The Iranian political elite, state and society relations, and foreign relations since the Islamic revolution

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Introduction

This study analyzes the Iranian political elite and its related institutions, state-society relations, and foreign relations since the Iranian Islamic revolution in 1979 until (December) 2007. The main argument is, that domestic policies in Iran cannot be understood when neglecting the international level, whilst the foreign policies of the IRI are impossible to grasp without taking into account the domestic level. The domestic and international levels are interlinked and cannot be analyzed in isolation from each other.

Specifically, this study focuses on the rivalries for power between the different political factions of the Iranian political elite through state institutions, and the impact of these rivalries for power on economic, socio-cultural, and foreign policy issues. It further discusses how far domestic and foreign policies in Iran are a response to domestic, as well as international, developments, and challenges and also the impact of ideology (politicized religion/Shi’ism) on policy formulation in Iran.

The analysis is structured into four phases: (1) from 1979 to 1989 during Ayatollah Ruhollah Khomeini’s Supreme Leadership; (2) from 1989-1997 during the presidency of Hojjatoleslam Hashemi Rafsanjani; (3) from 1997-2005 during the presidency of Hojjatoleslam Seyyed Mohammad Khatami; and (4) since the presidency of Mahmoud Ahmadinejad in 2005. Each phase is characterized by major shifts in economic, socio-cultural, and/or foreign policy formulation as well as public debates on these issues. The author has chosen a chronological approach as this is considered to be an appropriate way to analyze and evaluate continuity, and change in policy formulation and public debates in Iran since the Islamic revolution. Within this chronological order, for methodological reasons, there will be separate chapters on the economy, socio-cultural issues, and foreign policy in Iran. This will enable better evaluation of how the rivalry between the political factions has impacted on these issues. Naturally, the way these issues influence each other will be clearly stressed in the analysis. The following set of questions will be dealt with in this study:

(1) What is the place of the Iranian political elite and its related institutions in the Iranian society? What role does the Iranian political elite play in domestic (economic, socio-cultural) and foreign policy formulation? How much does the Iranian political elite contribute to or slow down economic reform and democratization in Iran?

(2) What effect does factionalism within the Iranian political elite have on the control of state and para-governmental institutions and economic, socio-cultural, and foreign policy formulation? What is the driving force for a political faction to pursue specific domestic and foreign policies, are the motives ideological (politicized religion/Shi’ism), pragmatic or a combination of both?
(3) What impact do domestic and global developments have on policy formulation in Iran? What impact does the political discourse among intellectuals, the media, the women’s movement, and students have on policy formulation in Iran? What effect does the way Iran is viewed by other governments (the Persian Gulf countries, Russia, Central Eurasia (CEA)\(^1\), China, India, the United States (US), the European Union (EU) [member countries]) have on policy formulation in Iran? What effect does the way Iran sees its role in the world have on policy formulation in Iran?

(4) What is the position of Iran in international relations? Has it changed since the Iranian Islamic revolution or remained the same? What is the nature of relations between Iran and the Middle East, Russia, China, India, and the US since the Islamic revolution?

(5) What is the nature of relations between Iran and the EU? What role does the EU play in Iran’s overall foreign policy strategy? What role does Iran play in the EU’s overall foreign policy strategy, and that of its member countries?

Theoretically, this study combines elite theories with studies on political regimes, and with the critical theory/critical geopolitics approach, to be discussed in chapter 1. To better understand the nature of a political system, one has to look at both the similarities between, as well the uniqueness of, governments and societies. To label the nature of a political system, however, does not by itself provide a better understanding of the power relations in a country. An important element of power in a society is the political elite. Yet, the knowledge of how members of the political elite relate to each other and to the rest of society does not give us a clear understanding of how domestic and foreign policy is formulated. Here other factors play a role such as the impact of ideology (politicized religion/Shi’ism) or the pressures from external forces on policy formulation. The main argument for this eclectic scope, in developing the theory, is that as far as the author is aware there exists no theory that combines these three subjects into one coherent model.

Methodologically, the study is based on literature, newspaper articles, original documents (i.e. governmental annual reports, press releases etc.), and interviews with Iranian academics and politicians. In this study, a distinction is made between the formal and informal power structure in the IRI. The IRI has a formal power structure derived from its state institutions (see figure 2.1). The informal power structure is based on personal networks or alliances between the members of the political factions with high positions in state institutions, but also those who fall outside the institutional power structure, such as, writers, intellectuals, and journalists (see figure 2.2).

The formal power structure is often presented in such a way that the Iranian people, or the electorate, stand at the top of the hierarchy (see for example Buchta 2000: diagram 1). This arrangement, however, provides a picture of the formal power structure

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1. Central Eurasia includes the countries of Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan) and South Caucasus (Armenia, Azerbaijan, and Georgia).
that could be misinterpreted. Though the Iranian public participates in the political process through electing the president and members of parliament, candidates running for presidency or parliament have always to be approved by the Council of the Guardian (Shora-ye Maslahat-e Nezam). Furthermore the supreme leader (vali-ye faqih) has the final say over all bills that have been passed in parliament. Consequently, as is shown in figure 2.1 it is actually the supreme leader, who stands at the top of the hierarchy of the formal power structure, while the Iranian public stands at the very bottom.

The distinction of the political elite into factions is not the author’s own categorization, but is based on several works published on factional politics or factionalism in the IRI, see for example Mehdi Moslem Factional Politics in post-Khomeini Iran (2002), Hossein S. Seifzadeh The Landscape of Factional Politics and Its Future in Iran (2001), Wilfried Buchta Who Rules Iran-The Structure of Power in the Islamic Republic (2000), and Bahman Bakhtiari Parliamentary Politics in Revolutionary Iran- The Institutionalisation of Factional Politics (1996). This distinction is also used by the Iranian political elite and the Iranian public, as can be seen from academic publications, newspaper articles, speeches etc.

As there are no official parties in Iran that compete for power, the political factions reflect their members’ views on economic, socio-cultural, and foreign policy issues. But the factions are not homogenous. They are loose networks of groups, organizations, and clergy, as well as religious laypersons. They all supported Khomeini, the Islamic revolution, and the idea of the Islamic state. But they disagree on the nature of the IRI’s political system and on economic, socio-cultural, and foreign policy issues.

The categorization into different factions also has its problems, as a categorization fails to bring to the fore the overlaps between the factions. In chapter 2 an attempt to solve this problem is made by demonstrating persisting and changing ideas on economic, socio-cultural, and foreign policy issues, between and within the factions, from a historical perspective from 1979 until the presidency of Mahmoud Ahmadinejad.

One of the aims of this study is to give an as up-to-date as possible picture of political, economic, socio-cultural, and foreign policy events in Iran. The author is aware, however, that each academic work has its limits of actuality. This is due to publication schedules or other technical issues, related to the work, but also as the most recent events can show their effects only after days, weeks, months, or years. This can influence the analysis of recent events, which in the worst case would have to rely on speculation rather than decent evaluation.

This study is not based on a single system of transliteration. The reader is requested to forgive any transliteration inconsistencies.

The study departs from the assumption that two aspects are the main obstacles to
fundamental economic, socio-cultural, and foreign policy change in Iran or a change of the political system:

(1) The first is the system of the *velayat-e faqih* (Supremacy of the Jurist) as introduced by Ayatollah Khomeini after the Islamic revolution. The system of the *velayat-e faqih*, which is the basic principle of the IRI, grants supremacy on all policies to the supreme leader and therewith undermines democratic processes in Iran.

(2) The second is the rivalries between the different political factions for power. Because of these rivalries, the Iranian government has been unable to develop a coherent economic policy and to regulate its relations with domestic opposition and its international relations. As a consequence, economic, socio-cultural, and foreign policy reforms are introduced and implemented only slowly.

Almost 30 years after the Islamic revolution, the IRI remains the subject of misunderstanding. Though the Iranian constitution of 1979, institutionalized after the Islamic revolution, is unique and has absolutely no predecessor, the Islamic revolution was not a big break with the past – (the Pahlavi regime 1921-1979) – but to the contrary, as will be shown in this study, the IRI, indeed, shows many aspects of continuity with the Pahlavi regime.

The Islamic revolution did not result in the establishment of a political regime oriented towards the past/traditionalism, but to the contrary has produced a society that is partly very modern and progressive. Since the Islamic revolution the country has a low illiteracy rate, a high rate of higher educated people, and especially, a large number of highly educated women. The younger generation is very critical of the Iranian government. It is aware of its personal needs and longings, and it is not afraid to articulate these anymore.

The Islamic revolution took place by a coalition of Islamic, secular, and liberal Islamic social forces. It was the combination of these forces, and not Ayatollah Khomeini and his followers alone, who were able to mobilize the masses. Though the secular and liberal Islamic forces were eliminated from power shortly after the revolution, ideological divisions remained, even among the supporters of Khomeini. When Khomeini was still alive, he was able to channel the ideological divisions among the Iranian political elite and, therewith, prevent major clashes between them. After his death in 1989 these divisions intensified. His death created the space for a more open conflict among the political elite who held different views on economy, socio-cultural issues, and foreign policy. Since then, the different views have been gathered in political factions that compete with each other for power.

Iran’s involvement in the international arena remains paradoxical. On the one hand, Iran is eager to improve relations with the countries of CEA, the Persian Gulf countries, Russia, China, India, and the EU. On the other hand, the US is seeking to isolate it still further, with great effects not only on Iran’s position in world politics but also for economic reforms in the country. The relationship between Iran and the outside world is potentially quite confrontational, as has most recently been shown in the nuclear issue.
At the same time, there are flourishing intellectual discourses in Iran on issues such as: democracy; the role of religion in politics; the role of the clergy in politics; the role of women in society, etc. They force the political factions to think about and sometimes reformulate their positions on economic, socio-cultural, and foreign policy issues. This discourse started after the death of Khomeini, first among clergy and lay intellectuals who enthusiastically supported the Islamic revolution but have now become its most bitter critics. Since Mohammad Khatami’s presidency, this discourse is not limited anymore to circles of intellectuals, but includes, also, the Iranian public at large that debates these issues through their own websites and web logs.

The Islamic regime, until now, has been able to keep political stability at home. Strong institutions and violence against the Iranian population, however, are only useful to counter threats “from within” in the short term. They do not create enthusiasm for and legitimacy of the political regime in the long term. The question is whether the Islamic regime is eventually doomed to fail?

**Organization of the work**

**Chapter 1** deals with the theoretical framework of this work. Here the nature of the political system of Iran is defined. It further discusses elite theories, their strengths and weaknesses when applied to the Iranian political elite. Furthermore, this chapter introduces the critical theory of international relations (IR) and international political economy (IPE) and its related critical geopolitics approach. It is argued that foreign policy formulation is not only about foreign policy practices, political, and economic interests, but also about past experiences and a reflection of how a government and its society view the outside world, how a country is viewed by other governments and their societies, as well as the influence of other countries’ foreign policy practices. It finally discusses the role that ideology ( politicized religion/Shi’ism) plays in policy making within Iran.

The Iranian Islamic revolution caused a fundamental change in the composition of the political elite in Iran, whose secular oriented members were replaced by mainly the clergy and religious laypersons. **Chapter 2** analyzes the formal and informal power structures in the IRI since the Islamic revolution, the (changing) position of the different factions of the Iranian political elite on economic, socio-cultural, and foreign policy issues, their control of state institutions, as well as their economic resources. It also discusses the emergence of the different political factions since the Islamic revolution in 1979, their rivalries, alliances, and counter alliances up until the present day (December 2007).

As can be seen in **chapter 3** the economy in Iran has been in a continuous crisis since 1979. Apart from the economic legacy of the Shah period, and increasing pressures both globally (e.g. sanctions imposed on Iran by the US) and domestically (huge unem-
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employment rate, large population of young people), the war with Iraq 1980-1988, and the country’s great dependence on the export of oil and gas to international markets have had constraining effects on the Iranian economy. Other constraining factors have been the lack of infrastructure, material, managerial, and institutional bottlenecks as well as the interests of certain elements within the political elite against liberalization and privatization policies. This chapter discusses the varying approaches of the different political factions on economic issues and the impact of the rivalries for power, between the factions, on economic developments since the Islamic revolution.

There are great differences in the socio-cultural outlook of the different political factions and, consequently, in the policies they pursue. When Ayatollah Khomeini had become supreme leader after the revolution, all social areas, such as, the school system, universities, and public law were Islamized. After Ayatollah Khomeini had died in 1989, and Hashemi Rafsanjani became President, gradually the legacy of Khomeini’s leadership was questioned among intellectuals. Large parts of the population urged socio-cultural reforms, which even intensified with the election of Mohammad Khatami as president in 1997, and again since Mahmoud Ahmadinejad has become president in 2005. Chapter 4 analyzes the various positions of the political factions of the Iranian political elite on selected socio-cultural issues, and the consequences of the rivalries between the different factions for socio-cultural developments in Iran from 1979 until today. It focuses on: the role and position of women in Iran since the establishment of the IRI; the situation of the public media; and intellectual debates on democracy, the role of religion in politics, and the role of the clergy in politics.

The foreign policy of the IRI is often described as being ideology (politicized religion/Shi’ism) driven. However, since the death of Ayatollah Khomeini in 1989, the end of the Cold War changes in international relations in recent years (9/11, the war in Afghanistan and its consequences, the war in Iraq in 2003 and its consequences) these factors carry less weight than during the rule of Ayatollah Khomeini. Chapter 5 explores foreign policy practices of the IRI that were dominated by the Islamic ideology during Khomeini’s leadership, but since President Rafsanjani have been influenced by pragmatism. Since the disintegration of the Soviet Union, preserving regional stability drives Iran’s foreign policy, especially towards its neighboring countries of the Persian Gulf, but also, CEA, Russia, China, and India. The aim of improving its economy has forced the Iranian policy-makers to improve economic relations with the West, especially the EU and to re-establish relations with the US, even at the expense of revolutionary principles.

Since the Islamic revolution it can be assumed that Iran needs the EU because of economic interests and its continuing difficult relationship with the US. For the EU, Iran is a potential supplier of oil and gas, as well as an important factor for stability in the Middle East, and therewith in its own backyard. Chapter 6 and 7 discuss the relations
between Iran and the EU since the Islamic revolution until today. **Chapter 6** focuses on the foreign policy of the IRI towards the EU and its main member countries with the most diplomatic and economic ties to Iran i.e. Britain, France, Germany, and Italy.

The EU is Iran’s largest trading partner. For Europe the disintegration of the Soviet Union meant that security policies have gained in importance over economic relations. This is particularly so considering its concern for the security of oil and gas supply. Despite political-diplomatic differences in the last decades the points of contact between Iran and the EU have become more varied and interaction has increased, particularly on the inter-societal level. **Chapter 7** analyzes the four main policy initiatives towards Iran taken from the EU since the beginning of the 1990s, namely (1) Iran-European Union Energy Policy Dialogue; (2) Iran-European Working Group on Trade and Investment; (3) Iran-European Union Human Rights Dialogue; (4) the proliferation of nuclear weapons. It is also interested in why the individual EU member countries follow specific, sometimes contrary, policy strategies towards Iran and what effects this has on developing a joint EU policy on Iran.

The study ends with a general conclusion.

This study aims to contribute to a better understanding of Iran since the Islamic revolution. The Iranian society, like all other societies, is a complex one that cannot simply be defined as “fundamentalist” or “backward oriented,” just because its political regime is based on politicized religion. Both on the elite and on the public level, ideas on economic, socio-cultural, and foreign policy issues range from very conservative to very progressive in Iran. This makes it very difficult to get a clear picture of what is the driving force behind a specific policy, and whether this policy has legitimacy among the majority of the people. The analysis of domestic and foreign policy in Iran are not separate undertakings. As will be shown, both are interrelated and cannot be analyzed isolated from each other.