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## IRAN: DISCONTENT AND DISARRAY

### I. OVERVIEW

The decision to award the Nobel Peace Prize to Shirin Ebadi, a courageous human rights lawyer, has focused renewed attention on the deep divisions and tensions within Iran. How these work out, and how Iran defines its role in the world, will have a critical impact on a range of wider security issues, from Iraq and Afghanistan to the Arab-Israeli conflict and the future of nuclear non-proliferation.<sup>1</sup>

Over recent months, speculation as to the direction of the Islamic Republic has been fuelled by the stiffening deadlock between conservatives and reformists, threats of resignation by the beleaguered president and reformist parliamentarians, and heightened activism by the student protest movement. The commotion is undeniable, as is the depth of popular dissatisfaction with the regime as a whole; measures contemplated by the conservative establishment are unlikely to resolve what has become a crisis of legitimacy. But for now, international policy-makers need to recognise that internal paralysis is a far more probable outcome than radical change.

Popular dissatisfaction is palpable and has grown markedly since ICG's first report on Iran.<sup>2</sup> Steadily eroding standards of living, a stalled reform movement and the restrictions on social and political freedoms have combined to leave much of the public dispirited and disconnected from its rulers. The average Iranian has yet to experience the benefits of the apparent recent macroeconomic improvements and significant GDP growth.<sup>3</sup> Indeed, although the

country possesses vast oil and natural gas reserves, some Iranian economists estimate that nearly 40 per cent of the population lives below the poverty line.<sup>4</sup>

Anger is chiefly directed at the conservative establishment. For most Iranians, it has become ever more clear during President Khatami's unfulfilling six-year tenure that authority ultimately lies in the hands of Supreme Leader Ayatollah Ali Khamenei, the twelve-member Islamic Guardian Council and the various security organisations, and that this bloc is largely immune to pressures for reform.

Discontent also increasingly is being directed at the reformers themselves. The mood of hope that followed Khatami's first election in 1997 has long since dissipated, and Iran's restive young populace has all but given up waiting for the rhetorical commitment to reform to turn into reality. Reformers are seen as ineffective in blunting the power of the conservative clerical establishment, incapable of addressing the nation's economic woes and hindered by their own internal divisions. The sharply lower turnout in the last round of municipal elections – from 60 per cent in 1999 to less than half that percentage in 2003 – is one powerful indication, and it led to the first electoral blow to the reformists since Khatami was elected president. Student protests persist, but they remain contained; most of the public is reluctant to challenge the state security services directly, sensing both that the regime would not hesitate to resort to violence and that, for the time being at least, there is no readily available credible political alternative.

Ironically, the Iranian revolution is being hurt by its success and helped by its shortcomings. The demographic bulge – 70 per cent of Iranians are under 30 and 50 per cent under twenty – was encouraged by Ayatollah Khomeini, who called on families to

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<sup>1</sup> The policy dilemmas raised by Iran's nuclear program will be the subject of a shortly forthcoming ICG report.

<sup>2</sup> See ICG Middle East Report N°5, *Iran: The Struggle for the Revolution's Soul*, 5 August 2002.

<sup>3</sup> According to International Monetary Fund (IMF) estimates, Iran's unemployment rate has shown little improvement over the past two years while the rate of inflation continues to rise. IMF country report N°03/279, September 2003.

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<sup>4</sup> ICG interview, Tehran, July 2003. According to official statistics, fifteen per cent of the population lives below the poverty line.

have many children in order to give rise to a robust Islamic society. These “children of the revolution”, who are struggling to enter university and find jobs, present the sharpest challenge to the regime. At the same time, the revolution’s failure appears to have turned many Iranians away from radical political activity. Scores of interviews conducted by ICG suggested growing cynicism and an alienation from things political that is expressed in voter disaffection, suspicion of political pretenders and opposition groups, and even an abstract hope among some that the outside world, in particular the U.S., can somehow help ameliorate their condition.<sup>5</sup> Lack of faith in the rough game of politics and a marked distaste for violence make change all the less likely in the face of a regime that appears able and willing to resort to both.

At this point, the only further liberalisation that the Islamic Republic is likely to embrace is economic. Aware that economic discontent poses the greatest threat to regime stability, the conservative establishment appears to be considering gradual economic reform and openness. But the long-term prospects of such a strategy are uncertain at best. There is no simple cure for the country’s endemic economic mismanagement, as Iran’s own economists readily concede.<sup>6</sup> Moreover, in the words of Taha Hashemi, managing editor of the daily newspaper *Entekhab* and adviser to Supreme Leader Khamenei, “in Iran you cannot separate political, cultural, and economic issues”.<sup>7</sup> The Islamic Republic’s stability ultimately will depend not on economic improvement alone, but also on substantial political and cultural reform. For now, this appears to be a project beyond the regime’s willingness or capability.

The belief held by some that the long-entrenched contradictions between theocratic and democratic

rule, between regime policies and citizen demands, can rapidly be resolved through political upheaval is not borne out by in-country research and discussions with Iranian politicians, political activists and ordinary people. While change almost certainly will come to Iran, it more likely than not will come slowly, from a prolonged internal process; the first stage might well see the rise of conservative pragmatists, eager to maintain the fundamentals of the regime while opening up to the West in order to improve the economic situation.

Some reformists have expressed the fear that international engagement leading to a deal with the conservative establishment will only prolong its tenure. The current polarised international environment makes abrupt internal change the less probable, however, and a judicious approach by the international community the more imperative. In dealing with some of the most pressing security issues of the day – notably Iran’s nuclear program, but also the future of Iraq and Afghanistan – neither the United States nor its European partners have the luxury of waiting for a more open and reform-minded regime. In the short term, their twin goals – regional security and domestic Iranian reform – might well be at loggerheads, but there is no good alternative to serious diplomacy aimed at tackling today’s urgent security issues by genuinely addressing Iran’s legitimate security and economic concerns.

This does not mean that the international community should walk away from its efforts to promote political reform and more respect for human rights. The loss of faith by Iranians in the reformers has meant that there is much less concern now than there was at the time of ICG’s first report on Iran, in August 2002, that strong external criticism would undermine the reform process by forcing its sympathisers to close ranks with the conservatives. Many Iranians now place significant hope in vigorous external endeavours to press Iran on human rights and political reform, and the Nobel Peace Prize for Shirin Ebadi should give such efforts – both in Iran and abroad – a more prominent and effective platform. Iranians also make clear, however, that expanded people-to-people contacts and economic exchanges would help enlarge personal freedoms, a message at odds with Washington’s restrictive and counterproductive practices.

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<sup>5</sup> These interviews were conducted in Tehran, and there clearly are important distinctions between Iranians living in big cities and their suburbs (Tehran, Mashhad, Isfahan and Shiraz), and those living in smaller towns and rural areas. While it is estimated that over 60 per cent of Iran’s 68 million inhabitants reside in urban areas, only about a quarter live in the aforementioned big cities.

<sup>6</sup> “The entire structure of the economy needs to be overhauled”, says Ali Rashidi, a Tehran-based economist and newly elected member of Iran’s national Chamber of Commerce. “Small measures” the regime is willing to take “are like putting a band-aid on a cancer patient”. Quoted in Afshin Molavi, “Economic ills fuel Iranian discontent”, *The Washington Post*, 9 July 2003.

<sup>7</sup> ICG interview with Taha Hashemi, Tehran, June 2003.

## II. A SEASON OF DISCONTENT

### A. THE ROOTS OF DISSATISFACTION

At the root of the Iranian people's disenchantment is the Islamic Republic's failure to meet their basic economic needs. According to the government's own estimates, some 900,000 new jobs are needed annually to accommodate the burgeoning young labour force and prevent an increase in unemployment — officially around sixteen per cent, unofficially over twenty per cent. Yet government officials acknowledge that they will be hard pressed to create more than 500,000 new jobs per year.

Discontent appears to cut across generational and social lines. In interviews with ICG, even many older Iranians who opposed the Shah and participated in the 1979 revolution contrast their living conditions unfavourably with those they enjoyed in the past. While the revolution brought benefits to certain social categories, on the whole Iranians have experienced a decrease in their standard of living since the revolution; average per capita income is roughly a quarter of what it was during the 1970s.<sup>8</sup> "We didn't realize it at the time, but people were happier then", a 54-year-old labourer told ICG. "The Shah would take from us, but he also gave back to the people. These guys just take".<sup>9</sup> Many Iranians who still express admiration for Khomeini and the revolution have concluded that after his death in 1989, Iran's ruling clerics began to focus on personal gain. Even among the lower classes (*mostazafan*), dissatisfaction is palpable. In a comment echoed by many others, a 41-year-old blue-collar worker and veteran of the Iran-Iraq war (1980-1988) explained:

I was on the front line (*jebhe*) for three years. Everyday I put my life down for this country. I experienced chemical weapons attacks at the hands of Saddam [Hussein]. Has this government given me any thanks? Look at me — I have to work like a dog from morning to night, and I still can't make ends meet.<sup>10</sup>

One result has been an exodus of talent; Iran suffers from the highest rate of brain drain in the world.<sup>11</sup> A

30-year-old mechanical engineer told ICG the reason she left for Canada was above all financial:

Of course, no one likes the government, and the social restrictions we face — especially as women — are aggravating...but we've learned to find a way around them. There's no way a young person can make a living here though. I have a master's degree in engineering and with my salary was not close to being able to afford to live on my own in Tehran.<sup>12</sup>

The political repercussion of the economic discontent is more difficult to gauge. On the one hand, studies indicate that the state of the economy, more than any other factor, has accounted for the periodic outbreaks of unrest over the past decade.<sup>13</sup> On the other hand, given the country's punishing economic conditions, few people have the time, energy, or economic security needed to act politically on the basis of their discontent. According to a 32-year-old professional:

People are so consumed with the day to day — paying the rent, putting food on the table — no one sits around and contemplates the political situation here and how it can be improved. People are struggling to keep up with this inflation; they are running around all day after money. They have neither the luxury nor the energy to think about such concerns.<sup>14</sup>

A 56-year-old retired employee of the National Iranian Oil Company (NIOC), who is forced to moonlight as a taxi driver, echoed that view: "First you fill your stomach, then you worry about democracy and freedom. You don't cry for democracy on an empty stomach, you cry for bread"<sup>15</sup>

If economic concerns are predominant, the tough socio-cultural and political constraints imposed by

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among 61 developing and less developed countries. "Between 150,000 to 180,000 Iranians try to immigrate by various means annually". Akbar E. Torbat, "The Brain Drain from Iran to the United States", *The Middle East Journal*, Vol. 56, N°2 (2002).

<sup>12</sup> ICG interview, Tehran, August 2003.

<sup>13</sup> ICG interview with Iranian political philosopher Ramin Jahanbegloo, Tehran, August 2003. Jahanbegloo has conducted extensive research on the sources of Iranian unrest over the past decade. For a discussion of Iran's economic predicament, see ICG Report, *Iran*, op. cit., pp. 24-26.

<sup>14</sup> ICG interview, Tehran, June 2003.

<sup>15</sup> ICG interview, Tehran, August 2003.

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<sup>8</sup> See Bijan Khajepour, "Iran's Economy: Twenty Years after the Revolution", in *Iran at the Crossroads*, Esposito and Ramazani, eds. (Palgrave Macmillan UK, 2001).

<sup>9</sup> ICG interview, Tehran, July 2003.

<sup>10</sup> ICG interview, Tehran, July 2003.

<sup>11</sup> Islamic Republic News Agency (IRNA), 26 December 2001. According to the IMF, Iran ranks first in brain drain

the Islamic Republic also have alienated youth. The generation born in the 1970s and 1980s shares neither resentment over the Shah's rule nor exhilaration over the revolution. It sees the restrictions imposed by the regime as a suffocating and unjustifiable straightjacket.<sup>16</sup>

## B. TWIN REJECTION

After five years of unsuccessfully trying to work within the confines of the constitution, in the summer of 2002 President Khatami presented to the parliament two measures – known as the “twin bills” – designed to transfer important responsibilities from the unelected factions of the Islamic Republic to its elected representatives. The bills would have significantly enhanced the constitutional authority of the presidency while stripping the Guardian Council of its ability to disqualify electoral candidates and veto parliamentary decisions.<sup>17</sup> Khatami suggested on various occasions he might resign if the Guardian Council rejected the bills, saying “these two are the minimum requirements necessary for running the country's affairs”.<sup>18</sup>

Iran's reform-minded parliament easily approved these bills in late 2002, but the Guardian Council rejected them in May 2003. Reformists reacted angrily but remained divided over how best to respond. Some suggested resorting to a popular referendum, others to civil disobedience and still others to mass resignations from parliament. To date, no action has been taken. “There's really not much the *majles* [parliament] can do”, said Mehrdad Serjooie, who covers it for the daily *Iran News*. “They don't have the authority to call for a referendum, and they are reluctant to resign and leave the conservatives in power”.<sup>19</sup>

According to the constitution, stalemates between parliament and the Guardian Council are to be resolved by the Expediency Council, a 31-member council appointed from among the different

ideological currents in the leadership elite by the Supreme Leader and currently headed by former President Hashemi Rafsanjani. The Expediency Council has broad powers to supercede both the constitution and even *shari'a* law to “preserve the interests” of the Islamic state.<sup>20</sup> Khatami refused to send the bills to the Expediency Council on the grounds that his proposed legislation was neither unconstitutional nor un-Islamic, and instead urged the Guardian Council and the parliament to resolve the issue on their own. On 14 August 2003, the Guardian Council again rejected the resubmitted bills.<sup>21</sup> The president continues to maintain his public stance, vowing again on 20 September 2003 to pass the bills “one way or another”, despite these reversals and the shrinking options available to him.<sup>22</sup>

Although disappointed by the outcome, few Iranians seemed surprised. For many it was simply a re-affirmation of political realities and a reminder of the impotence of their elected officials. Sensing widespread disillusionment, Khatami continued to hint at resignation, saying in a 10 June 2003 speech, “If this nation says we don't want you, we will go...That is the way a society should be”.<sup>23</sup> While such a speech might have been enough to rally support around the besieged president two years ago, this time Iranians reacted with barely a shrug.

## C. STUDENT-LED PROTESTS

On 10 June 2003, roughly 80 students living in Tehran University dormitories demonstrated against the school's rumoured privatisation plans. The immediate spark was economic: as most dormitory residents come from relatively modest small-town backgrounds, few would be able to afford the price of private tuition. But the demonstrations quickly took a decidedly political turn. Sensing an opportunity to voice their displeasure with the government, a horde of disenchanting youth from around the capital – many unemployed, including from families with strong religious backgrounds – soon joined the student demonstrators. Indeed some of the fiercest

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<sup>16</sup> See ICG Report, *Iran*, op. cit., p. 2.

<sup>17</sup> The Guardian Council is a twelve-member body whose duty is to determine the compatibility between parliamentary legislation and Islamic law or *shari'a*. Legislation deemed incompatible is returned to parliament for revision. The constitution also grants it supreme oversight over all referenda and elections for parliament, the Assembly of Experts and the presidency. See ICG Report, *Iran*, op. cit., p. 6.

<sup>18</sup> *Asia Times*, 5 June 2003.

<sup>19</sup> ICG interview, Tehran, July 2003.

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<sup>20</sup> ICG Report, *Iran*, op. cit.

<sup>21</sup> Nazila Fathi, “Iran hard-liners again show their claws”, *The New York Times*, 14 August 2003.

<sup>22</sup> Analysts have suggested Khatami could try to persuade the Supreme Leader, call for a referendum or resign. Associated Press, 30 September 2003.

<sup>23</sup> 11 June 2003 speech in Karaj, reported by the Islamic Republic News Agency (IRNA).

clashes took place in the poorer neighbourhoods of south Tehran. In addition, several thousand middle-class Tehranis, some encouraged by Los Angeles-based Iranian satellite television stations, drove to the campus area and honked horns in solidarity.

Throughout the week of unrest, protesters chanted slogans calling for, among other things, “freedom” and “referendum” – an increasingly popular battle-cry among young protesters which implies a popular vote on whether to change the regime. More radical protesters cried disparaging remarks against Supreme Leader Khamenei as well as the late Ayatollah Khomeini that were once unthinkable in a public rally.

Still, although altogether close to 10,000 took part, at no time did the rallies appear to pose a serious threat to the regime. The Basij militia – one of the most powerful paramilitary organisations, comprising for the most part volunteers between the ages of fifteen and 30 from rural areas or poorer areas in larger cities – armed with clubs and chains, seemed eager for confrontation and used force unhesitatingly. Riot police stood by with machine guns in case things got out of control, and the threat they represented was a significant factor in preventing the protests from spreading more widely. At one point police clashed with overzealous Basij members for attacking peaceful protesters, fearful that their impulsive provocations would exacerbate unrest. Some 4,000 demonstrators reportedly were arrested.

The protests should be put in perspective. It was no small thing, given the security atmosphere, that thousands of Iranians came together, especially when it can be assumed that for every person attending the demonstrations there were probably many more at home wishing them well. Yet in a city like Tehran, with some twelve million inhabitants, a demonstration of a few thousand can easily go unnoticed. ICG witnessed that for the vast majority of Tehranis in that week, it was business as usual. Although many were manifestly interested, few contemplated active involvement. A noted Iranian historian believed this to be a sign of political maturity.

It’s good that people don’t have a clear-cut answer – this will hopefully prevent us from repeating the same mistakes as 25 years ago. People are thinking a lot...they don’t yet see a clear solution. If they did, four million people

would have taken to the streets on 9 July [anniversary of the 1999 student protests].<sup>24</sup>

#### D. THE ROLE OF SATELLITE TV

The week-long protests underscored the influence of the Los Angeles-based Iranian satellite television stations. According to some estimates, as many as nine million Iranians regularly tune in to broadcasts from their exiled compatriots in the West, the subjects of which are increasingly political. Iran’s conservative establishment is not taking this lightly, warning youth “not to be trapped by the evil television networks that Americans have established”.<sup>25</sup> In the days prior to the 9 July 2003 student protests apartment complexes in Tehran posted government edicts ordering people to take down their satellite dishes and warned they “could not be held responsible” for people who chose not to obey. The Iranian government also has had some limited success in preventing the broadcast of the stations by effectively “jamming” satellite signals.<sup>26</sup>

Yet, aside from the popularity of satellite television as a source of entertainment, the general reaction to the political messages has been mixed. Many Iranians consider the broadcasts to be the work of “armchair revolutionaries”, oblivious to the repression and violence young demonstrators face. During the June 2003 protests, a popular satellite television personality, Zia Atabai, enjoined, “If you don’t act now, the regime will be around for a long time...join with the students to bring the regime down”.<sup>27</sup> A 22-year-old Tehran University student who supported the demonstrators expressed a common reaction: “They’re sitting there from their nice homes in Los Angeles and expect us to do their fighting for them. Why don’t they send their own children to get beaten up by the Basij?”<sup>28</sup>

Others have accused the broadcasters of sensationalising and fabricating news stories, thereby undermining the cause they purport to

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<sup>24</sup> ICG interview, Tehran, August 2003.

<sup>25</sup> Hashemi Rafsanjani, quoted in *The Washington Post*, 26 June 2003.

<sup>26</sup> See Robert Windrem, “U.S. satellite feeds to Iran jammed”, msnbc.com, 11 July 2003.

<sup>27</sup> Michael Dobbs, “Iranian Exiles Sow Change Via Satellite”, *The Washington Post*, 26 June 2003.

<sup>28</sup> ICG interview, Tehran, June 2003.

support. Saeed Razavi-Faqih, a student leader, noted:

By virtue of the continued muzzling of the press in Iran and the total control of domestic radio and television networks by hardliners, these foreign satellite broadcasters enjoy a monopoly in terms of alternative information and programming. But neither the content nor the way they cover the news accurately reflects what is taking place here.<sup>29</sup>

### III. A PLAGUE ON BOTH HOUSES?

Iranians who followed political events generally lamented the rejection of the “twin bills”; likewise, the student protesters typically reserved their harshest words for the conservative clerical establishment. But probably the most notable aspect of the recent unrest was that it signalled a serious break between President Khatami’s reform movement and student organisations, traditionally his most ardent backers. During his first term, Khatami’s vast army of supporters attributed his inability to effectuate change largely to the intransigence of the conservative establishment. Whereas the most common refrain on the streets of Tehran once was that “they won’t let him do his job” (*Nemizaran karesh-o bokoneh*), nowadays a more frequent lament is that he is not up to it, citing lack of courage or conviction. “Some advisers tell him to speed up, others tell him to slow down, and he becomes indecisive”, according to reformist intellectual and presidential confidant Ali-Reza Alavi-Tabar. “I tell him he needs to put his foot on the gas”.<sup>30</sup>

Support for Khatami among students waned as they became increasingly disenchanted with his lack of resolve and failure to come to their defence during protests. The June 2003 unrest arguably was the last straw, as students reacted incredulously to his acquiescence at conservative claims that “foreign agents” inspired the demonstrations.<sup>31</sup> Saeed Razavi-Faqih, a key leader of the Office for Consolidation of Unity, an organisation that claims a following of 60,000 students and traditionally has backed the

president’s cautious approach,<sup>32</sup> expounded on the split:

The majority of students no longer want to maintain any dialogue with the regime. Previously, the students distinguished between the reformers in government, whom the students helped to elect to office and with whom they shared many concerns, and the hardliners, whom they had not elected and who were intent on maintaining their authoritarian grip on power. But the events of the past months and especially these past few weeks [when the “twin bills” were rejected], have deeply changed this attitude. Students believe that some of the government reformers are sincere in their commitment to change, but are simply powerless to deliver on their promises. Their presence in the government only prolongs the life of a system that is incapable of reform.<sup>33</sup>

The students challenged Khatami to stop the attacks against them or resign. Saeed Razavi-Faqih called it “a farewell and a last ultimatum before cutting all ties”.<sup>34</sup> A Western diplomat concurred with the overall assessment, calling Khatami’s reaction “disappointing”, and adding, “the way he’s reacting has lost him much respect, both inside and outside the country”.<sup>35</sup>

The students’ attitude magnifies what appears to be a broader shift away from the reformist movement as a potential alternative to the current political leadership. As opposed to only a few years ago, when the public essentially blamed conservative obstructionism, reformists themselves are now criticised both by resentful conservative opponents and – more significantly – a disgruntled electorate. Speaking of the reformers, a European diplomat observed, “I’ve never seen public support dissipate so quickly”.<sup>36</sup> Many former supporters now commonly disparage Khatami himself as an accomplice, unwitting or otherwise, of the conservative establishment. One complained, “Khatami tricked us with his smiling face and his nice words. It’s now evident that he is no different

<sup>29</sup> “Our Letter to Khatami was a Farewell’: An Interview with Saeed Razavi-Faqih”, *Middle East Report Online*, 15 July 2003.

<sup>30</sup> ICG interview with Alavi-Tabar, Tehran, June 2003.

<sup>31</sup> Islamic Republic News Agency (IRNA), 14 June 2003.

<sup>32</sup> See ICG Report, *Iran*, op. cit., p. 19.

<sup>33</sup> “Interview with Saeed Razavi-Faqih”, op. cit.

<sup>34</sup> Ibid.

<sup>35</sup> ICG interview with senior European diplomat, Tehran, June 2003.

<sup>36</sup> ICG interview, Tehran, June 2003.

from the rest of them”.<sup>37</sup> Growing numbers of former and even current supporters, believing that all other options have been exhausted, think it would be best for him to step down.<sup>38</sup>

While it would be premature to write off the reform movement – or President Khatami<sup>39</sup> – the mood on the street is unforgiving. Iranians went to the polls en masse on three separate occasions – to elect President Khatami twice and a reform parliament – yet have little to show for their civic efforts. “Nothing has changed”, a 51-year-old blue-collar worker told ICG. “Only prices have risen”.<sup>40</sup>

One explanation some offer for this reversal of fortunes is that the conservatives have used stalling tactics to engineer the paralysis and economic problems that could then conveniently be blamed on reformers. But the reformists have also been victims of their own limitations. “Reformists” itself is somewhat of a misnomer, since it purports to describe individuals with widely divergent agendas and points of view<sup>41</sup> – a heterogeneity that has undermined their effectiveness. There is, for example, not much in common between reformist cabinet ministers, leaders of the reform movement for whom discovering a successor for President Khatami is the priority and the activist student movement. Broad agreement on the necessity of “reform” does not necessarily translate into the same political priorities or worldview. As a result, opponents of the conservative establishment have not united their efforts and mobilised around a series of concrete objectives, such as the reforms of the political system demanded by the President. Tactical blunders have also played their part. Bijan Khajepour, chairman of Tehran-based Atieh Bahar Consulting, mentions the movement’s

“overestimation of [its own] power” and “unrealistic expectations” as two key factors behind its mounting difficulties.<sup>42</sup> Many political observers in Tehran told ICG that another of its key errors was the attempt to marginalise and vilify former President Rafsanjani, which converted him into a determined, and effective, adversary. In the words of a European diplomat, “a deal cannot be made in this country without Rafsanjani”.<sup>43</sup>

Others suggest a more fundamental critique. They argue that the reformists’ decision to work within the system meant that they had to cut themselves off from large segments of the political class such as secular democrats, nationalists or socialists and put their fate in the hands of the conservative Guardian Council, which possesses the power to veto candidates who question the centrality of religious authority. Members of these groups claimed to ICG they had approached the reformists about joining forces and been turned away.<sup>44</sup>

Whatever the reasons, an increasing number of Iranians no longer pay heed either to conservatives or to reformists, viewing both as by-products of a spent system. “The foundation is based on undemocratic principles”, an Iranian journalist told ICG. “People want democracy”.<sup>45</sup>

Under pressure, numerous reformist politicians have acknowledged their failure to meet expectations. Still, they have urged the public to support them in their struggle. “I think it is very good that students and the general population are questioning Khatami and the reformist movement”, said Ali-Reza Alavi-Tabar, an academic and prominent reformist intellectual. “It is good that they are demanding results. This is a sign of political sophistication. I just hope that people do not stray from politics. We will need their support as we move forward”.<sup>46</sup> Reformers have also seized upon the public despair to issue a stern warning to the conservatives. In a 21 May 2003 letter to Ayatollah Khamenei, 127 reformist parliamentarians lashed out at conservatives:

The vast majority of the people are disgruntled and without hope. The majority of elites are

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<sup>37</sup> In the words of a Tehran taxi driver, “Even if it is not his fault, if it is the fault of the others [conservatives] who won’t let him do his job, then why doesn’t he step down and preserve his dignity”? “He’s meaningless, it doesn’t make much difference whether he stays or resigns”, said a dispirited 31-year-old schoolteacher. “This entire regime needs to resign”. ICG interviews, Tehran, June 2003.

<sup>38</sup> ICG interviews, Tehran, July and August 2003.

<sup>39</sup> Even Iranian political analysts sharply critical of his performance acknowledge that he deserves credit for expanding the realm of legitimate political discourse. “Those student protesters who chant ‘death to Khatami’ today would never have dared to take to the streets before Khatami came to power”. ICG interview with Iranian political analyst, Tehran, June 2003.

<sup>40</sup> ICG interview, Tehran, June 2003.

<sup>41</sup> ICG Report, *Iran*, op. cit., pp. 12-19, 24.

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<sup>42</sup> ICG interview with Bijan Khajepour, Tehran, July 2003.

<sup>43</sup> ICG interview, Tehran, July 2003.

<sup>44</sup> ICG interviews, Tehran, June-August 2003.

<sup>45</sup> ICG interview, Tehran, June 2003.

<sup>46</sup> Afshin Molavi. “Backers of Iranian Reform Fight Tide of Frustration”, *The Washington Post*, 13 July 2003.

either silent or have chosen to emigrate. There is a massive capital flight, and foreign forces have totally encircled the country. Given the current situation, we can only conceive of two alternative futures for this country. The first one is dictatorship or despotism and even under the most optimistic scenario, this can only lead to dependency and, ultimately, disintegration or degeneration. The second option is to return to the basic principles of the constitution and make an honest effort to rely upon the rules of democracy.<sup>47</sup>

Few Iranians seem to be paying attention, however. “*Harf moft-e*”, was the response of one Iranian shopkeeper when ICG mentioned the letter (which he had not read) – “talk is cheap.”<sup>48</sup>

#### IV. THE ABSENCE OF A CREDIBLE ALTERNATIVE

Disenchantment with both conservatives and reformists has left most Iranians without a credible outlet, at once angry and resigned. Some of this may be attributable to the failures of the revolution itself. Most Iranians today appear to be decidedly pragmatic, weary of the idealism that prevailed three decades ago and that, in their eyes, has gone terribly awry. In particular, Iranians who witnessed the chaos of the revolution and the ghastly experience of the eight-year war with Iraq express great distaste for activity that risks degenerating into violence. Asked by ICG how they hoped to transform the Islamic Republic, few Iranians had any concrete ideas other than that it ought to occur “*bedun-e khoonrizi*” – “without bloodshed”. Ali Reza Alavi-Tabar, considered by many to be among the most “radical” campaigners for democracy in the reform camp, advocates measures such as “hunger strikes and civil disobedience” but repudiates violence: “No one wants violence or death . . . we have to teach each other tolerance. Blood cannot be washed off with blood (*‘khoon ba khoon nemisheh pâk kard’*)”.<sup>49</sup>

The leaders of the student movements also have forsworn violent tactics. Saeed Razavi-Faqih, a

prominent student activist recently released after nine weeks in solitary confinement, explained:

The student movement is not prone to violence, although anger and frustration may lead to isolated incidents of violent reaction by students. We realize that violence will destroy our hard-won gains of the past few years. That is why we are moving toward connecting our movement to the demands of other social groups, like workers and even families.<sup>50</sup>

While this rejection of violence is welcome, it has been exploited by the regime to contain the scope of the protests. Violent crackdowns by militant conservative opponents may well have cost student movements the participation of thousands of their colleagues. A 25-year-old student, expressing a commonly heard sentiment, explained that while most “fully support” fellow student demonstrators, the beatings, imprisonment and torture are “simply not worth it”:

I went to the big protests four years ago and was attacked by the Basij [militia] with an electrical shocking device. My upper body ached for a week. I decided from then on I would have nothing more to do with politics in this country...I want to finish my studies abroad and can't do that if I'm in [Tehran's notorious prison] Evin.<sup>51</sup>

Chastened by one experience of rapid upheaval, Iranians seem disinclined at this point to experiment with another.

#### A. VOTER INDIFFERENCE

The most revealing barometer of public disaffection with the political process can be found in dramatically declining voter turnout rates. For a country whose voter participation had been consistently high over the past six years, the snubbing of polls represents a major turnaround. Whereas 60 per cent of the electorate voted in the 1999 municipal elections, the number plummeted to 28.7 per cent in February 2003.<sup>52</sup> In Tehran, the drop was more precipitous still: a mere 12 per cent bothered to vote in 2003, resulting in a conservative

<sup>47</sup> Text of a letter to Ayatollah Khamenei signed by 127 parliamentarians, 21 May 2003.

<sup>48</sup> ICG interview, Tehran, June 2003

<sup>49</sup> ICG interview with Alavi-Tabar, Tehran, June 2003.

<sup>50</sup> “Interview with Saeed Razavi-Faqih”, op. cit.

<sup>51</sup> ICG interview, Tehran, August 2003.

<sup>52</sup> RFE/RL Iran Report, 10 March 2003.



victory in all fifteen of the available city council seats and dealing a sharp blow to reformists, who had won twelve of fifteen possible seats in 1999. Morad Saghafi, editor of the well-regarded political journal *Goft-o-Gu*, interpreted this as “a political act, not a sign of apathy”<sup>53</sup> – a clear rejection by the public of the candidates they were presented and of the system that produced them. A reformist politician, though disheartened by the outcome, empathised with public frustration: “It is like exercising every day for six years and not seeing any results. Soon you are going to stop going to the gym”.<sup>54</sup>

Nor does this appear to be a one-off reaction by the public. In ICG interviews, many asserted that they had no intention of voting in either the February 2004 parliamentary elections or the 2005 presidential elections – two events considered critical to the reform movement’s future. “Why should we vote”, a 29-year-old Iranian engineer asked. “What difference does it make? We have empirical evidence that it’s an exercise in futility”.<sup>55</sup>

What impact such a public withdrawal from politics would have is difficult to predict. Some believe that the 2004 elections could be a “critical point”, with low voter turnout and heavy vetting by the Guardian Council<sup>56</sup> producing a conservative victory and sparking a major “crisis of legitimacy”<sup>57</sup> – though it is hard to see what form such a crisis would take in the absence of a means for channelling popular discontent. Some democratic activists argue that the low turnout could help propel change. “The thinking is that things need to get really bad so that there will be a sudden, dramatic change”, a 24-year-old female professional told ICG. “Gradual change didn’t work

here”.<sup>58</sup> Yet, there is widespread scepticism among Iran’s intellectual elite that another popular uprising is afoot. In the words of a Tehran University social scientist, “democracy is not a conviction that inspires people to go out in the streets and get killed”.<sup>59</sup>

## B. OPPOSITION GROUPS

While a great many Iranians have concluded that the Islamic Republic as it currently exists is unreformable and therefore have drifted away from mainstream reformers, few see in the opposition a viable alternative. Various opposition voices exist within Iran, including intellectual and clerical dissidents such as Grand Ayatollah Montazeri and Mohsen Kadivar.<sup>60</sup> But all must operate under the threat of arrest and other intimidation;<sup>61</sup> for the most part, they have access neither to the media nor to the electoral arena. Moreover, popular revolutionary dissidents and religious intellectuals who grew disillusioned with the regime – such as Akbar Ganji and Abdolkarim Soroush – garner much less attention among democratic agitators than they once did. “They all come from the same seed”, a middle-aged woman told ICG. “People want someone from outside the system”.<sup>62</sup>

Outside Iran, a handful of groups and individuals have sought to emerge as centres of opposition. Few have any genuine support on the Iranian street. The *Mojahedin-e Khalq* (People’s Holy Warriors, or MKO), an organisation based in Iraq that and enjoyed the Baathist regime’s support, lost any following it may have had in Iran when it fought on Iraq’s behalf during the 1980-1988 war; it has been further weakened by Saddam Hussein’s fall and now depends almost entirely on the goodwill of the United States, which placed it on its list of foreign

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<sup>53</sup> ICG interview, Tehran, June 2003.

<sup>54</sup> ICG interview, Tehran, June 2003. While political disenchantment was the primary reason for the low turnout, there are other explanation, including the relative novelty of municipal councils, whose role, and relationship with mayors, remains unclear to many Iranians. It also is worth noting that turnout was lower in the big urban centres than in smaller towns and rural areas. ICG interview with Iranian analyst, October 2003.

<sup>55</sup> ICG interview, Tehran, June 2003. President Khatami has warned against the risk of a low turnout in the 20 February 2004 parliamentary vote and urged the public to show “an active presence”. *Iran News*, 4 October 2003.

<sup>56</sup> The Council has given little indication that it intends to loosen its vetting policy, as evidenced by its decision to appoint conservatives exclusively as members of the election monitoring board in Tehran and other provincial capitals.

<sup>57</sup> ICG interview with foreign diplomat, Tehran, June 2003.

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<sup>58</sup> ICG interview, Tehran, July 2003.

<sup>59</sup> ICG interview, Tehran, July 2003.

<sup>60</sup> In his first public speech since release from five years under house arrest, the ailing 81-year-old Montazeri called on Iran’s leaders to respect people’s demands for reform and submit to a popular vote. Associated Press, 17 September 2003. For more on Montazeri, Kadivar, and other clerical dissidents, see ICG Report, *Iran*, op. cit., pp. 15-19.

<sup>61</sup> In recent years, several dozen members of the country’s now-outlawed nationalist parties have been thrown into prison and allegedly tortured, despite the fact that the majority of them are elderly men ranging from age 60 to 80 and have little connection with the country’s impatient youth. Many others have fared worse.

<sup>62</sup> ICG interview, Tehran, June 2003.

terrorist organisations and, at most, seems prepared to use it as a source of intelligence and leverage in its dealings with Iran.<sup>63</sup>

The newly formed Southern Azerbaijan National Awakening Movement (SANAM) likewise enjoys little support or legitimacy in Iran, due to its separatist agenda. Confirmed reports that U.S. government officials have quietly been meeting with the head of SANAM, Ali Chehregani, a secessionist activist from Iranian Azerbaijan who lives in exile in Washington, were received with dismay among Iran's intellectual and political elite, including many Iranian-Azeris. Typical was the reaction of an Iranian-Azeri professional: "We are Iranians, 100 per cent. Why would we want to separate? We've been here for 1,000 years".<sup>64</sup>

The opposition figure generating the most curiosity in Iran at this time appears to be 42-year-old Reza Pahlavi, the late Shah's eldest son and a resident of suburban Washington. In the wake of the 11 September 2001 attacks, Pahlavi began appearing regularly on the Los Angeles-based Persian language satellite television, articulating his vision of a democratic and secular Iran and saying he would like to serve as a "catalyst" for change. His message seems to have resonated somewhat among disaffected youth, who have no recollection of the corruption and brutality of his father's regime, as well as middle and working-class Iranians who

recall an era of higher living standards and greater social freedoms. "The only thing he has going for him", said one Iranian historian "is the politics of nostalgia".<sup>65</sup> Indeed, interest in Pahlavi is probably best interpreted as a symptom of the depth of discontent with the current order rather than a genuine desire to see him lead the nation.

"Right now people are looking for any alternative", said a Western diplomat. "Last year at this time I would have said no way, he has no popular support. But it has reached a level of desperation that they are looking for anyone else."<sup>66</sup> Even among those who voice support for Pahlavi, however, few express interest in reverting back to a royal autocracy (including Pahlavi himself). "That era is over", a former colonel in the Shah's army told ICG.<sup>67</sup>

### C. COUNTING ON THE U.S.?

The growing sense of frustration and hopelessness has combined with Washington's more aggressive rhetoric and dramatic events in neighbouring Iraq and Afghanistan to produce complex feelings regarding the U.S. and its possible role in bringing about change in Iran. There is little doubt that most Iranians, including many officials, would favour a dialogue with the U.S. and the resumption of normal relations.<sup>68</sup> For some, however, expectations go further. Having failed to reform their system via the ballot box, a growing number seem to believe their political future will be decided not in Tehran, but in Washington, leading them to pay as much attention to statements by U.S. officials as to those of their own politicians. As an Iranian bookstore employee put it, "Most people think the process [of democratisation] needs to be started by a third party, that the Iranian people need a push from abroad. People by themselves are not strong enough to change the ways of the Mullahs".<sup>69</sup>

While some Iranians interviewed by ICG went so far as to suggest support for a U.S. intervention to

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<sup>63</sup> U.S. forces initially signed a ceasefire agreement with the MKO on 15 April 2003 under which the organisation could retain its weapons in return for a promise not to challenge the U.S.-led coalition. However, the MKO is on the U.S. terrorism list, and it struck many – particularly at the State Department – as unseemly to allow it to keep its weapons. The administration accordingly reversed course and began disarming the group in May. That does not appear to have fully settled the matter, as reports surfaced that the Defence Department, viewing the MKO as useful leverage vis-à-vis Iran, was allowing it to "retain its weapons, come and go from the camps at will, and use camp facilities to broadcast propaganda to Iran". *The Washington Post*, 11 September 2003. Secretary of State Powell wrote to Secretary of Defence Rumsfeld to raise his concerns, and a White House official explained, "the MKO is being treated as a terrorist organisation. That was the guidance issued by the Department of Defence to the field. Recently, the Department of Defence has come to believe the guidance has not been fully implemented". Ibid. See also Daniel Pipes and Patrick Clawson, "A Terrorist U.S. Ally?" *New York Post*, 20 May 2003; Sanam Vakil, "Cease-fire Hurts US Stance on Terror", *Baltimore Sun*, 5 May 2003.

<sup>64</sup> ICG interview, Tehran, August 2003.

<sup>65</sup> ICG interview, Tehran, August 2003.

<sup>66</sup> ICG interview, Tehran, June 2003.

<sup>67</sup> ICG interview, Tehran, August 2003.

<sup>68</sup> An opinion poll conducted in late 2002 by Abbas Abdi noted that nearly 75 per cent of Iranians favoured dialogue with the U.S. Taking into account people's fear of expressing their opinions openly, most Tehran-based analysts believe the actual number is higher.

<sup>69</sup> ICG interview, Tehran, June 2003.

remove the regime, most expressed the following views:

- The U.S. ought to speak out strongly against the regime as a whole and in support of Iranian aspirations for democracy and human rights. “The U.S. has to show the regime that they will stand up for us”, said an Iranian journalist who was recently released after several years in prison. “Otherwise they will continue to abuse us”.<sup>70</sup> The point is hotly debated, including within U.S. foreign policy circles; ICG has cautioned against statements that sought to pit the Iranian political system as a whole against its people, warning that they “underestimate the very important political battles that are occurring within the country’s leadership, gloss over the significant differences between the conservative and reform factions, and limit the political space from which the latter can operate”.<sup>71</sup> The growing number of Iranians who have lost hope in the reformers, however, are not bothered by such concerns.
- At the same time, the U.S. would do better to promote cultural, educational, social and economic exchanges in order to empower the Iranian people and, ultimately, force the regime to loosen its restrictive practices.<sup>72</sup> On one issue, there was virtual unanimity: the U.S. practice of denying visas to Iranian students and fingerprinting and taking mug shots of “Iranian grandmothers” visiting their families in the U.S. is counter-productive.<sup>73</sup> A 34-year-old Iranian journalist, perhaps best captured the general sentiment, saying the U.S. should

“show a big carrot to the Iranian people and a big stick to the Iranian government”.<sup>74</sup>

- It is too early to gauge how Iranians have been affected by the U.S.-led war and occupation of Iraq. Despite popular contempt for and official hostility to Saddam Hussein, Iran’s government-controlled media has focused heavily on news stories that portray the hardship and insecurity of present-day Iraq. While the fall of the Taliban in Afghanistan – whom the Iranian government had also long opposed – brought televised images of hope and freedom, those of post-war Iraq have so far offered little inspiration. This has dampened romanticism about the prospect of a regime change in Iran. Older Iranians in particular seem sceptical about America’s plans for the region. “Anyone who thinks that America has noble intentions in Iran should look at what they’ve done to the Iraqis”, said a middle-aged homemaker. “They’ve made them destitute! They don’t have water or electricity”.<sup>75</sup> Others appear caught in their own contradictions, wishing for U.S. intervention but of a non-military sort. In the words of a 30-year old professional:

I hear more and more Iranians wishing that Mr Bush would make up his mind and kick out the mullahs like he did Saddam. The ousting of two regimes in our neighbourhood has a great psychological effect and should be taken seriously. Ordinary people are so fed up that they wouldn’t really mind if Washington gives a hand to changes ... but no U.S. troops please!<sup>76</sup>

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<sup>70</sup> ICG interview, Tehran, June 2003.

<sup>71</sup> ICG Report, *Iran*, op. cit., p. 34. At the same time, ICG called on the international community to emphasise human rights. Ibid, p. 35.

<sup>72</sup> Referring to Jalal Al-e Ahmad’s 1962 book *Gharbzadegi* (“West-toxication”), a stinging cultural critique of Iranian popular fawning on the West, which became one of the manifestos of the 1979 revolution, Iranian secular intellectual Kaveh Bayat remarked that, “Nobody reads Al-e Ahmad anymore. On the contrary, we want interaction with the West. If it means more economic opportunities, social and political freedoms, and clean air, let us be “West-toxified”. ICG interview, Tehran, July 2003.

<sup>73</sup> In a June 2003 interview, Dr. Kazem Sajjadpour, director of the Institute for Political and International Studies (IPIS), told ICG “The U.S. doesn’t respect Iran, not just the government, but the people. They’ve securitised even the identity of Iranians”.

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<sup>74</sup> ICG interview, Tehran, July 2003.

<sup>75</sup> ICG interview, Tehran, July 2003. Among both young and old, conspiracy theories abound in Tehran as to the whereabouts of Saddam Hussein, weapons of mass destruction, and Osama bin Laden. Given that many Iranians believe the U.S. brought Saddam to power and supported him during the Iran-Iraq war, many ordinary Iranians expressed a belief that the U.S. is simply harbouring him and bin Laden until they once again are useful. “The CIA can monitor people’s breathing patterns from thousands of kilometres away with their satellites, how can they not find Saddam”, asked a Tehran taxi driver. “They themselves are hiding Saddam and bin Laden”.

<sup>76</sup> ICG interview, Tehran, August 2003.

## V. THE RISE OF PRAGMATIC CONSERVATISM?

Public hostility toward the conservatives' socially regressive agenda, impatience with the reformists' failures, civic apathy and the absence of an organised opposition have left Iranians in a virtual political *cul-de-sac*, with dim prospects for genuine transformation in the short run. With obstacles at practically every corner, Iranians may simply settle by default for modest change through a new breed of pragmatic conservatism inspired by former President Rafsanjani.<sup>77</sup>

Taken aback by the electoral successes of the reform movement and their own obvious lack of public backing, a small but growing number of such pragmatic conservatives have begun to chart their re-emergence. They belong both to the relatively young and university-educated class and to the older clerical establishment who have become convinced that reforming the system is necessary in order to safeguard it.<sup>78</sup> A desperate effort to preserve the status quo at all costs, they concluded, would directly threaten the regime's survival. "If we insist on preserving our past policies and ignore popular support, our faction will become like a sect", said conservative thinker Amir Mohebian.<sup>79</sup> The conservative daily *Siyasat-e Ruz* has also called on conservatives to undertake "fundamental reforms in order to make ourselves more attractive to the people".<sup>80</sup>

For many Iranian conservatives, the public's exit from politics and boycott of voting booths presents an opportunity. As noted, when a mere 12 per cent turned out for municipal elections in Tehran, conservative candidates enjoyed their first success since Khatami's election in 1997. According to Morad Saghafi, a secular intellectual, "the conservative victory in the municipal elections was a microcosm of the strategy they hope will allow

them to win elections over the next two years".<sup>81</sup> Siamak Namazi, managing director of Atieh Bahar Consulting, agreed: "Many conservatives welcome the public's withdrawal from political life. They realise that the people who are no longer going to the polls were voting reformist – they say good riddance"!<sup>82</sup>

Former president Rafsanjani, the unofficial leader of the conservative pragmatist camp, is described by one observer as a "wily, seasoned, street-wise politician – probably the shrewdest and least dogmatic cleric in the Islamic Republic".<sup>83</sup> For Rafsanjani as for his followers, strategic and economic concerns ultimately must take precedence over ideological ones. There also are some indications that Supreme Leader Khamenei may be influenced by Rafsanjani's outlook. In late June 2003, to the surprise of many observers, he gave an unprecedented sermon stressing the importance to Iran of foreign investment. "This is the first time I have ever heard Khamenei speak positively of foreign investment", one political analyst said. "He usually refers to foreign investors as exploiters and bloodsuckers".<sup>84</sup>

Nonetheless, the conservative pragmatists face high hurdles. For now, they lack any genuine popular support and have been tainted with allegations of corruption. While many Iranians feel Rafsanjani is someone who can get things done, he and his family have been surrounded by a swirl of accusations, and his showing in the 2000 parliamentary elections – he finished 29<sup>th</sup> out of 30 candidates and subsequently resigned amid rumours of electoral impropriety – is evidence of his low political standing. Popular perception of other potential pragmatic conservatives is not much better.

What pragmatic conservatism would mean for Iran remains relatively unclear. Domestically, the favoured model appears to be China: economic liberalisation coupled with political repression and only gradual cultural loosening.<sup>85</sup> Diplomatically,

<sup>77</sup> Rafsanjani became president after Khomeini's death in 1989. He was appointed head of the Expediency Council by Khamenei in March 1997, making him Iran's virtual "number three".

<sup>78</sup> ICG Report, *Iran*, op. cit., pp. 11-12.

<sup>79</sup> Cited in Ray Takeyh, "Iran at a Crossroads", *Middle East Journal*, Winter 2003.

<sup>80</sup> *Ibid.*

<sup>81</sup> Afshin Molavi. "Backers of Iranian Reform Fight Tide of Frustration", *The Washington Post*, 13 July 2003. The next parliamentary elections are scheduled for 20 February 2004.

<sup>82</sup> ICG interview, Tehran, July 2003.

<sup>83</sup> Jahangir Amuzegar, "Iran's Theocracy Under Siege", *Middle East Policy*, Spring 2003.

<sup>84</sup> As quoted in Afshin Molavi, "Tehran Dispatch: Fine China", *The New Republic*, 8, 15 September 2003.

<sup>85</sup> Reformists tend to scoff at the idea of separating political and economic liberalisation, saying they are interdependent.

pragmatic conservatives lean toward what is referred to as a Russian scenario: a conciliatory foreign policy that helps inoculate the regime from international criticism and promote foreign investment.<sup>86</sup> Indeed, shortly after U.S.-led forces entered Baghdad, Rafsanjani intimated that ties with Washington could quickly be initiated if the need arose: "The Imam said that you could shut down praying and fasting if it were in the interests of the regime to do so. Based on this, whatever external problem that we might have on Islamic grounds, we can solve it if it is our interest to do so".<sup>87</sup>

According to this view, pragmatic conservatives believe they could increase their public standing by restoring relations with Washington while trumping the reformers in the process. Some have gone so far as to suggest possible readiness for a grand strategic bargain with the U.S., in which a number of current Iranian policies, including support for Hizbollah in Lebanon and radical Palestinian organisations, would be on the table.<sup>88</sup> Reformist strategist Ali-

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"Rafsanjani wants the fruits of modernity, but not the roots. Like Saudi Arabia". ICG interview with Ali-Reza Alavi-Tabar., Tehran, June 2003.

<sup>86</sup> ICG interview with Bijan Khajepour, Tehran, July 2003.

<sup>87</sup> Rafsanjani, as quoted in Siamak Namazi, "The end of the war and rapprochement in Iran", *Iran Energy Focus*, May 2003.

<sup>88</sup> In support of this view, Iranians point out that there is no strong public sympathy for either the Palestinians or Hizbollah, and, therefore, both are politically expendable. Domestic economic conditions coupled with a mixed relationship with the Arab world have led many Iranians to argue that "charity should begin at home". As one Iranian journalist remarked, "When the government was slow to come to the aid of earthquake victims in northeastern Iran last year, some villagers whose homes were destroyed complained that the government would have been quicker to react had the earthquake hit southern Lebanon". ICG interview, Tehran, July 2003. Having experienced a traumatic eight-year war with Iraq, many Iranians empathise with Palestinian suffering, but the backing of the Palestinians has created a backlash of sorts. A 31-year-old carpenter summed up a frequently heard sentiment: "We don't have a problem with Israel, that's the Arabs' problem. If the government were to stop supporting Hizbollah tomorrow I think most people wouldn't care". ICG interview, Tehran, June 2003. An Iranian diplomat told ICG that, given a dialogue with the U.S., "Iran's role in the Middle East is not beyond the realm of possibilities that can be discussed". ICG interview, September 2003. Abdullah Nuri, a reformist cleric and former interior minister imprisoned in 2000 for "spreading propaganda against the regime", said during his trial that Iran should not be "more Palestinian than the Palestinians". *Daily Telegraph*, 6 June 2003. That said, the views of some members of the political elite also are a function of longstanding ideological ties to Hizbollah and the

Reza Alavi-Tabar argues that "restoring relations with the U.S. is the ace card. Conservatives want to take credit for it".<sup>89</sup>

The conservative pragmatists' intentions toward the U.S. were perhaps best expressed by Mohsen Rezaei, a Rafsanjani protégé, former commander-in-chief of the Islamic Revolutionary Guards Corps and current secretary of the Expediency Council. At an April 2003 international security conference in Athens attended by former U.S. and Israeli officials, in which he participated in an unofficial capacity, Rezaei called for U.S.-Iranian détente based on "mutually agreed interests and advantages instead of pinpointing disputes".<sup>90</sup>

Rezaei – who some analysts believe will try for the presidency in 2005 – has expanded on his Athens statement, further emphasising the necessity of direct talks with the U.S., without the facilitation of Europeans (whom, interestingly, he criticised for "radical" insistence on improvements in Iran's human rights record). For Rezaei, "our relations with the U.S. and gaining advantages must not be realised through mediation by the UK. Iran itself can negotiate directly with the Americans...."<sup>91</sup> Taking into account Rezaei's reputation on the Iranian street as a hardliner with little regard for civil liberties, some democratic activists have insisted – at times with more hope than conviction – that "the U.S. can't sell out the Iranian people for a security arrangement".<sup>92</sup>

Such trial balloons by pragmatic conservatives have drawn unenthusiastic responses from conservatives and reformists alike. Reformists who championed a dialogue with the U.S. during the Clinton administration and were criticised for it, fear the card will be used to legitimise the conservatives' hold on power. Former deputy foreign minister Abbas Maleki, said to advise Supreme Leader Khamenei on foreign policy, told ICG that the U.S., not Iran,

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Palestinian national movement. As a Tehran University political science professor observed, "The Palestinian struggle was how many in today's government came of age as revolutionaries in the late 1960s and 1970s", and they retain a political, spiritual and ideological commitment to the issue". ICG interview, Tehran, June 2003.

<sup>89</sup> ICG interview with Alavi-Tabar, Tehran, June 2003.

<sup>90</sup> Iranian Student News Agency (ISNA) interview with Mohsen Rezaei, May 2003, taken from [www.baztab.com](http://www.baztab.com), which is believed to be Rezaei's own website.

<sup>91</sup> Ibid.

<sup>92</sup> ICG interview, Tehran, June 2003.

needed to change its “attitude and behaviour”. “Look at what they’ve done in Iraq and Afghanistan; the U.S. can’t afford to have chaos in Iran”. He dismissed Rezaii’s words as “irrelevant”, and maintained that he does not “have the authority to speak on behalf of the government”.<sup>93</sup> That said, Rezaii is unlikely to have spoken without the blessing of at least some powerful members of the regime.<sup>94</sup>

Whether policy corrections of the sort apparently considered by the conservative pragmatists would help sustain the conservative regime over the long run is uncertain. For now, they appear too limited to offer credible solutions to the country’s political and social problems, and significant economic improvement appears unlikely unless there is major change in the investment climate. Nor should there be any illusion regarding the degree of political and cultural flexibility of even the most pragmatic conservatives. A growing number of Iranians have concluded that there must be separation between religion and government.<sup>95</sup> However, newspaper editor Taha Hashemi – an adviser to Supreme Leader Khamenei who is considered to be among

the most enlightened conservative thinkers – made it clear in an interview with ICG that while “religious government has not met people’s demands”, the Islamic nature of the Iranian government is not a matter open to debate: “Religion must not be governed, government must be religious”.<sup>96</sup>

## VI. CONCLUSION

The survival and near paralysis of Iran’s widely unpopular political regime is a function of several factors. The absence of a united political opposition movement with concrete proposals and broad support and indecision on the part of the reformists are two; the government’s intimidating security network is another. The polarised international environment, typified by crises in Iraq and over Iran’s nuclear program, also appears to have provoked a closing of the ranks among the regime’s fractious tendencies. The combination of popular disenchantment with things political and regime willingness to resort to force to subdue protest makes it more difficult to imagine a successful form of mass politics in the short term.

Street protests that risk degenerating into bloodshed – even if from regime provocation – are unlikely to generate much popular support from Iranians grown weary of violence. This is all the more so given an economic situation that has left many Iranians focussed on subsistence more than on politics. Finally, the regime is not without its powerful domestic constituencies. Among them, a segment of the middle class that has gained economically since the revolution and a small yet wealthy and powerful group of merchants (*bazaaris*) and “religious foundations” (*bonyads*) have been the main beneficiaries of clerical rule and its main supporters.

The endurance of the regime and of the conservatives’ hold on it should come as no surprise. While unhappiness with the government is broad and deep, there is as yet no mechanism for such displeasure either to find an effective political outlet or build greater momentum. Iran is likely to face more of the same: a protracted struggle primarily between reformists and conservatives; widespread discontent; sporadic protests broken up when necessary by the security services; and economic change whose pace is far slower than the restive

<sup>93</sup> ICG interview with Dr. Abbas Maleki, Tehran, July 2003.

<sup>94</sup> “Part of the regime tries to establish ties with the U.S. and is strongly supported to do so at all levels”, said reformist parliamentarian Elaheh Koulaei, a member of the National Security & Foreign Policy Parliamentary Commission. “But it is interesting to note that the other part is not permitted to even talk about it”. Excerpted from a parliamentary roundtable discussion sponsored by the daily newspaper *Hambastegi* on 28 April 2003.

<sup>95</sup> While for many secular Iranians this may already have been a foregone conclusion, for a passionate majority who just over a decade ago dutifully followed Ayatollah Khomeini’s commands, such a shift in opinion is significant. A 42-year-old devout Muslim and former basij member expressed a commonly heard critique of Iran’s Islamic government, even using Ayatollah Khomeini’s rhetoric to prove his point: “Mr. Khomeini said that religion is exalted, while politics is unscrupulous...when you mix these two worlds together it brings down the name of religion”. ICG interview, Tehran, August 2003. Among Iran’s younger generation, there is even less affinity for a theocratic form of government. In response to a 22 June 2003 opinion article published in *The Washington Post* and alleging that Iranians still felt a “deep commitment” to the Islamic system, a 30-year-old professional Iranian told ICG: “After 25 years of a repressive religious regime in Iran, I seriously doubt if Iranians still remain deeply committed to an Islamic system. What many do not notice is that half of our population is under 25, and these people do not feel the slightest commitment to religious government”. ICG interview, Tehran, June 2003.

<sup>96</sup> ICG interview, Tehran, June 2003.

populace would want. Those Iranians who have laboured to reform their society, in short, may continue to feel as though they are ploughing the seas.

It would be wrong to expect student agitation or other forms of protest swiftly to oust the regime. They possess neither the necessary numbers, cohesion, experience nor political vision. Moreover, the political activism of Iranian students should be put in perspective. Given widespread disillusionment with President Khatami and the reform movement, much of Iran's youth appear more prone to expend their energy seeking to leave the country than trying to reform it.

There is in this an important message for the United States and the wider international community. Iran is at the centre of multiple security dilemmas critical to the region, including notably Iraq's and Afghanistan's political futures and nuclear proliferation. There should, of course, be no let up in world support for political reform and the struggle for human rights; the award of the Nobel Peace Prize to Shirin Ebadi provides a unique opportunity to amplify this message. But since the regime is not likely to collapse, engaging it on matters of urgent security concern is required, even at the cost of reinforcing it somewhat in the short term. Indeed, to be successful, any diplomatic approach will have to include potential economic benefits for Tehran and a response to its own quite sincerely felt security concerns – its growing sense of strategic encirclement (by Turkey, Afghanistan, Iraq and, common to all these, the U.S.) and nuclear disadvantage (*vis-à-vis* Israel, India and Pakistan).

A long, protracted domestic struggle in which the international community can be influential only on the margins will ultimately determine the shape of Iran's political system. This is both good news and bad. On the one hand, outside support from the U.S. or others for the opposition or for street protests will not seriously undermine the regime and may in fact only harden it.<sup>97</sup> On the other hand, any benefit the conservative establishment may seek to derive from engagement with the West probably will prove short-lived – and perhaps self-defeating. The depth of popular disaffection and the contradictions at the heart of the Iranian regime are such that its long-term sustainability in its current form is in serious doubt. Greater economic and cultural contacts with the outside world, combined with continued international insistence on seeing political reform and more respect for human rights, will strengthen Iran's burgeoning civil society not weaken it, and dilute the conservatives' hold on power rather than fortify it.

**Amman/Brussels, 15 October 2003**

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<sup>97</sup> On this issue, see Peter Ackerman and Jack Duvall, "The non-violent script for Iran", *The Christian Science Monitor*, 22 July 2003.



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