identify that many well-qualified women.[1] Several of the female MPs as well as Zahra Rahnavard, head of Al Zahra University, appointed by Khatami, called on the president to ensure that women were well-represented in his future cabinet.[2] Rahnavard actually asked the president to name no fewer than ten women to high posts within his future government, should he be elected as president for a second term.[3] This is a noteworthy debate, as it seems that this issue was the only area in which women chose to put pressure publicly on President Khatami during the campaign.

But, the question of women's roles in these high positions still remains a challenge to the women's movement. Secretly, many women fear that there may indeed not be a sufficient number of qualified women to fill cabinet positions, as women have not traditionally held those posts in the past and have little experience in this area. One area in which Khatami failed was in nominating women at high levels within ministries in an attempt to groom women for future leadership roles. In the absence of such an experience, some women expressed fear that simply having women in high posts would not suffice in pushing forth a women's agenda within government. In fact, the three women who had been nominated by Khatami to high posts in his previous regime, Shojaee, Ebtekar, and Rahnavard, were often criticized for not advocating well or hard enough on behalf of women. The same criticism has been launched against the female member of the Parliament. Though these women have managed to form a Women's Faction in the Parliament, activists have criticized the female MPs for failing to push forth a women's agenda aggressively. The criticism stems from the inability to advocate forcefully, because these women, once in high positions, become embroiled with other political issues, or choose to take the conservative route in fear of losing their elected or appointed positions. The question facing the women's movement in Iran is whether women from inside the government can create change? Of

course, they can, but often the rate of change inside a system is much slower than the rate of change that results from the pressure that is exerted from outside the system. With so few women in high positions, though, activists tend to look at them as change agents, and these roles often are not complimentary.

Additionally, when women occupy positions of power for the first time, they are scrutinized at greater levels than their male counterparts. This is another issue which has created fear among some women within feminist camps who fear that a weak manager would do more damage to their cause than good.

The fifth challenge to the women's movement[4] is lack of mass participation. The women's movement has remained a movement of the elite. Although, one could effectively argue that this class of elites, because of educational gains, and increased participation of women in social roles, has drastically expanded over the last two decades and has moved closer to the masses. Nevertheless, the kind of mass participation required to pressure the system toward considerable change is still lacking. The key to solving this problem lies in making the issues of women tangible and understandable to the masses, especially in defining the role of women activists. Also, de-politicizing the women's movement into a social movement could assist in creating a level of advocacy among the masses. Addressing some of the other challenges stated previously will also help to alleviate this particular problem. But, education and awareness are key in addressing this challenge. Political activists and social activists, involved in the women's movement see NGOs as a key contributor to this process of education, especially in the absence of a well-institutionalized, well-defined and free political party system. The creation of a viable civil society, which includes NGOs, with advocacy and education roles, is directly linked with the goals of the reform movement. While NGOs have gained popularity and are enjoying a freer environment in which they can operate, under Khatami's leadership, the substitution of NGOs for viable political party system causes problems, namely the politicization of NGOs, which continue to come under scrutiny by conservatives, especially extremists.

So what are the demands of the women's movement from Khatami and why is it that the leaders of the women's movement feel that the reform movement can best meet these demands?

The first most important demand that women have of the government is addressing their legal issues, particularly their legal status within the family, and bringing that status inline with those of men's status under the law.[5] While this has been a slow process, the Women's Faction in the Majlis

has taken steps to address this issue. Of course, the election of the sixth Majlis, a reformist parliament, is viewed as a direct result of the reform movement and only possible because of Khatami's leadership. The female MPs besides having to advocate for the rights of women advocate for the process of reform, as such their attentions are divided. Additionally, the few issues that they have chosen to address in their new roles, which deal directly with women, have been viewed and treated as highly political. These include legislation which would allow females to take advantage of government grants for study abroad, and a bill seeking to increase the legal age of marriage. With the many obstacles and constraints that it faces, the Women's Faction in the Majlis seems to have focused on correcting existing laws, rather than introducing new legislation designed to improve the state of women in Iran.

The second demand of women on the government is an overarching demand, which calls for creating an environment where women have equal social opportunities for advancement. This is indeed a tall order, as it includes an array of issues, such as education, employment, economics, etc. The third major demand of women on the government, ensuring the representation of women in leadership positions is much better defined and measurable. This, in part, explains the reason why it did get so much attention during the presidential campaigns. While Khatami's government and particularly the Office for Women's Participation, headed by Shojaiee, can be criticized for doing little in advancing the status of women over the past four years, some accomplishments can be boasted.

First, Khatami was successful in nominating women to high posts, few as they were. Second, and most important, the discourse on women's issues changed during the past four years. One of the main campaign themes during the Majlis elections, with respect to women, was women's rights issues. Again, this was a central focus of Khatami's election campaign this year.[6]

One of the main reasons why Khatami was so popular among women during the elections of 1997 was because of the manner in which he talked about women and women's issues. He brought attention to the special needs of women, the need to address the historical injustices that women have suffered and the needs of housewives. In an interview during his first presidential race when asked, "Who has the last word in your home?" he replied, "I do, but it is only to say, 'Yes Dear.'" In short, Khatami, is the best choice among the presidential candidates with respect to women's issues, because he is seen as genuinely concerned with advancing the cause of women.

In this campaign he has raised the issue of the paradox which exists in the public and private roles of women.[7] As opposed to previous discussions and other leaders, he has publicly claimed that social conditions need to be created and fostered that support the development of women as successful human beings. He has not offered a plan in solving this paradox, but has publicly acknowledged that he needs the help of women in solving these problems. This is not to say that Khatami's government has done nothing for women in terms of policy, because it has. The Third 5-year Development Plan has allocated funding to government agencies in dealing with specific issues pertaining to women. These programs seek to address a range of issues, including education of women and girls, employment and training, special attention to women's needs in deprived areas, research on the issues related to women, addressing the needs of female-headed households, researching and developing plans of action that deal with women's legal rights and support for the development and activities of women's NGOs.

The student movement demands of the government the rule of law, greater political and social freedoms, transparency and accountability of government.

THE YOUTH MOVEMENT

In my assessment, and based on the very primitive criteria developed earlier, I don't think that a youth movement exists in Iran today. What does exist is a student movement. I choose to draw this distinction because there is no political movement led and developed by youth that seeks to address the specific and special needs of youth in Iran. The student movement, which has been born out of a historical context, tends to mirror in its demands the reform movement. In other words, the students have joined a popular movement which is opposing the status quo. The student movement demands of the government many of the demands that the reform movement calls for, including among other issues, the rule of law, greater political and social freedoms – including the freedom of the press – institutionalizing a political party system, oversight of the state broadcasting company, transparency and accountability of government, and economic reforms.

Issues pertaining to youth, however, had a major part in the campaign and were highlighted by all presidential contenders. And why shouldn't they be? The youth are a powerful force in terms of numbers in Iran. Over 60 percent of the population of Iran are under the age of 30. First time voters alone numbered at seven million. The issues raised however, by candidates other than Khatami, had little to do with the demands of the student movement. Instead, the presidential contenders chose to deal with less political issues, such as the economy, sports, education, etc. This in part was an attempt to de-politicize the demands of youth; particularly I

mean the student movement here. The student movement, like the women's movement is highly sensitive and political. Partly because of the historical role the Iranian youth have played in political battles and their very activist role during the Islamic revolution. Partly too because the students and the government have had conflicts, such was the case during the Dormitory Incident where students protesting the closure of a popular Daily were attacked by authorities.

It is a sad reality, but it seems that many of our leaders are fearful of our youth. Iranian youth are seen by conservatives in Iran and by Western analysts as a potentially explosive group who are difficult to tame and who consistently demonstrate impatience with the slow pace of change and reform.

In analyzing the youth of Iran, it is important to keep one issue in mind. That is that Iran is a traditional society in the state of transition toward modernity. No one group has born the consequences of this transition more severely than Iran's youth. This in part is the source of misunderstanding when Western analysts and even some Iranian analysts try to explain the patterns of behavior of Iranian youth, and in so doing, often paint a very simple picture of this group. Iranian youth are indeed a very complicated group of people. They face many problems, including the issues addressed by the presidential candidates during this last election, such as economic issues, job security and educational opportunities. At the same time, they are actively engaged in redefining the concepts and values of today's Iran, as youth often do tend to be more open to changing their understanding of society. This in part is the appeal of the reform movement to the students, because it too questions the status quo and questions the value system.

Iranian youth, unlike what some would believe, are aggressively questioning their own identities, their cultural values, their traditional gender roles, and unlike what many have claimed, they tend to be very patient with the reform movement because they see it as a long process, far beyond political battles. In discussion after discussion I had with youth representing a wide spectrum of interests and backgrounds, they told me that they did not want another revolution, that they wanted a slow and sustainable process toward change. The reform movement had only opened up an opportunity for them to begin to discuss and question the cultural and social issues that are faced by Iranians today. They demonstrated a commitment towards the long haul, a commitment toward pluralism, tolerance, diversity, respect for differing view points, and an ability to take the best of the values of their traditional world as well as the best of the values of their

modern world in coming up with a vision of the future. This is cause for considerable hope. As an example, I conducted a focus group with approximately ten participants aged in their late teens to early twenties. We talked for over two hours, and not once did any of these youth interrupt their peers while talking. Instead they listened intently, acknowledged what they heard and demonstrated respect for differing viewpoints. This is not an exception among Iranian youth, but it is exceptional given the cultural context of Iran and the age of the focus group participants.

In fact, it seems that Iranian youth today are looking for role models and in Khatami they see a role model. He is someone that they can trust. Someone who has considerably improved Iran's image internationally and this seems to be of great importance to Iranian youth. He has also taught them many lessons in patience, in political discourse, in toleration of opposing view points and finally in depersonalizing politics, at least in terms of rhetoric, as Khatami still holds great appeal for our youth today. The special relationship that Khatami has with Iranian youth has changed the discourse and the interaction of other leaders with respect to youth and youth issues. The Supreme leader has increasingly adopted Khatami-like mannerisms in addressing youth. He no longer approaches or addresses youth formally, but has adopted an informal and friendly manner when talking with youth and about issues that affect youth. This is quite significant, given the social and cultural context of Iranian society, where formality is key and a symbol of power.

Like Iranian women, Iranian students and youth have sacrificed a great deal for the reform movement. They have seen their peers imprisoned; they have seen their freedoms curtailed, they have been viewed with great suspicion; and under the leadership of Khatami, they have remained committed to a peaceful process. They have also served as the foot soldiers for the reform movement (actually one can argue that this has been the case with youth and students throughout Iranian political history). The growth process under Khatami and during the reform movement has indeed changed some of the demands of the students. Students are recognizing and increasingly expressing frustration at the lack of a defined process for them to influence the political system.[8] Particularly several people with whom I spoke who had been active in the past few elections expressed frustration at the fact that there was no well-defined process for them to develop political careers, despite having worked on several campaigns.

The lack of an ability to engage youth effectively in the political process, beyond roles that ask them to do the "dirty work" like campaigning, can be seen as a major issue facing the reform movement. If students

are engaged in the campaigning process and then not successfully engaged until the next election, the process is sure to create frustration and distrust. A major challenge for reformists is to not only define a political party structure, but to identify avenues through which youth can stay engaged in the political process in a positive and productive sense. This too should be a solution sought after by those conservatives who fear the youth and their potentially explosive nature.

Under Khatami, the High Council on Youth was established. One of the significant achievements of this body was to encourage and support youth in setting up NGOs. In fact, the number of youth lead NGOs has increased considerably under the policies of Khatami, allowing for formal participation in Iranian society by youth. One point worth mentioning is that the environmental movement gets much of its support from youth. In this election, great attention was given to environmental concerns, much of which was spearheaded by non-governmental organizations (NGOs) active in environmental protection issues. If a highly political society such as Iran signifies a lack of political maturity by engaging in specific non-political, but socially-oriented and organized activities such as the environmental movement, this can indeed signify yet another leap toward political maturity for our youth. This is a positive development in Iran, as many of these young people have chosen not to be politically active, but to engage in organized social causes in an attempt to improve the conditions of their life.

Many young people have chosen not to be politically active, but to engage in organized social causes.

Another challenge for the reformists and for President Khatami is to effectively address the needs of youth in general; this includes economic issues, social issues, education needs and employment needs. Khatami has chosen to deal with the specific issues of youth within a broader policy context. He has claimed that Iranian society is a youthful society and that women are especially active in this society. Therefore, any policy developed under his direction will surely take into account these two national resources as factors and will prioritize the needs of these two groups. According to Khatami, addressing the needs of youth and women requires a new perspective and vision.[9]

CONCLUSION

Despite the many criticisms launched at Khatami for his inability as a politician, I would like to argue that Khatami is indeed a very effective and successful politician. He has been able to stay true to his ultimate goal, which is to ensure that the Islamic Republic survives and thrives, through a peaceful process of reform. He has managed to stay popular despite having his hands tied on many issues. He has managed to engage a nation in

peaceful discourse, often a discourse which addresses issues that have historically been labeled as taboo in Iran. He has managed to bring into the fold two groups that have been historically marginalized by Iranian politics—the youth and women. Both women and youth are now realizing that they cannot only have demands of the system, but that they can also influence it. One of the major factors in the candidacy of over 40 women in the 8th round of Presidential Elections was to question and to put to discussion the concept of *Rejal*, which determines eligibility for serving as a President, thus far only allowed by men.[10]

Khatami remains a man of principal and despite the many crises he has faced, one every nine days as he put it, he continuously brings up explosive issues, such as "an Iran for all Iranians," and the need to ensure respect for the rights of minorities, uphold the rule of law, promote of civil society and the concepts of government transparency and accountability. Perhaps his popularity has an expiration date, but that date has not come as of yet. And I think that ultimately the expiration of his popularity will be the result of his success as a politician.

I'd like to conclude here with the words of one of the women I have interviewed as part of my research for this talk. I will not identify her, but she is an activist, identifies herself as a Muslim feminist and a reformist. She was a college student active in the revolution in 1979 and like the many reformists today, she as well as her country, have experienced the process of growth and maturity that has pushed her to believe in the reform movement. While she criticizes reformists for not addressing fully and sufficiently the needs of women, she, like many of her peers and many youth today, stays committed to the process of reform because she believes that "Our Iran can take no other path but the path to reform. We don't want another revolution. This is the time when reforms must come to the aid of political rhetoric that promote freedom and a religious government governed by and for the people. I am afraid of paying higher prices for reforms, more than what we have already paid. But, we cannot stop here. We cannot stop."

END NOTES

1. Interview with Ghafoori Fard, Presidential Candidate, *Abrar-e Eqtesadi Daily*, p. 2, 7th Khordad, 1380 (May 28, 2001).

2. Interview with Elahe Kouliaee, urging the implementation of policies that promote women in leadership positions within the government and the Cabinet, Member of Parliament, *Hambastegi Daily*, p. 3, 8th of Khordad, 1390 (May 29, 2001); Fatimeh Haqiqatjoo, in a speech given to women in Arbebil, *Iran Daily*, p. 4, 3rd of Khordad, 1380 (May 24, 2001); Interview with Azam Taleqani, for-

mer Member of Parliament, demanding the presence of women in Cabinet posts, *Javanan*, p. 3, 6th of Khordad, 1380, (May 27, 2001); Interview with the Women's Society of the Islamic Republic of Iran, demanding the presence of at least two women in the Cabinet, *Aftab-e Yazd Daily*, p. 9, 17th of Ordibehesht, 1380 (May 7, 2001).

3. Interview with Zahra Rahnavard, Head of Al-Zahra University, *Nouruz Daily*, p. 5, 3rd of Khordad, 1380 (May 24, 2001); Interview with Zahra Rahnavard, Head of Al-Zahra University, *Abrar-e Eqtesadi Daily*, Page 3, 3rd of Khordad, 1380 (May 24, 2001).

4. When identifying the women's movement as an elite movement, I am referring to those women who are actively engaged in pushing forth a women's agenda through policy dialogue, advocacy efforts, participation in civil society institutions addressing women's issues and in the political arena.

5. "Women's Expectation from the Future President: Social Equity and Economic Independence," *Hamshahri Daily*, p. 5, 23rd of Ordibehesht, 1380 (May 13, 2001); "Women's Demands from the Future President," *Khoraasaan Daily*, p. 7, 30th of Ordibehesht, 1380 (May 20, 2001); "What Are Women's Motivations for Voting?," *Iran Daily*, p. 5, 6th of Khordad, 1380, (May 27, 2001); "Iranian Women's Expectations from the Future President," *Tose'h Daily,* p. 7, 9th of Khordad, 1380 (May 30, 2001); Interview with Jamileh Kadivar, Member of Parliament, who claims that defense of their legal rights is women's demand of their government officials, *Khordad Daily*, p. 3, 10th of Khordad, 1380 (May 31, 2001).

6. "What the Candidates for the Presidential Elections Have Promised: Women's Advancement to High Leadership Roles," *Javan*, p. 4, 9th of Khordad, 1380 (May 30, 2001); "Women on the Elections: Khatami Brought Women into the Political Arena," *Aftab-e Yazd,* p. 9, 9th of Khordad, 1380 (May 30, 2001); "Reform, Khatami, and Women," Campaign Materials Prepared by the Mehr," Women's Campaign Coordinating Committee Supporting Khatami for President, Ordibehesht 1380 (May 2001).

7. Ibid.; Khatami, Campaign Speech, Amjadieh Stadium, Tehran, 7th of Khordad, 1380 (May 28, 2001).

8. Me'marian, Omid, "Structural Impediments in Developing Civil Society Institutions and What the Future Holds," *Jame'h Javan*, Vol. 1, #2 & 3, *Bahman and Esfand* 1379 (Winter 2001).

9. Khatami, Mohammad, "Toward the Second Step: A Better Tomorrow for an Islamic Iran, Challenges and Priorities Identified By Mohammad Khatami in the 8th Round of Presidential Elections," Page 16, Election Campaign Material, Ordibehesht 1380 (May 2001).

10. DoKoohi, Parasto "The Women Who Entered the Ring: A Report on the Women Candidates for the Presidential Elections," *Zanan Monthly Magazine*, Vol. 10, No. 76, Khordad 1380 (May/June 2001).

A COMPARATIVIST'S VIEW OF POLITICAL LIBERALIZATION IN IRAN

DANIEL BRUMBERG

Political reform in autocracies is by no means an anomaly. Regimes whose legitimacy has warn thin often encourage a measure of political openness in the press, civil society and/or political party arena to "let off steam" in ways that do not threaten the regime's very existence.

Elections can be a tool to promote such survival strategies. As we have seen in Mexico, Brazil, Egypt and elsewhere, autocracies that allow opposition parties to operate in the context of a well-oiled political machine can insure the ruling party's hegemony while at the same time providing an arena for a more open – if circumscribed – debate and discussion among contending forces.

While I would hesitate to predict Iran's future, it seems to be that the country's political system may be metamorphosing into a version of what some scholars now call "semi" or "liberalizing autocracies."[1] Morad Saghafi's reference during this conference to a "conservative democracy" may in some ways capture what I have in mind: a political system whose key institutional props remain intact, providing conservative clerics ample means to limit or prevent any radical political reforms, while at the same time creating space for a controlled liberalization of the social, institutional and ideological spheres. Note that I use the term "liberalization" in both a narrow and expansive sense; narrow in that it *excludes* a full democratization of the political system that would undermine the regime's hegemony, but expansive in that it would embrace new patterns of social, symbolic and institutional relations: i.e., the building of new lines of communications between secularists and Islamists, the creation of autonomous civic institutions, or the formation of political parties with clear programs and constituencies (an issue to which I shall return in the conclusion).

In short, I have in mind a gradual process of institutional and ideological rebuilding that can last years or decades. The challenge for Iran's reformists is to create an environment conducive to such a long term project without alienating their youthful followers or effectively relinquishing the field to the defenders of autocracy, for whom controlled liberalization is little more than a "survival strategy." This can all be achieved, I would

suggest, through a process of negotiation by which both moderate reformists and soft-line conservatives forge an implicit or explicit pact or agreement as to how *both sides* can survive in a manner that protects their fundamental interests.

What are the obstacles to such an accommodation? There are the obvious ones: i.e. powerful institutions such as the office of the Supreme Leader, the Guardian and Expediency Councils, all of which give the conservative clerical establishment enormous power. But paradoxically, there are also obstacles within the reformist camp, several of which merit emphasis.

First, there is the revolutionary spirit of the reformist project itself. Political pacts are difficult to forge when the issues that divide the protagonists are existential. And the fact is that what separates Iran's reformists – regardless of the many differences within their camp – from the conservatives (*both* soft-line and hard-line) is a fundamental disagreement over the very nature of what it means to have an "Islamic" Republic. The reformists argue that the only way to *strengthen* the commitment of young people to the IRI is to get the state out of the business of imposing religious dogma. The conservatives believe the opposite. When Khatami proposes "Iran for all Iranians," the conservatives fear a counter-revolution. Bridging this gap will be very difficult.

When Khatami proposes "Iran for all Iranians," the conservatives fear a counter-revolution.

I might add parenthetically that many Iran watchers in the West have vastly underestimated (and in some cases distorted) the pivotal role that Khatami played in providing an institutional and ideological umbrella under which the implicitly reformationist logic of the reformist movement could survive and find a receptive mass audience among Iran's young people. If the conservative clerics in 1997 had any idea of what was coming down the pike, the Guardian Council would have never allowed Khatami to run in the first place. There were certainly instances – for example, the July 1999 student protests – during which Khatami might have shown greater leadership. But we must see the forest for the trees. Khatami, by dint of his stature as a cleric (and *Seyyed*!) and innovative thinker within the Islamic Left, has given a new lease on life to the notion of individual rights, i.e. to the principles of political *liberalism*.

Moreover, Khatami's notion of "civilizational discourse" offers an effective (and politically astute) vehicle for linking his domestic liberalizing agenda to the international arena. As I have argued in a paper that I gave at a conference on the "Dialogue of Civilizations and Human Rights" in Tehran in May of this year,[2] Khatami's implicit message is that a dialogue *between* civilizations presupposes a dialogue *within* civilizations, i.e. it presupposes a guarantee for pluralism and difference *within* Iran's borders. By

implicitly repudiating the very notion of culturally coherent "civilizations," Khatami has not only challenged one of the cardinal principles of the conservative right, he has also linked his rationalist view of civilizations to a liberalizing agenda in ways that speak clearly to the desire of millions of Iranians for freedom. This is a considerable achievement, and one that has helped to irrevocably alter the ideological climate and debate in Iran.

However, as I have suggested above, it is far from clear how (or if) Khatami and his allies can demonstrate to moderate conservatives that a reconstruction of Iran's Islamic civilization that includes a strong dose of political liberalism at home and engagement abroad will *not* be a slippery slope into the abyss. The conservatives – together with Samuel Huntington and other proponents of culturalist analysis – actually *believe* in the notion of a monolithic and religiously determined "civilization." By contrast, Khatami's rationalist distinction between religion and culture, on the one side, and civilization on the other – the first being transcendent and timeless, the second being *created* by human beings in the context of changing times and needs – is viewed by conservatives as an open invitation to Westernization. Thus the conservatives want a "dialogue" (or clash, ultimately the premise is the same) between East and West, whereas Khatami seeks to break down civilizational walls by proposing a "dialogue among civilizations." For this reason, conservatives insist that the likes of Mesbah Yazdi should articulate Iran's "civilization" to the West, whereas the reformists want thinkers such as Mohsen Kadivar to speak for their deconstructionist approach to civilizations. This is not merely an intellectual or theoretical dispute: because they oppose Khatami's utilitarian, multidimensional notion of civilizations, conservatives are determined to deny the reformists a leading role in any reconciliation with the West. They refuse Khatami's packaging of domestic reforms with global engagement, a form of linkage which – *however expressed* – seems to carry with it radical if not revolutionary implications.

The revolutionary spirit that informs the reformist project has also at times encouraged reformists, particularly some within the Islamic Participation Front, to expect that their movement is part of a historical dialectic whose victory is inevitable. Those familiar with the ideological roots of the many reformists should not be surprised by such teleological thinking. Many reformists hail from the Islamic Left, a key wing of the Islamic Revolution whose revolutionary vision of mass democracy, cultural/economic independence and vanguard leadership was inspired by Ali Shariati's Third Worldist mix of Marxism, existentialism, and Shi'ite messianism.[3] The experience of being persecuted by the very state they helped

to create has certainly cured most of these "Children of the Revolution" of such illiberal utopianism. However, many still carry within their hearts (if not heads) a romantic view of history and the "masses," even if nearly all reformists openly disdain the notion of revolutionary change. They forget that the Islamic Revolution was hardly inevitable, and that what made it possible in part was the failure of the Shah to institutionalize his authority in ways that transcended his dictates or personality.

Indeed, the recent clampdown has reminded the reformists that history in fact does not always repeat itself, and that the Islamic Republic is altogether different from the Shah's Iran. Not only is political system of the IRI well institutionalized, it also incorporates certain "democratic" attributes that have been long manipulated to reinforce the regime's hegemony. It is true that these institutions are a double-edged sword and carry within their organizational and ideological folds the prospect for changes that the conservatives adamantly oppose. This is, after all, what the entire struggle in Iran is all about now. Yet there is no gainsaying the tremendous resources that the conservatives have at their disposal for limiting the potentially subversive nature of institutions such as the Majlis.

This has been a difficult lesson to absorb. I recall that when I was last in Iran, a reformist told me, with complete conviction, that "it seems that dual sovereignty will be with us for a long time." This extraordinary remark revealed both the dreamy expectations that first animated the reformists, as well as sober realization within their ranks that their project will takes years if not decades to realize. As many participants in this conference well know, over the last two years there has been a lively debate within the reformist camp over the nature and pace of the movement. Said Hajjarian has been one of the most vigorous proponents of a more long term strategy whose central goal is to win over moderate conservatives to the reformist camp.

But are there moderate conservatives, by which I mean a group of conservatives, who believe that a gradual process of liberalization will strengthen rather than weaken the main institutions of the Islamic Republic? Taha Hashemi, editor of *Entekhab*, has been one of the most vocal proponents of a vision of reconciliation between reformists and conservatives whose principle aim is to deflect pressure from radicals in both the reform and conservative camps. While many reformists question his motives, my reading of interviews with Hashemi suggests that he is sincere. Hashemi not only speaks of finding a common ideological ground with moderate reformists; he also advocates the creation of political parties which, by articulating clear ideological stances, will help separate the

Are there moderate conservatives, ... who believe that a gradual process of liberalization will strengthen rather than weaken the Islamic Republic?

wheat from the chaff. Of course, such a process could also backfire by revealing how little room for consensus there in fact is. Nevertheless, Hashemi's efforts have produced some interesting fissures within the conservative camp that may eventually take organizational form. That said, for the time being, there is little evidence of an institutionally and ideologically coherent moderate conservative camp that can provide a significant counter-weight to the hard-liners, especially those in the Judiciary.

Paradoxically, consensus politics is necessary in societies that are split by profound social, cultural or ideological differences.

In conclusion, I would like to address a theme that has implicitly informed this presentation but which has been raised explicitly at this conference: the question of whether a political system organized around the quest for "consensus" can be truly democratic or pluralistic. Some have argued at this conference – and elsewhere – that Khatami advocates a "consensus" view of political community that is more traditional than modern, more corporatist than pluralistic. However, it is far from clear that Khatami's focus on the need for consensus reflects some kind of Islamic essentialism and/or a throwback to the traditional practice of consensus community (*ijma*). Instead, it seems to reflect a keen awareness of a basic fact of political life, one whose implications for the organization of political alliances, elections systems and the like extends far beyond the borders of Iran.

All competitive democracies, as Arend Lijphart once showed, reflect to different degrees the competing principles of consensus versus majoritarian rule.[4] Paradoxically, consensus politics is necessary in societies that are split by profound social, cultural or ideological differences, whereas majoritarian politics is more appropriate for societies in which there is already a high degree of consensus regarding questions of identity. After all, where such consensus already exists, there will be sufficient trust such that the losers in an election will have little reason to fear that the winners will violate their rights and interests. By contrast, in societies that are split by competing if not mutually incompatible notions of community, losers have every reason to believe that elections will allow the advocates of one particular ideology to impose their will in the name of "democracy." Under such volatile conditions, it is necessary to create political institutions and procedures – such as proportional representation, coalition governments, or other forms of power-sharing – that encourage consensus and inclusion rather than the winner versus loser zero-sum politics that is characteristic of majoritarian political systems.

Democracy in Iran certainly faces this very problem. Conservatives have reason to fear that a democratic system based exclusively on popular sovereignty might very well provide the majority with the means to isolate or disenfranchise the minority. As a result, conservatives have a rational inter-

est in invoking the supposedly transcendent truths of Shi'ism to counter the claims by Khatami and his allies that ultimately it is the people's vote that counts. And, of course, conservatives have the means to translate their belief in the sovereignty of God's laws into brute force.

How then to address this conservatives' fear of being isolated or excluded by the people's will? Khatami's solution, at least in part, is to argue for including everyone who accepts "the system," even if they do not necessarily endorse (indeed, even if they reject) the guiding ideology of the Islamic Republic. For his part, Taha Hashemi has argued for re-instituting the principle (and practice) of an ideological balance between left and right factions that prevailed under Ayatollah Khomeini during the 1980s. However, it is not clear that a bridge can be built between Hashemi's notion of ideological "balancing" and Khatami's quest for a more inclusive and genuinely pluralistic Islamic Republic. Moreover, building a bridge between these two visions will require the Supreme Leader to make a genuine effort to distance himself from hard-line conservatives who control pivotal institutions, such as the Assembly of Experts – a body which has tried its best to keep the Supreme Leader firmly in the conservative camp. And even if he were left to his own devices, it is not clear that Ali Khamenei would see the logic of proposing an accommodation between moderate reformists and soft-line conservatives. In post-Khomeini Iran, the position of Supreme Leader is in some ways no longer as supreme or charismatic in the way it was under Khomeini, a fact of political life that paradoxically serves the interests of the conservatives more than it does the reformists.

In short, there are many obstacles to creating such an alliance. But if, as it is often said, "in Iran everything is negotiable," perhaps Iran's leaders will eventually find a way to accommodate what are, in the final analysis, competing notions of political community. In the mean time, it would make sense to look beyond the question of "civil society" and pay closer attention to *political society*, and in particular to the question of creating formal political parties that have organized constituencies. The absence of genuine political parties throughout much of the Middle East continues to hamper the prospects for real and sustained political reform. In the Arab world, reformists have often tried to compensate for the absence or weakness of political parties through NGOs and/or through the opposition press. But history suggests that neither NGOs nor the press can serve as effective surrogates for political parties. The issue is not merely that such organizations can easily be intimidated or shut down. The more important point is that political parties are distinctive institutions that exist midway between civil

society and the state, in a political sphere that must emerge or be created by political leaders.

While Khatami's re-election has given new impetus for creating such a sphere, he faces daunting hurdles, some of which are rooted in the very movement from which many of the reformists emerged. Still, these "Children of the Revolution" have at their disposal a tremendous asset: the Grandchildren of the Revolution. The political vision of this new generation, molded as it was in post-revolutionary Iran, has given many of these young men and women a sober sense of what is possible, of what is impossible, and of what can be made possible.

END NOTES

1. See Martha Brill Olcott and Marina Ottoway, "The Challenge of Semi-Authoritarianism," *Working Papers*, The Carnegie Endowment for International Peace, GOTOBUTTON BM_1_ http://www.ceip.file/publications/wp7.asp.

2. "Civilizational Dialogue, Freedom and Human Rights: President Khatami's New Thinking," International Conference on Human Rights and the Dialogue of Civilizations, Mufid University, May 5-6, 2001.

3. See my *Reinventing Khomeini: The Struggle for Reform in Iran*. (Chicago: University of Chicago Press, 2001).

4. Arend Lijphart, *Democracies ; Patterns of Majoritarian and Consensus Government in Twentyone Countries.* (New Haven: Yale University Press, 1984).

PROSPECTS FOR THE IRANIAN ECONOMY IN THE NEW PRESIDENTIAL TERM

BIJAN KHAJEPOUR

The objectives of this discussion are to assess President Khatami's economic performance in his first term, analyze the current economic conditions, identify key challenges ahead, and discuss the focus of emerging economic reforms.

When Khatami started his first term in 1997, there were a number of internal and external factors that influenced the Iranian economy, and the ability of the new government to respond to the country's need for economic restructuring.

To briefly explain the external factors: first, Iran was in a very critical phase of a steady decline in oil prices. When Khatami took over in August 1997, Iran was selling a barrel of oil for 14 dollars. In January 1999, Iran was selling at below 10 dollars a barrel. The government had planned its budget based on an oil price of 16 dollars a barrel. The other element that actually hampered economic development and also economic policy decisions in Iran was the large volume of foreign debt from the Rafsanjani era, also known as the 'Reconstruction Era.' At that time Iran had a foreign debt close to 30 billion dollars, which was huge assuming a GDP of around 100 billion dollars for the economy. Third, and also very importantly, U.S. sanctions on Iran had a clear, direct impact on investments in the oil sector, but also had a psychological impact on a number of companies and countries who were deciding whether to trade with Iran.

Internally at the same time in 1997/1998, there were a number of important political factors. Khatami actually came to power in the second year of the second 5-Year Plan, which had been passed by the Centrist forces around Rafsanjani's second term in office. The plan had started in 1995 and determined Iran's framework for economic policy until March 2000. So Khatami did not have a lot of space in which to maneuver, and that could be considered a major political factor impeding potentially new economic policies. Furthermore, in 1997 when he was putting his cabinet together, the parliament was dominated by conservative forces, and he needed to compromise not only with the parliament but with the different groups which had supported Khatami's rise to power in 1997. As a result Khatami did not

have a very cohesive cabinet. Still today, one of the key problems is lack of coordination and lack of agreement among the various institutions and ministries in power. There is a leftist minister of finance and economic affairs and a centrist, market economic-oriented head of the central bank. The type of compromise that Khatami had to make in 1997 was clearly an obstacle to him. Parliament was another obstacle for emerging ideas that some of the reformists were putting together to respond to the economic problems in Iran. The country saw a number of bills that emerged in parliament between 1997 and 2000 whose rejections were based purely on political grounds and not on the substance of the laws. There was no economic plan in 1997, and still today there is no master plan for Iran's economy. So when Khatami took over in 1997, Iran had very adverse political and economic conditions regarding economic policy-making.

Iran is in a juggling act between a market economy on the one hand, and a socialist vision on the other.

The results in 1997/1998 were an economic recession and lack of reforms. There was no response to the recession. What was interesting was that the majority of Iranians did not blame Khatami in that specific phase. The people's recognition that Khatami's camp faced severe obstacles to reforming the Iranian economy was an important show of support for Khatami.

To analyze Khatami's performance, we need to ask the question: what was his actual response to the described set of realities, especially to the absence of an economic master plan? It took one year to develop the Economic Recovery Plan (1998). Symbolically, he published this plan on the first anniversary of his taking office – August 4. The boldest statement that he made in that plan was that "the Iranian economy is sick – it's sick in production, distribution, and sick in consumption." The reason, he explained, was the existence of monopolies in the Iranian economy. This root cause was also referred to in the Third 5-Year Development Plan which started on the 21st of March 2000. This 5-Year Plan evolved around the notion of breaking monopolies and restructuring the Iranian economy, but with clear tasks of job creation, removing investment obstacles, privatization of the Iranian economy, and promotion of non-oil exports.

What is important in both documents is the political admission that Iran is actually in a juggling act between a market economy on the one hand, and a socialist vision on the other. The latter is what Iranians call 'social justice' – a notion that emerged from the Iranian revolution. Some of the revolutionary economic ideas, such as huge subsidies, were designed around this notion of social justice. The belief in social justice causes Iran to maintain a number of economic policies despite advice from experts to dismantle them, such as subsidies and state domination in a number of sec-

tors. Khatami says that even for the sake of social justice, Iran is prepared to slow down economic growth. This is an area where one might see a clear deadlock that Iran has to move out of in order to find a new discourse on economic policy.

Now attending to actual economic development, it is important to note that the economic upturn in 2000/2001 was not a result of these two documents, but a result of the upturn in oil prices. Starting in 1999, Khatami can take credit for the rise in oil prices because of the rapprochement between Iran and Saudi Arabia. It was a success for Iran to find a solution for Iranian economic problems through an increased oil price.

The internal factors which caused an economic upturn have emerged over the past year through the new parliament. It is interesting to identify the pattern of the new parliament. When the parliament was elected in February 2000, the emphasis of the majority of new members was reform; it was clear this would be a parliament of political reform. While the reform camp's initial belief was to focus primarily on political reform, the variety of impediments to political reform, most importantly the conservative resistance to some reform ideas had led to a shift of focus. The new Majlis realized quickly that it would be a better bet to concentrate on economic problems as there was a greater consensus on economic issues; this is evident by the number of economic bills that have been debated and passed in parliament.

As a result of rising oil prices and a relaxation of the domestic economic tensions, Iran has experienced an economic boom, especially in the construction sector, the private sector, and other light industries such as food and textiles. One reason for the rise in the private sector economy is because of Khatami's political reforms; political liberalization has helped the growth in private sector activity as it has given more confidence to private sector investors. There has been a greater support for economic reforms in political discourse rather than for the prioritization of political reforms. This is connected to a learning process going on in parliament. At the same time, wherever a connection can be made between political and economic reforms, the reform camp usually takes the opportunity, such as the decree on fighting corruption and discrimination. The argument used for fighting corruption is that Iran needs to attract investment opportunity, however, the decree which was issued by Ayatollah Khamenei will have clear political implications.

Iran's current economic conditions have not been this good for a long time – with the main factor being oil prices. The average oil price in 2000 was 25 dollars per barrel which has created excess income. The GDP is 100

billion dollars which is not bad for a developing country. GDP growth is 5.9 percent. GDP per capita is 1,667 dollars. Inflation is 12 percent which has gone down from 20 percent. Foreign debt is 8 billion dollars, down from 20 billion dollars in 1997. The paying down of foreign debt has increased Iran's credibility in foreign markets, and for the first time this year Iran is a net creditor to the world. Oil revenues are 23.9 billion dollars. The trade balance is 12 billion dollars. Unemployment is 15 percent and this is where you suddenly get the shivers; this is because of the young demographic profile of Iran. That unemployment is an important subject for Iran's top leadership is clear. Ayatollah Khamenei's new year message revolved around economic issues and job creation as task number one.

I would like to focus on some key economic reforms. Reduction of foreign debt is a very important achievement. In Rafsanjani's term, the centrist camp argued that Iran could simultaneously keep the high level of foreign debt and finance new projects such as reducing unemployment. In the Khatami era, the government could have created new jobs instead of paying down the debt but the jobs would not have lasted and so it was a better policy to repay the country's foreign debt.

The oil stabilization fund was introduced last March. This is the most significant of reforms under Khatami. Essentially, it is an application of transparency in an economic context. It is the introduction of a system whereby oil income above 16 dollars per barrel goes into this fund, and it is outside of the government's control. A board of trustees was created by parliament (Majlis) members to manage the excess fund, and so far it has accumulated 10 billion dollars which is significant for the Iranian economy. Unbelievably, the central bank is negotiating with European banks to act as asset managers. Iran is giving away packages of 1 billion dollars to European banks. This shows how things have changed; Iran is employing more modern and technocratic solutions. Improved monetary management is very evident; the Iranian *rial* has been stable for two years and this shows the tendency towards technocratic approaches instead of political and ideological ones. Targeting monopolies is still a priority, which means focusing on different interest groups and power centers. There are clear signs of the commitment of government to undermine the monopolies and create a competitive environment for economic activity. Furthermore, there is a process of gradual standardization of tariffs/ removal of Non Tariff Barriers (NTBs). This is the way that Iran is preparing for a WTO membership. It is important and good news for Iran that the WTO is going to consider Iran's membership. Iran has been preparing by undertaking legal and structural changes.

One of the new laws which have taken effect is privatization of the banking system. Iran is privatizing some of the commercial banks that it owns up to the 49 percent ownership by private sector. A new foreign investment law is important both because of the nature of the law, and also because of the way that it was debated in conjunction with a number of sources inside and outside Iran. But the story of this foreign investment law gives a picture of the political reality. It was passed in parliament with an overwhelming majority then rejected by the Guardian Council last week. This is the confrontation that Iran faces – the modernizing policies coming from parliament and the traditional obstacles in the Guardian Council. The fate of this law will say a lot about the future of Iran. If the law is passed by the Expediency Council that has the authority to overrule the Guardian Council, which is what I think will happen, there will be a tendency for a different approach. If the Expediency Council rejects the law, then Iran is not as ready as many believe. This will be a test of the resolve of the regime to actually reach new formulas. The ironic reality is that Iran actually has had a foreign investment law in place since 1956, and the Guardian Council has rejected some of the articles in the new law which were already there in the old law. The Guardian Council actually rejected something that was already there. That shows how unrealistic and irrational they have become sometimes when they enter a politicized confrontation. Privatization of insurance is emerging and has gone through all of the different instances and it will be passed within weeks. Iran also passed a law to be party to the New York Convention on International Arbitration. This is a very important law in order to attract foreign investment; it gives foreign investors the security that they can seek arbitration outside Iran and actually get rewards against Iranian institutions if needed.

The ironic reality is that Iran has had a foreign investment law in place since 1956, and the Guardian Council has rejected ... something that was already there.

Other emerging bills: There is a new tax code that will restructure the taxation system. There is a new amendment to the labor law which has been a very contentious topic. There have been probes into Iranian foundations which will be extremely important. The recent exchange between Mr. Khamenei and the parliament on the Iranian Broadcasting Company, IRIB, was a prerequisite for the probe. When parliament comes forward with the probes into the revolutionary foundations it will be a similar situation. A very important bill that is emerging is a bill on the eradication of poverty, which is a different wording for the 'elimination of subsidies.' They could not call it an elimination of subsidies because it was too difficult politically, but 'eradication of poverty' sounds nice and does exactly the same thing. They want to redirect blanket subsidies to targeted subsidies. If that goes through, there will be major relief for the Iranian government in terms of economic management.

Economic Stand of Various Factions

Policy	Traditional Left	New Left	Center	Right	Extreme Right
Public vs. Private as engine of social growth	Public	Public	Private & Public	Private	Public
Privatization	Opposed	Ambiguous	In Favor	Conditionally in Favor	Conditionally in Favor
Elimination of Subsidies	Opposed	In Favor	In Favor	Conditionally in Favor	In Favor
New Labor Law	Opposed	Opposed	Ambiguous	In Favor	In Favor
Commitment to Market Economy (scale of 1 to 10)	1.5	5.0	5.8	6.9	3.5

All of this is good but there are a number of key problem areas and obstacles that the Iranian government is facing. First there is lack of consensus among the political players with regard to economic policy. Ironically, there is a greater disagreement among the reformist factions than between the reformers and conservatives.

The table above shows how much disagreement there is within factions of the parliament on a number of key issues. The most interesting factor is when you try to identify each faction as to their commitment to market economy, then the best faction in terms of results on the overall picture is the mainstream conservatives, followed by the centrists (pro-Rafsanjani). One can see the degree of disagreement, especially among the reformists.

There are clear weaknesses in the economic infra-structure of the country. I always remind people that both in terms of bureaucracy and infrastructure, the Iranian regime spent the better part of the last two decades trying to limit the presence of foreign companies and foreign nationals. It was a very inward looking attitude for almost 18-19 years. Suddenly in 1999 and especially in 2000, with the Third 5-Year Plan and Khatami's foreign policy, the instructions coming from above were, "No, no, wrong. U-turn." Iran needs interaction with the rest of the world. The Third 5-Year Plan is the first official document with outward orientation as one of the objectives of Iranian economic policy. So outward orientation means a full u-turn for the Iranian bureaucracy and decision-makers. The policies that Iran has put into place must be outward-looking, instead of inward, and that is something that takes time and has to deal with its own inertia. In addition, there are clear inequalities in what I call "access to economic activity" as a result of post-revolutionary discriminations. There are politi-

cized and institutionalized preferences and they create a clear problem in competitiveness in the Iranian economy.

On an internal front, the old structures, especially central planning, are incapable of coping with emerging economic realities and the need for development policies. The existence of revolutionary foundations and other semi-state entities disrupt the competitive environment. There are a number of structural problems such as subsidies, non-application of laws and legal instability.

External problems such as sanctions against Iran have been issues, even though the brave Iranian politicians always say, "No, they are not a problem." They present psychological obstacles to a number of potential non-U.S. investors. They also the scope of technologies that Iran can obtain from the rest of the world.

So what are the key objectives in emerging policies? It is clear that job creation is priority number one. Whether political factions like it or not, Iran needs approximately 800,000 to one million new jobs every year for the next decade because of the demographic profile of Iran. This is a heavy task. In the past year, since March 2000, the Iranian economy produced around 400,000 new jobs; that shows the gap between reality and need. Unemployment will not go away very fast. Attraction of private investment is very important. It was not a coincidence that Mr. Khamenei issued a decree on investment security in March 2001, which was a very clear statement about the need for investment security and the need to attract domestic/private investment and foreign investment.

In the issue of legal stability, one of the interesting elements in the new foreign investment law is the fact that it guarantees a 10-year period of legal stability for any projects that get registered with the new authority – this moves evidently addresses the issue of legal instability. Promotion of non-oil exports has always been a topic of concern and will remain one. Furthermore, a focal point for the government will be privatization. I have added the word "creative" to privatization because real privatization has not worked in Iran. Iran has tried to privatize for 10 years, since the first Rafsanjani administration, and it has failed. And the main reason it has failed is that the real private sector is not coming forward. The real private sector has legal and structural concerns. Khatami's government is resorting to what I call "creative" privatization, which is really putting some of the civil servants in charge of some of the state enterprises. But there is no money transaction, and the only commitment the person who takes over the company has is to actually find a job for anyone who is going to be laid off. This is a labor law commitment, but I don't think that the government

can achieve any success in privatization. This is really a cosmetic change to declare some entities as privatized.

Outward orientation and international confidence has been part of the 5-Year Plan and it will be one of the key issues in some of the emerging policies. Increased efficiency in the state sector is targeted through a number of mergers and restructuring. There is a great deal of decentralization going on especially in policy-making and management. I was in Austria recently and I was struck by the fact that a few months earlier there was a delegation from Khorasan province to Austria headed by the Khorasan governor. The fact that provinces are taking initiative is interesting.

Despite all the political disagreements there will be a process of gradual change in laws and structures and the main focus will be on non-governmental investment.

What are the prospects for Iran? I believe that despite all the political disagreements there will be a process of gradual change in laws and structures and the main focus will be on non-governmental investment. The government is putting a lot of emphasis on the potential of the Iranian diaspora and their impact. One of the main issues in the new foreign investment law is that it targets the Iranian community outside Iran, though the Guardian Council has opposed this approach. But really the need to attract non-governmental investment and create the jobs that Iranian economy needs is very clear. Due to increased pressure for economic restructuring, the regime will try to introduce new laws and regulations to attract non-governmental investment

Because of the mentioned disagreement among factions, major changes will be initiated through decrees by the Supreme Leader Khamenei and the Expediency Council. Ayatollah Khamenei is using the powers stated in Article 110 of the Constitution about the Supreme Leader's powers in defining general policy. He is issuing more and more decrees. The examples, as I said, are the investment security, and the decree on fighting corruption and discrimination. I think more decrees of this kind will emerge and instructions for other branches of power will follow.

I think no matter how well the policies are designed and how successful Iran is in managing the Iranian economy, the problem of unemployment will not disappear, however the political leadership hopes that it can manage the situation through increased efficiency and gradual reforms. The expectations of the Iranian youth are diverse, and if the government cannot respond to the need for job creation, it has to respond to some of the other needs of the youth. It is important to watch the kind of discourse that the government is adopting towards the youth. There is a clear focus on technocratic approaches, and I think that this will be seen in the new cabinet, especially with the ministries that deal with economic and commercial issues; and I think that Iran will see the emergence of technocrats instead of political appointees.

The reduction of the size of government will happen through the growth of private sector activity more than through privatization. The foundations and political interest groups will remain one of the key obstacles and they will be under a lot of pressure especially because of emerging probes and the need for greater accountability and transparency.

It is important to identify prospects based on signposts. To assess the real degree of economic restructuring, one should watch the following phenomena: The final verdict of the Expediency Council on the new foreign investment law will be an important indication. If the Expediency Council decides against the ruling of the Guardian Council, which I think very likely, this will set the tone for a number of new laws. Basically the parliament can rely on the Expediency Council to overrule the Guardian Council's resistance. Actions related to Khamenei's decree on corruption will be important. I believe the probe into the broadcasting company is related to the potential for corruption in the broadcasting company. Taking legal action against certain state officials based on the anti-corruption decree will be a strong show against corruption. One of the important issues about this decree is that it is not trying to deal with the past – it is a decree to deal with the present. We have to watch the probes into the revolutionary foundations, and the new cabinet, especially key positions as technocrats, instead of political appointees, such as minister of finance and economic affairs. The degree of foreign investment in Iran is an important measure to see if Iran can create the jobs that it needs in the next decade. We also must watch the process of privatization – how the government is ready to supervise these new entrepreneurs who will emerge out of this process of privatization. In addition, the emergence of new civil society institutions representing the private sector and their interaction with the government is the make or break for Iran's reformist movement; i.e. the question of how society manages to institutionalize itself. Within economic context, how the civil society institutions manage to represent the emerging private sector within the political development of the country is very important.

To conclude it is important to note that consideration between needed economic policies to respond to economic pressure on the one side and the pressures that have emerged from Iran's revolutionary political economy on the other are the key determinants for economic development in Iran. The juggling act between these factors will be the main challenge to Khatami's second administration in office.

IRAN-U.S. RELATIONS: THE ELECTIONS ARE OVER, NOW WHAT?

AFSHIN MOLAVI

There is a story heard often in Tehran, a tale of graffiti and green cards. Shortly before Iran's thundering 1979 revolution, graffiti signs in English began to appear on some walls. The signs screamed: "Yankee go home!"

A year after the revolution, amidst the bloody post-revolution reckoning and the early, frightening days of the Iran-Iraq war, someone went around town and wrote additions to the sign. The new signs said: "Yankee go home! – And take us with you!" Underneath that sign, someone had pasted a lawyer's notice entitled, "How to get a green card."

Most of you in this room have heard these sort of stories before, but indulge me to offer you one more. Every year, a small group of Iranian hard-liners gather at the old United States Embassy to commemorate the annual hostage-taking ceremony with chants of "Death to America." (Incidentally, the phrase in Farsi is "*Marg-bar Amreeka,*" literally translated as "Death to America." When Iranian hard-liners translate it for the benefit of Western eyes, they usually soften it to "Down with U.S.A." I covered the hard-liners' rally last year and, after the chanting ended and the Western television cameras packed up and left, I spoke with a few of the hard-liners. After answering some of my questions, one of them – a particularly virulent "Death to America" chanter - had a few of his own:

"You have come from America?"

Yes.

"You write for American newspapers?"

Yes.

"Do you have an American passport?"

Yes.

"Well, how can I get a green card?"

Those two anecdotes are, of course, the extreme. Most Iranians don't spend their time chanting "Down with U.S.A." or scrawling "Yankee Go Home" on wall and I am not saying that all Iranians love the United States and want green cards (though a surprising number do). In my travels in Iran – to more than 20 cities and villages – I found there to be an immense

interest in the United States and, indeed, very little in the way of popular anger toward America. And frankly, just about everywhere I went, the green card question came up. Mark Twain once said: "Immigration is the sincerest form of flattery."

Of course, the search for green cards and visas to foreign countries has much to do with Iran's poor economy. Jobs are scarce. Government unemployment figures stand at about 15 percent but independent economists put it closer to 25 percent. Even more importantly, there is massive underemployment – engineers selling T-shirts, college graduates driving taxis, professors moonlighting as traders. I will not go deeply into my own views on the state of the Iranian economy, but it is sufficient to say this: despite some of the positive macro-economic numbers we have seen lately (debt levels reduced, foreign exchange reserves at high levels, GDP growth), the numbers have not translated into meaningful economic benefits for the Iranian people. It is estimated that up to 800,000 jobs need to be created each year to keep up with Iran's youthful population, half of whom are under the age of 21 and two-thirds under the age of 30. The most optimistic numbers I can find note that 200,000 jobs were created last year, but again, my independent economist sources tell me it is lower.

The key problem with the Iranian economy in human terms is that wages are stagnant and the price of housing is prohibitively high. The average engineer makes $150-200 a month. The monthly costs for a middle-class family of four far exceeds that salary. So, the engineer will do one of two things: moonlight as a trader, or line up outside a foreign embassy looking for a work visa. Iran's brain drain is high. Up to 1 in 4 Iranians with college degrees work outside the country. The numbers are increasing.

So, why am I talking about the Iranian economy in a talk intended to examine the future of Iran-U.S. relations? Because Iran's anemic economy is a critical factor in shaping the public perception of potential relations with the United States, as well as government decisions on ties with the U.S.

At the public level, there is a widespread view – I heard it everywhere I went from Tehran and Shiraz to villages outside of Isfahan and Tabriz – that relations with the United States would be a panacea that would cure many of Iran's economic ills. Though not wholly justified in my opinion, the view remains. I can guarantee you this much: positive news on the improvement of ties between the U.S. and Iran always strengthens the black market rate of Iran's currency. In fact, a particularly clever trader on Ferdowsi Street in Tehran – where the money-changers congregate – once made me an offer I had to refuse: He said, "You are a journalist. Why don't

you make up some positive news about relations with the U.S., put it on the newswires, and I'll time my trades to maximize profits from the inevitable strengthening of the *rial*!"

The public view of relations with the United States is colored by the perceived economic benefits that could accrue with improved relations: increased foreign investment, new jobs, a stronger currency. A side note: Over and over again, in Iran, one hears the constant lament: "Before the revolution when we had good relations with the U.S., seven *tomans* (70 rials) equaled one dollar. Today, it is 800 *tomans*! This is a disgrace. We can't travel anywhere with our weak currency!"

The public view of relations with the United States is colored by the perceived economic benefits that could accrue with improved relations.

The public view is not only colored by economics, however. It is also driven by politics. Iranians overwhelmingly dislike the conservative politicians and leaders who have sought to slow reforms. Sound defeats for conservatives in every single election since 1997 – presidential (twice), municipal, and parliamentary – attest to this fact. These same conservatives have made opposition to the United States a cornerstone of their foreign policy. That is why in Iranian eyes a resumption of relations would be seen also as a repudiation of conservative principles and, therefore, a victory for their foes.

I bring up the Iranian public view because I think it is important to remember that the government of the Islamic Republic would face little in the way of popular opposition, beyond an admittedly loud hard-line minority, were it to move toward establishing closer ties with the United States. In fact, the government would win popularity points if they moved toward better ties. (In the post-September 11, 2001 world, Washington policy-makers have been surprised at the level of anger toward the United States seen on the Arab street. Comparatively, there is much less anger on the Iranian street. In fact, Tehran has hosted several rowdy pro-U.S. youth demonstrations. To be sure, these demonstrations should be seen in a domestic light. They are not a manifestation of support for U.S policies. They are an act of protest against the conservatives who have made opposition to the United States a critical part of their ideology.)

So, when we say there is "sensitivity" on this issue, the "sensitivity" mostly comes from Iranian officials, not the Iranian people, who differ broadly on so many issues from their so-called "representatives" and who would – without a glimmer of doubt – welcome the prospect of U.S. ties, save the loud, hard-line minority.

There are several factors that contribute to the "sensitivity" of the issue in the minds of both reformists and conservatives. What are the origins of that "sensitivity"?

1) years of anti-America rhetoric and the anti-imperialist and anti-American nature of the revolution;

2) genuine policy differences, which I'll discuss later;

3) factional politics – who gets credit for a U.S. rapprochement?

The conservative camp could not simply allow a reformist-led rapprochement. It would send a signal that they no longer control foreign policy. There is a widespread view – with a kernel of truth to it, in my opinion – that had Khatami NOT won the election in 1997, the conservative candidate, former parliament Speaker Ali Akbar Nateq-Nuri, might have taken serious steps toward improving ties with the United States. People close to the conservative camp have been saying this for years and I heard as much from senior conservative officials in Iran. However, given the uncertainty in the conservative camp as a result of the elections, a reformist foreign policy "victory" (and that's what it would be in the minds of most Iranians) on U.S. rapprochement could not be tolerated. Still, given the nature of Iran's political system, a reformist-led rapprochement is unlikely. The conservatives must be involved, or better yet, leading it in order for it to work.

4) Powerful commercial players in the "gray zones" of Iran's economy find a U.S.-Iran rapprochement unsettling. These players operate in that shady space in Iran's economy where conservative *bazaar* merchants link with well-placed conservative clerics and government officials who use their access to government licenses to ensure monopolies in key sectors, enriching both sides. These two groups – the powerful merchants and the business-connected conservative clerics and officials have tenuous links with the *Ansar-e Hezbollah* hard-line group that regularly attacks pro-democracy students and lecturers, ensuring a certain amount of instability on which this sort of under-the-table business thrives. They are also perfectly content with their current monopoly relationships with some European companies and do not need the Americans entering the game to disrupt things.

5) The reformist themselves, many of whom are unreconstructed 1970's Third Worldist leftists. Like all members of that class, they still harbor mistrust for the United States, though, like any middle-aged leftist, those ideas are giving way to more moderate ones.

6) Then, of course, there are the hard-liners who are ideologically opposed to relations with the United States for reasons that have nothing to do with the above. They genuinely feel a distrust for U.S. policies in the Middle East, in general, and its intentions in Iran, in particular.

7) And finally, there is the Mossadeq factor, owing to the 1953 CIA-supported *coup d'etat* against the nationalist prime minister. Secretary of State Madeleine Albright was bated into an apology on this one, which helps in terms of popular opinion, but I'm not convinced that it did much on the government level. Conservative clergy bring up the coup when they want to slam the U.S. but they are no fans of the secular nationalist Mossadeq. Still, it is an issue often brought up by opponents of rapprochement. Albright's apology played well popularly, but it was largely ignored at the government level.

Before I move on, I'd like to discuss briefly American popular views towards relations with Iran, since I just did the same for the other side. First of all, I think it is fair to say that the average American does not think much about Iran. If relations improved tomorrow, neither the Dow nor the Nasdaq would move much. And the regularly aired movie "Not Without My Daughter" – which makes most Iranians look like brutes – would still appear every few months. The average American knows very little about the Middle East and remembers Iran vaguely as the hostage-taking country that burned American flags. (September 11, 2001 changes this equation, as more Americans learn about the Middle East and might welcome developments that add a new friend in a region that they have come to realize that they are unpopular in). However, even before September 11, 2001, the polls that I've seen on this issue indicate that most Americans favor renewed ties with Iran. Iran's much written-about reformist movement as well as the popularity of Iranian films in American urban centers have softened the image of Iran in the U.S.

So, I think it is fair to say that neither side would face serious popular opposition if steps were taken to improve ties. The opposition – which I will describe later – comes from interest groups that represent a minority.

So, the question must be asked: is it in the national interest of both sides to improve ties? Is it in the U.S. national interest to engage Iran?

Of course it is. Here's why:

1) Iran still occupies, in former U.S. President Ronald Reagan's words, "some of the most critical geography on earth." A country with a population approaching 70 million, a natural regional power in terms of its demography and its military might, certainly fits into American geo-strategic thinking. My view is that regular dialogue with Iranian officials will demystify Iranian policies in the eyes of American strategists, thus making Iran seem a less unpredictable place. That certainly should be welcomed by the men and women who make American policy in the Middle East. (This statement becomes even more important in light of September 11, 2001).

2) The oil market – Iran represents a serious oil play for Western majors and the lack of an American presence gives free reign to European majors in a country with the world's fifth largest oil reserves and the second largest gas reserves.

3) Improved ties with Iran would lead to increased dialogue on issues of mutual concern, such as Afghanistan, Persian Gulf security, Caspian pipeline issues, and drug trafficking. (Iran has been a vigorous opponent of the ruling Taliban since their rise. Tehran's quiet support to Washington in the war against Al-Qaeda and the Taliban is proving to be useful)

4) By isolating Iran, Washington is encouraging a growing Tehran-Beijing-Moscow axis that could threaten U.S interests in Central Asia and the Caspian. In light of September 11, 2001, this go-it-alone approach to foreign policy that the world perceives as the George W. Bush new world order is simply unsustainable and dangerous to U.S. national security interests.

By isolating Iran, Washington is encouraging a growing Tehran-Beijing-Moscow axis that could threaten U.S interests in Central Asia and the Caspian.

Conversely, the question must be asked: Is it in the Iranian national interest to engage the United States?

Yes.

1) Years of anti-imperialist and anti-American policies and rhetoric have done great damage to Iran's international standing. In turn, Iran lags behind comparably oil-rich countries in economic development indicators. Clearly, a dramatic rethinking of Iranian strategic policy with less overt hostility to the United States would benefit Iran in terms of clearing the way for World Bank development loans and increased foreign direct investment.

2) The introduction of U.S. oil firms would offer much-needed competition in Iran's oil industry, currently dominated by European firms who are under no pressure to meet competitive pricing demands. Secondly, it is clear to all – Iranians included – that a comprehensive development of Iran's oil resources require the presence of U.S. firms.

3) A Caspian oil pipeline going through Iran would accrue tremendous economic benefits. The recent confrontation between Iran and British Petroleum in the Caspian region was portrayed by many in the West as irrational muscle-flexing in Iran when, in reality, Iran was simply defending its legitimate interests in Caspian oil. Improved relations with the United States would make the Caspian a friendlier place for Iran to do business.

So, on the Iranian side, there is both popular will and the national interest pointing to the need for better ties with the U.S. On the American side, there is little in the way of serious popular opposition and it is clearly in the U.S. national interest to engage Iran.

So, what's holding U.S. back?

On the American side, policy-makers regularly point to three major issues:

1) Iran's pursuit of weapons of mass destruction.

2) Iran's opposition to the Middle East peace process.

3) Alleged Iranian support for terrorism, especially its support for *Hezbollah* in Lebanon.

The point to remember that all of the above are directly or indirectly related to Israel's security. It is difficult to make the argument that Iran threatens Saudi Arabia or other Gulf allies, especially in light of the growing closeness between Tehran and Riyadh. It is also wishful thinking to hope that an Iranian government – whether it be in the form of the Islamic Republic or otherwise – would not seek to arm itself with the same sort of weapons of mass destruction held by its neighbors. Iran, after all, was a victim of numerous Iraqi chemical attacks during the 1980-88 Iran-Iraq war. It is also difficult to make the case that Iran threatens Israel, especially given Israel's overwhelming military superiority and its arsenal of nuclear weapons.

On the Iranian side, officials regularly point to three issues:

1) The stringent American-led sanctions regime against Iran.

2) Washington's alleged interference in Iran's regional relations, especially with its Persian Gulf Arab neighbors and Caspian Sea delineation.

3) Israel. Beyond the obvious policy differences over peace process issues, the Islamic Republic of Iran does not conceal its frustration over the fact that they view Israel and, in particular, Israel's lobby in Washington, AIPAC, as the reason for Washington's "hostile" stand against Iran. In interviews I held with Iranian officials, I was constantly asked the question in frustrated tones: "Why is AIPAC running U.S.-Iran policy?" Iran's Supreme Leader Ayatollah Ali Khamenei put it this way: "All of this talk of human rights and democracy is bunk. The central factor in U.S. hostility is our support for Palestine." President Khatami, in a press conference, just before the election, said Washington should be "concerned with its own national interest" and not the interest of "certain lobbies."

Iran is right in its view that AIPAC has influence in the crafting of U.S.-Iran policy, especially in the Congress. This is a factor that everyone intimately involved in the issue of Iran-U.S. relations has come to realize and, by the looks of it, AIPAC is not going to change its stance on Iran anytime soon. Still, even without AIPAC, Iran has not shown a willingness to reciprocate small American gestures, especially the Madeleine Albright "apology and caviar" speech, in which she announced the lifting of

American sanctions on pistachios, caviar, and carpets, and apologized for the 1953 *coup d'etat* against Mohammad Mossadeq. The Albright speech was an act of public diplomacy that should have been reciprocated with an act of public diplomacy. Even if Iranians found the lifting of sanctions on those three items to be merely an example of "Americans gradually coming to their senses," the mild rebuke of Albright by Iran's UN Ambassador, which followed, was poor diplomacy, even if Tehran had no intention of reciprocating. Iran has also repeatedly refused offers of dialogue, not a sign of a country that wants to engage the United States. (Post-September 11, Iran has shown more of a willingness to talk, especially in the context of the "6 plus 2" discussions on Afghanistan. Herein lies a very important development. Discussions on Afghanistan's future will take place indefinitely through the end of this year and throughout next year. I think that the two sides should use the "6 plus 2" discussions on Afghanistan to engage in substantive discussions of their own. Both sides will get what they want: the U.S. will get face-to-face talks and Iran will get a quiet venue for those talks that allow them a certain measure of deniability with hard-liners at home).

Before I go on, let me go back to the point of "national interest" raised by President Khatami. Though American officials certainly can understand America's "national interest" without the help of an Iranian President, the point is an important one because I heard it repeated over and over again in Iran. I am starting to hear it more in Washington as well. Here in Washington, the Atlantic Council recently issued a report calling for a lifting of U.S. sanctions on Iran in the name of national interest. Without going into details of the Atlantic Council's report, I think they offered some sensible and important ideas and articulated strongly the case for renewed ties with Iran on the basis of America's national interest in terms of geopolitical and energy security. And that's how it should be. So, if both sides looked at it from a purely "national interest" point of view, I think it is fair to say that both would agree for the need of an immediate resumption of full diplomatic relations.

But since domestic factors are driving the debate, realistically, what can be done amid the current stalemate?

Before I lay out some possible policy steps for both sides, I think its fair to say that we should not expect any breakthroughs anytime soon. Not until both sides look at the matter from a national interest perspective will we have a breakthrough of any sort. Right now, it is mired in domestic politics. (I think this still stands even after September 11th despite the initial "hopeful" signs in the immediate aftermath).

Ideally, the United States would lift all sanctions on Iran and, in turn, Iran would announce a non-interference policy in the Arab-Israeli situation.

Ideally, the United States would lift all sanctions on Iran and, in turn, Iran would announce a non-interference policy in the Arab-Israeli situation. Of course, these steps are highly unlikely given the domestic politics in both countries. (Incidentally, Iranian government support for the Palestinian cause is not mirrored by the population, who – in my thousands of interviews on the subject – show only marginal support for Palestinians).

Still, that does not mean nothing can be done.

What can the United States do?

1) *Economic measures, small steps* – While lifting sanctions may be out of the realm of possible, a first step might be a U.S. willingness to allow World Bank loans to Iran without the usual fight, as well as a U.S. non-interference policy in Iran's bid for WTO status.

2) *People gestures* – The United States could lift the policy of finger-printing Iranians upon arrival in the U.S. (I think it is important to note that no Iranians were involved in the September 11th attacks). In addition, government agencies could – without much trouble – allow for steps that would improve people-to-people dialogue. For example, in the waning days of the Clinton Administration, the Justice Department blocked a State Department proposal that would have allowed American NGOs to operate in Iran. This act was simply a gratuitous shot at Iran and, for that matter, to the American NGO community who was eager to work with Iran.

3) *Send clear messages* – Washington should begin utilizing more vigorously the VOA Farsi service to send clear messages to the Iranian people and Iranian officials. This can be done by granting interviews to VOA Farsi service journalists. Often, in Iran, I heard Foreign Ministry officials ask me – after our interview was completed – to "decipher" a message sent by Washington by a particular policy step. It is important to send crisp and clear messages that do not need "deciphering." (In the post-September 11th world, there is much hand-wringing in Washington about America losing the public relations war in the Middle East. American officials must take their messages directly to the people in the Middle East, so their governments or traditionally anti-American intellectuals do not dominate the debate).

What can Iran do?

1) *Reduce incendiary rhetoric* – At a recent Tehran Conference on Palestine, several high-level speakers blasted Israel as a "cancer" and included speakers who called for the destruction of Israel. Needless to say, such remarks are offensive to American officials, morally reprehensible, and certainly do little to warm Iran in the eyes of the U.S. Congress.

2) *Not be afraid to talk* – Iran must take up every opportunity it can to sit down face-to-face with American officials, whether it be in the dialogue on Afghanistan, at the UN on drug trafficking issues, in the Hague on the issue of Iran's assets. Whether publicly or privately, diplomacy cannot be done without regular dialogue. Without it, there will remain persistent hostility and misunderstanding. Once again, the 6 plus 2 talks on Afghanistan are a very promising arena.

3) *Persian Gulf security* – Iran has recently improved ties with Saudi Arabia and other Persian Gulf Arab states. Iran should use these new allies to get the message across to Washington that Tehran poses no threat to Persian Gulf security.

Admittedly, these are small steps, and none of them are considered "breakthrough" steps. They are, in my view, "holding pattern" steps. However, it is important to remain in a safe "holding pattern" until both sides demonstrate the political will to embrace their national interests, ignore their small domestic constituency of critics, and move toward improved ties. Strategically, economically, and politically, it simply makes sense for the United States to have better relations with Iran, an old civilization and a natural regional power, than to maintain the current state of low-level hostility.

THE WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS
One Woodrow Wilson Plaza
1300 Pennsylvania Avenue, NW
Washington, D.C. 20004-3027

http://www.wilsoncenter.org