Iran's 2016 election

March 15, 2016

POMEPS Briefings 29

Project on Middle East Political Science

Contents

Pre and post-election analysis

Why the triumph of moderates is a setback to Iranian democracy 6
By Mohammad Ayatollahi Tabaar, Texas A&M University

Iran's election wasn't about moderation or democracy.
It was about how Iran will re-engage with the world. 8
By Amir Hossein Mahdavi, Harvard University

How women, the Green Movement and an app shaped Iran's elections 10
By Narges Bajoghli, New York University

How Iran's elections marginalized radicals and consolidated a new political center 12
By Shervin Malekzadeh, Swarthmore College

Why Iran's Assembly of Experts election is the real race to be watching 14
By Farzan Sabet, CISAC Stanford University

How Rouhani could lose even if reformists win Iran's election 16
By Payam Mohseni, Belfer Center, Harvard Kennedy School of Government

Recent Iranian political context

Iran's grass-roots politics and the nuclear deal. 20
By Mohammad Ali Kadivar, University of North Carolina at Chapel Hill and Ali Honari VU University Amsterdam

Where Iran's hard-liners diverge from the moderates 22
By Shervin Malekzadeh, Swarthmore College

Iran's political economy under and after the sanctions 25
By Kevan Harris, University of California, Los Angeles

What's really at stake in the Iran deal? Identity politics.. 27
By Sidra Hamidi, Northwestern University

Why did Iran's parliament hold hearings on the nuclear deal? 29
By Amir Hossein Mahdavi, Harvard University, Brandeis University Crown Center

What Iran will really do with its sanctions relief windfall 31
By Eric Lob, Florida International University

Online Article Index

https://www.washingtonpost.com/news/monkey-cage/wp/2016/03/09/why-the-triumph-of-moderates-is-a-setback-to-iranian-democracy/

https://www.washingtonpost.com/news/monkey-cage/wp/2016/03/03/irans-election-wasnt-about-moderation-or-democracy-it-was-about-how-iran-will-re-engage-with-the-world/

https://www.washingtonpost.com/news/monkey-cage/wp/2016/03/01/how-women-the-green-movement-and-an-app-shaped-irans-elections/

https://www.washingtonpost.com/news/monkey-cage/wp/2016/02/29/how-irans-elections-marginalized-radicals-and-consolidated-a-new-political-center/

https://www.washingtonpost.com/news/monkey-cage/wp/2016/02/24/why-irans-assembly-of-experts-election-is-the-real-race-to-be-watching/

https://www.washingtonpost.com/news/monkey-cage/wp/2016/02/24/how-rouhani-could-lose-even-if-reformists-win-irans-election/

https://www.washingtonpost.com/blogs/monkey-cage/wp/2015/04/08/where-irans-hard-liners-diverge-from-the-moderates/

https://www.washingtonpost.com/blogs/monkey-cage/wp/2015/04/06/irans-grass-roots-politics-and-the-nuclear-deal/

https://www.washingtonpost.com/blogs/monkey-cage/wp/2015/04/23/irans-political-economy-under-and-after-the-sanctions/

https://www.washingtonpost.com/blogs/monkey-cage/wp/2015/07/16/whats-really-at-stake-in-the-iran-deal-identity-politics/

https://www.washingtonpost.com/news/monkey-cage/wp/2015/11/04/what-iran-will-really-do-with-its-sanctions-relief-windfall/

https://www.washingtonpost.com/news/monkey-cage/wp/2015/10/06/why-did-irans-parliament-hold-hearings-on-the-nuclear-deal/

The Project on Middle East Political Science

The Project on Middle East Political Science (POMEPS) is a collaborative network that aims to increase the impact of political scientists specializing in the study of the Middle East in the public sphere and in the academic community. POMEPS, directed by Marc Lynch, is based at the Institute for Middle East Studies at the George Washington University and is supported by Carnegie Corporation of New York and the Henry Luce Foundation. For more information, see http://www.pomeps.org.

On February 26, 2016, Iran held elections for its Assembly of Experts, the body tasked with choosing the next supreme leader, and the Islamic Consultative Assembly (its parliament or *majlis*). As the first major round of voting since 2015's historic Joint Plan of Comprehensive Action nuclear agreement, the world watched the results closely — and Iran's leaders leveraged this international focus.

While many reformist candidates were barred from running, and those who did were censored on state media, new forms of communication and social media aided existing organizing networks for a strong showing for the reformist candidates, most notably in Tehran. Coalitions between moderates and reformists potentially herald a new era of politics in the Islamic Republic, though it has yet to be seen if these changes will translate mean greater democracy.

POMEPS Briefing 29 collects a series of reflections from top regional scholars that provide political context and important analysis of these watershed elections. Read the full collection here.

Lauren Baker
POMEPS Coordinator
March 15, 2016

Pre and post-election analysis

Why the triumph of moderates is a setback to Iranian democracy

By Mohammad Ayatollahi Tabaar, March 9, 2016

The stunning performance of Iran's moderate forces in the Feb. 26 elections has prompted new optimism for democracy in the Islamic Republic. It should not.

The victors of these elections might better be described as a mighty centrist coalition of pragmatists, reformists and moderate conservatives. This coalition aims at narrowing the ideological spectrum in Iran at the expense of both democracy and Islamism. Headed by former President Akbar Hashemi Rafsanjani and his protégé current President Hassan Rouhani, this coalition has been three decades in the making. Here is how:

After removing leftist and nationalist rivals after the 1979 revolution, Iranian Islamists split into radical left and conservative right. Then-Supreme Leader Ayatollah Khomeini struck a balance between the two until his death in 1989 unleashed a vicious rivalry for power. Rafsanjani seized the opportunity and first teamed up with the conservative right against the radical left. But in 1997, he shifted allegiances and partnered with the left against the right.

The first alliance helped Khamenei's transition from a weak president to a weak supreme leader and Rafsanjani from a powerful speaker of the Majles to a powerful president, both thanks to the recent constitutional amendment. The balance of power between the two figures, however, reversed and they fell apart in the mid-90s over various domestic and foreign policy issues culminating in Khamenei blocking Rafsanjani to change the constitution to become a third-term president. To Khamenei's dismay, Rafsanjani then threw his political machinery behind the radical left, now calling themselves "reformists." This helped Mohammad Khatami secure the presidency in 1997.

In the following two decades, however, both left and right ensured Rafsanjani paid a price for his treacherous alliance formations. Taking advantage of the limited liberal climate, the radical wing of the reformist camp accused him of masterminding the killings of dissidents and pushed him out of the parliamentary race in 2000.

With Rafsanjani out of the picture, Khamenei could easily oust the divided reformists. Soon after it was the radical wing of the conservatives, led by Mahmoud Ahmadinejad and blessed by Khamenei, that went after Rafsanjani. It defeated him in the 2005 presidential race.

Ahmadinejad's controversial reelection in 2009 and the bloody Green Movement brought Iran's political actors into a deadlock. The conservative establishment had the hard power but suffered from lack of legitimacy, while the reformists had popular support with little access to the state. Taking advantage of the deep fissures within each camp, Rafsanjani gradually re-emerged by bringing the "moderate" side of each faction onboard. But that required ideological concessions.

The reformists downgraded their democratic and human rights priorities, while the moderate conservatives moved away from their anti-American and overtly Islamist rhetoric. Both inched closer to Rafsanjani's economic development and pragmatic foreign policy models.

Former President Khatami, who ran on a civil society platform in 1997, had to appeal to his supporters this time to vote for a united "List of Hope" that included merciless judges of military and revolutionary tribunals. In a letter from prison, a political activist described her pain in casting her votes for Khatami's lists. Yet, millions such as her responded to Khatami's call and delivered a historic victory, particularly in Tehran.

Reformists have adamantly remained unified behind Rouhani and Rafsanjani by lowering their demands. The fact that even a moderate conservative such as Ali Larijani, speaker of the Majles, ended up on their list and enjoyed their popular support demonstrates how much both sides have moved toward the center.

Perhaps the best indication of the durability of this alliance is that the very same reformists, who spearheaded the campaign against Rafsanjani and Khamenei in the late 90s, have called for absolute restraint from any antagonizing behavior this time around.

The supreme leader has found himself in a position to either continue backing the losing ultra-conservatives or slowly shifting to the center as well. The second option can make him a less powerful leader in a more powerful regime. He may not be happy to lose this personal battle to Rafsanjani; nevertheless, the net result can still be positive for him. While this, together with the strong element of uncertainty, fit the classic democratic transition model, it could also be seen as a typical authoritarian strategy.

The Islamic Republic owes much of its existence and survival to the shrewd use of "moderates." It was Khomeini's alliance with the nationalist leader Mehdi Bazargan that projected a democratic vision for the upcoming revolution and helped delink the shah from the United States and Iran's Imperial Army. Bazargan, who became the first prime minister subsequent to the revolution, was also the first moderate casualty after Khomeini turned anti-American in order to outbid his communist nemesis.

But the regime began to generate its own moderates in the coming three decades. Each time, these emerging factions clashed with the conservative establishment, while projecting a new face and hope, and thus helping resolve the regime's international or internal crises. By now, the regime has lost so many layers to the moderate camp that one wonders which group of Khomeini's disciples represents the real Islamic Republic.

On the one side, there is Khamenei and on the other, all of his presidents — except Ahmadinejad, a radioactive figure disowned by all parties. The fault-line similarly cuts through key institutions such as the IRGC and now reportedly even the Guardian Council. The recent elections have released centripetal forces to mend this internal fissure. Khamenei and his conservative but key minority constituency may have no choice but to come on board. Or so Rafsanjani thinks.

Similarly, the Iranian electorate sees no option but to vote for the candidates it has, not the candidates it wishes it had. But even more surprising is the regime's open acknowledgement of this. A few days before the election, Rouhani compared voting to shopping. "Sometimes you don't find the ideal clothes for your children at a store. Nevertheless, you buy the clothes that are not your ideal just to prevent your child from catching a cold," Rouhani said.

Although he implied that this was by default, it could also be seen as by design. Yet the popular response, particularly in Tehran, was shocking to all sides. The winners of Tehran's 30 seats in the Majles were the 30 candidates on the list that Rafsanjani, Khatami and Rouhani backed. Similarly, the same coalition in Tehran won 15 of the 16 seats in the Assembly of Experts. Ayatollah Ahmad Jannati, the head of the Guardian Council, the body that disqualified the vast majority of the reformists, barely won the 16th seat. Behind him, defeated, was the current head of the Assembly of Experts, Ayatollah Mohammad Yazdi.

In order to manage a restless young population, Rafsanjani and Rouhani now realize that they must prepare for a major act. They need to dilute the Islamist core of the regime, release it from the self-inflicted anti-American trap and set it on a nationalist path directed toward the West. They could sell these liberalizing measures to the citizens as a bridge toward democracy, while framing them for the conservative establishment as an authoritarian delaying tactic. Their success might be productive for many important domestic and foreign policy initiatives. Building a democracy is not one of them — unless it becomes an unintended consequence.

Mohammad Ayatollahi Tabaar is a fellow at Rice University's Baker Institute for Public Policy and an assistant professor of international affairs at Texas A&M University's Bush School of Government and Public Service. He is also a non-resident scholar at the Middle East Institute in Washington, D.C.

Iran's election wasn't about moderation or democracy. It was about how Iran will re-engage with the world.

By Amir Hossein Mahdavi, March 3, 2016

Iran's elections last week made this clear: Politics have changed in the Islamic Republic – and it was the nuclear deal with the West that made the difference. Since the beginning of Mohammad Khatami's presidency in 1997 until last week's parliamentary election, the Iranian political landscape was divided between reformists and conservatives. While reformists tended to be more liberal and advocated more cultural and political freedom, conservatives supported an extreme enforcement of sharia law and a more limited circulation of power. Now, these two groups are working together.

With Iran's nuclear deal between Iran and the P5+1, structured politics in Iran has changed. President Hassan Rouhani's election was not a surprise. The biggest issue in the 2013 presidential election was over the costs incurred by Iran's nuclear program — Rouhani was the only candidate who promised to work out a compromise with the United States if elected.

In Iran now, the main debate has not been over democracy or human rights, but over the Rouhani government's purchasing of Airbus airplanes. Opposition candidates emphasized the application of "resistive economy" (a national economic structure that is resistant to any external sanctions) and warned against Western economic influence. Proponents of internationalization defended the purchase of Airbus airplanes and dismissed denunciations of the excessive economic influence of the West as amounting to "conspiracy theory." This exemplifies the new terms of political division.

There is also the hard-liners' argument for isolation. The supreme leader of Iran holds highly pessimistic views of the U.S. government and, even after the nuclear deal, considers it "unreliable." From his perspective, the Western world has shifted from the goal of overthrowing the Iranian government to seeking to transform, or Westernize, it. The West strives to achieve this end, he believes, through its supporters inside Iran. Therefore, he constantly warns against the influence of the West and asks Iranians to vote against candidates who are supported by the West. Prior to the election, Ayatollah Ali Khamenei encouraged voters to vote in a manner that went completely against the U.K.'s wishes. He was referring to a piece in the BBC Persian website that says how the voters in Tehran could avoid three grand Ayatollahs to get into the assembly of experts. Finally, two of those three Ayatollahs could not win the election, so their supporters accused the winners of being the British List! That was why the supreme leader in his first statement after the election said, "Progress does not mean being digested in the stomach of global arrogance, and preserving national dignity and identity is not possible except with comprehensive and home-grown progress."

Iranians do not appear to have followed their supreme leader. The leader's post-nuclear deal views reveal that he will loosen Iran's isolation only to the extent that his continued rule over the country is ensured, but that he has no intention of returning to the international community. Accordingly, Ayatollah Khamenei and his closest allies seek to forestall direct collaboration between Rouhani's government and the West. Such collaboration between Iran and Western governments and companies improves the circumstances of certain Iranian businesses and entrepreneurs — which, according to hard-liners, helps destroy the Islamic revolution from within.

The results also spark hope for further cooperation of this nature between Rouhani and the West. With that, we observe a meaningful downward slope in the success of the internationalist list from metropolises to small towns. In Tehran, its supporters gained all of the seats; in cities with populations of over 1 million, their average victory was about 60 percent; and in small towns, it falls to one-third of the parliamentary seats.

On the other hand, the regime doesn't want to convey to the world even the slightest sign of unrest and instability. With the ending of sanctions, the goal is limited and controlled foreign relations — neither the previous international isolation nor direct confrontation — while minimizing social discontent and minimizing the necessity of direct and costly encounters with dissidents. That was why the election took place with minimal government intervention in communication and campaigning. Unlike some previous elections, this one was characterized by no restrictions on the Internet or on mobile communication.

Internationalization might be the most practical way for the Rouhani government and the nuclear deal supporters to achieve their goals. The last clash between the reformists and the conservatives was over the controversial 2009 presidential election. The 2009 Green Movement was severely suppressed, with hundreds of dissidents jailed or murdered. Since 2009, Iranian citizens have been observing the course of events following the Arab Spring, as well as events in Syria.

The Syrian crisis has taught Iranians who are otherwise eager for change a few lessons. First, dissidents reason that if Syrian President Bashar al-Assad could harshly suppress Syria's dissidents, similar behavior on the part of the Iranian regime is not at all unlikely. In addition, the same regional beneficiaries who have brought Syria to the edge of disintegration by contributing negatively to the crisis in that country could also endanger the territorial integrity of Iran. Finally, with the exception of Tunisia, the Arab Spring has not been as fruitful as the revolutionaries hoped it would be.

Generally, the Arab Spring has affected two generations of Iranians — those who experienced either the 1979 Islamic Revolution or the 2009 Green Movement — to the extent that they are less inclined to hold street protests. Instead, they choose to sustain the revolutionary essence of the Islamic Republic through internationalization and economic and cultural exchange with the West. Therefore, despite the Guardian Council's historic disqualification of candidates, voters in Tehran sent the whole pro-Rouhani list to parliament. Remarkably, 20 of the 30 members of the list were completely unknown to the public and brand new in the political arena. This spoke to the ultimate goal of removing the anti-nuclear-deal representatives from parliament rather than replacing them with the best candidates.

Rouhani's hands are not tied as he seeks to achieve some degree of internationalization. Low oil prices, along with infrastructure ruined during Ahmadinejad's administration, enhance the Iranian regime's need for Rouhani's moderate governance. In 2005, extremists succeeded in replacing Mohammad Khatami with Mahmoud Ahmadinejad at a time when the price of oil was $50 a barrel and Iran's annual economic growth rate was 6.2 percent. As of February this year, with the price of oil at $28 a barrel, the rate of economic growth is close to zero and Iran's public debt is greater than its public assets.

With unemployment climbing at a rate of 2 million a year, the economic crisis is startling. Even the leader and the Iran Revolutionary Guards need Rouhani's government to handle routine administrative matters. This is evident in the healthy and peaceful manner in which the election was conducted. Although the key members of the supreme leader's circle — including his son's father-in-law — could not get into the next parliament, Khamenei endorsed the election, preventing any clash between Rouhani and the other parts of government.

By focusing on internationalization, Rouhani crafted a stance more comprehensive than either that of the reformists or the Green Movement. Many conservatives who opposed the reformists for various reasons — including differences with regard to religious views — are now on Rouhani's side. And the commitment to establishing a dialogue with the world has made it possible to connect with those young people who favor establishing new relations with the world and a different lifestyle but are not necessarily pro-democracy activists.

More religious right-wing conservatives and the less politically active young plus the Reformist Party have

together formed what could be called the nuclear deal and internationalization front. Despite the historic disqualification of more than 90 percent of pro-government figures from the parliamentary election, the social diversity of the pro-internationalization movement caused this group's approved list of anonymous candidates to gather momentum in the course of one week.

Iran's new political alignment augurs less violent and more slow-paced change, and it lacks any theoretical or doctrinal definition. But it is real — and especially in light of the diversity of the internationalization movement with regard to age and social values, may ensure that change in Iran is, for the present, likely to be more focused on the quality of daily life. It is the triumph of Airbus over democracy.

Amir Hossein Mahdavi is a researcher at Brandeis University's Crown Center for Middle East Studies and a graduate student at Harvard University's Center for Middle East Studies. He previously served as an editor at several of Iran's dailies.

How women, the Green Movement and an app shaped Iran's elections

By Narges Bajoghli, March 1, 2016

Iran's Feb. 26 elections witnessed 60 percent voter turnout, producing significant gains for the reformists and moderates associated with President Hassan Rouhani. The results were especially striking since thousands of reformist candidates had been disqualified from running and hard-line elements of the regime had enforced a media blackout of popular reformists, such as former president Mohammad Khatami. How did the moderate bloc galvanize voter turnout in the face of these obstacles?

The reformist/moderate success was shaped by preexisting networks of people and activists, coupled with online organizing via social media platforms — mainly Instagram and Facebook — and the secure chat application, Telegram.

One key preexisting network was the women's rights movement. Women's organizations began organizing for the elections in November by releasing videos encouraging women to register as candidates and pushing for a 30 percent increase in seats for women, through "The Campaign for Women to Win 100 Seats." Significantly, these efforts featured activists from across the political spectrum coming together for one goal: to gain seats for women who would fight for pro-equality gender issues.

The women's movement in Iran has been the longest and most sustained movement for change in the Islamic Republic. The plethora of activists that make up this movement have longstanding networks that function both online and offline. Activists tapped into these networks and, despite the rampant disqualifications by the Guardian Council, the new Parliament will feature more than double the previous number of female MPs, nearly all from the moderate/reformist coalition. "What women in the movement were able to do as far as pushing women to run as candidates in this election cannot be understated," said Elnaz Hosseini, a 40-year-old activist who has been involved with various groups in the women's movement for the past 20 years. In Tehran, all eight women from the Rouhani "List of Hope" have been elected, as well as women from other major cities.

Another prominent network was the plethora of activists, journalists, student leaders and reformists pushed into exile after the suppression of the 2009 Green Movement. With deep organizing experience, these people are now spread out across Europe, North America and Australia, but have maintained strong ties to their networks in Iran. Using their Facebook pages and participating in the vibrant media sphere of the Iranian diaspora – from online news sites to over two-dozen satellite stations broadcast daily into Iran – these activists were crucial in encouraging strong voter turnout. They created online memes, catchy graphics to be used as profile pictures, stickers for chatting applications and short videos to create excitement about the vote and the potential of sidelining the hard-liners. Their organizing experience, especially from campaigning during the 2009 presidential elections, and their ability to tap into their networks should not be underestimated. Their efforts were so effective as to provoke hard-line newspapers and news agencies to denounce the List of Hope as a British-led effort to foment unrest in Iran.

The power of organizing along these preexisting networks was amplified by the effective use of social media platforms and telephone messaging applications. Despite a media blackout on popular reformists, such as Khatami, the former president took to his Instagram page, Telegram channel and YouTube to release a video encouraging all to vote for the reformist/moderate List of Hope in both elections. A Facebook page entitled "We Will Be Khatami's Press," helped spread the video. Khatami's video quickly circulated on social media, and soon after, popular movie and sports celebrities came out in support of voting for the same list, widely touted by the domestic reformist press.

Users, including actress Baran Kosari, began to create Dubsmash videos of Khatami's speech, creating a ripple effect of his call for participation and making the message go viral. Despite Khatami's image being banned in Iranian press, his voice reached Iranians on social media. He and other popular reformist figures posted images of themselves with Green Movement leaders Mir Hossein Mousavi and Mehdi Karrubi, under house arrest. Posters featured the bruised and cut off fingers of the Green Movement peace sign growing new sprouts with people's vote in this election. The message was clear: A vote in this election for the List of Hope was not only the next step in supporting President Rouhani, but also a continuation of the Green Movement, the largest protest against conservative factions in the Islamic Republic since the 1979 revolution.

These social media posters and campaigns were coupled with the use of the secure messaging application Telegram. A popular messaging system developed out of Russia, Telegram has become one of the fastest growing messaging applications, touted as the most secure messaging app in the world. Created by the Durov brothers, the same ones behind Russia's largest social network, VKontakte, Telegram was created as a communication system that could not be accessed by the Russian security agencies. As such, the app has gained in popularity in other countries, such as Iran.

Using cellphones to spread political messages is not new in Iran — the 2009 Green Movement featured massive circulation of recorded cellphone footage and messaging to spread the updated information about the protests. Yet the subsequent government crackdown on Internet service and the surveillance of online sites by Iran's cyber army continue to haunt many Iranians.

Telegram, however, with its "Secret Chat" options, offers end-to-end encryption, leaving no trace on the company's servers and ensuring fast and secure communication. Unlike text messaging on Iran's telecommunications servers in 2009, these third-party apps are not threatened by government surveillance. There are thousands of chats on Telegram dedicated to the elections, from those created by domestic reformist newspapers and groups, to civil society and student leaders. These chats serve as channels through which groups can get out their message in a secure way to users. Telegram was used extensively in Iran in the lead-up to the election, including stickers of Khatami reminding users to vote.

Despite the Guardian Council's apparent intent on

ensuring a hard-line victory in both the Parliament and Assembly of Experts elections, a combination of existing offline activist networks and online organizing enabled Iranians vying for moderation and slow systematic reform to be heard through the ballot box. With the election over, the activists will continue to pressure President Rouhani to reopen avenues for civil society organizations shut down in the Mahmoud Ahmadinejad presidency. As has been proven in the past three decades, preexisting networks of activists in Iran have been a key force pushing for change, and they will continue to do so.

Narges Bajoghli is a PhD candidate in socio-cultural anthropology at New York University and a documentary filmmaker in NYU's Culture and Media Program. You can follow her @nargesbajoghli.

How Iran's elections marginalized radicals and consolidated a new political center

By Shervin Malekzadeh, February 29, 2016

A funny thing happened on the way to this week's parliamentary and Assembly of Experts elections in Iran. Consensus unexpectedly broke out across Iran's fractious political scene as the country's embattled reformists joined forces with moderate principlists in a campaign strategy designed to hold the line against — if not completely eliminate — the radical fringe on either flank of the political spectrum. Those hard-liners won just 68 seats — down from the 112 seats they currently hold in the 290-seat Majlis, or parliament, and the results so far for the Majlis elections indicate that reformists and moderates won the most seats, with 85 and 73 respectively.

These elections marked the further consolidation of the centrist moment in Iranian politics heralded by Hassan Rouhani's presidential victory in 2013, itself the culmination of the aborted Green Wave coalition led by Mir Hossein Mousavi and Mehdi Karroubi in 2009.

The key instrument in this process was the announcement of the List of Hope alliance led by the candidacies of Ali Motahari and Mohammad Reza Aref, erstwhile political rivals on the same slate of legislative candidates. This overlap signaled the emergence of coalition politics as a possible solution for the perils of presidential politics in Iran, an outcome not at all unlike what is already taking place in Brazil and post-Pinochet Chile.

In the absence of a proper party system, it is the party list — distributed by text and by Telegram app, copied out by hand, and debated endlessly on sidewalks and in random encounters across the country — that is likely to bring Iranians together in unity. The list plays a powerful role in organizing the votes (if not the thoughts) of Iran's 53 million eligible voters, 3 million of whom will have voted this year for the first time. Even with the disqualification of most of the 12,000-plus people who signed up for the parliamentary elections and nearly 80 percent of the candidates for the Assembly of Experts, voters in Tehran faced the daunting task of choosing 30 names from 1,121 names for the Majlis alone.

Everywhere I went in Tehran last week, I heard the same theme: moderation and standing firm before the forces

of radicalism. My interlocutors expressed a sense of resignation if not outright cynicism toward the elections and what they might bring in terms of needed change to Iran. Participants in Iranian elections realize that this is not liberal democracy. At the same time, just as they had in 2013, many Iranians expressed to me their overwhelming conviction that voting was the only way forward if Iran wanted to avoid the fate of its neighbors in the region, above all that of Syria. Participating in a system, no matter how flawed, was better than having no system at all.

In the mind of the voter, compromise and congeniality between the left and the right is as much a strategic choice as a genuine flourishing of good feelings, a creative end-run around a truculent Guardian Council that steadfastly continues to deny the free and full participation of reformists in Iran's electoral system. Blocked from the ballot and forced to play the political game on an uneven playing field, reformists were left with little choice by the Guardian Council in its role as gatekeeper but to form alliances across the ideological divide as a way to overcome formal barriers to participation, in the process facilitating their movement to the political center.

Iran, in other words, is becoming more democratic in spite of itself. If the line against radicalism holds, as it already appears to have held based on early results from Iran, the story of these elections will be how, in one of the great ironies of Iran's post-revolutionary political development, the intransigence of the Guardian Council helped provide the necessary basis for the formation of a more tolerant and pluralist politics in Iran.

The campaign against radicalism has not gone unchallenged by the Iranian hard line. The list was announced on the Saturday before the elections — Iranian campaigns are impossibly short by American standards. By Tuesday, the hard-liner principlist organs had denounced the "30 + 16" slate as the "English list," made in the United Kingdom by government scribes working out of the offices of BBC Persian. This incredible, if not unsurprising, charge was quickly met with derision by the center-right, including an incredulous Motahari, who denounced the cry and hue of outlets such as the Kayhan and Ettelaat newspapers as little more than "charlatanism."

The hapless response to the consolidation of the centrist vote neatly captured the basic dilemma faced by Iran's hard-liners and regime stalwarts. Troubled by the burden of producing a high turnout, the state expects (but does not officially require) its citizens to vote as an expression of national unity, but that vote necessarily passes through division. The use of elections to project strength to Western audiences, each vote "a bullet to the heart of the enemy," necessarily falls apart in the rough and tumble of electoral politics and the competition for supporters.

Iran's supreme leader, Ayatollah Ali Khamenei, went so far as reiterate his stunning insistence, originally made in the final days of the 2013 presidential election, on the importance of every Iranian vote, "even those who don't believe in the system and the leadership … as the election belongs to the nation, and the system." Nonetheless, not even the leader could ignore the terms of an election that had deviated from the official narrative of national unity in favor of political temperance formed from below.

Playing off the compound construction of the term for moderate (mianroh) in Farsi, literally "middle" (mian) of the "path" (roh), in speech delivered last Wednesday, Khamenei delivered a clear rebuke of moderate and radical as paired oppositions. "In Islam, there is no such division, and moderation means 'direct path,' he proclaimed. "Therefore, what is opposite to the moderate path is not radicalism, but deviants from the direct path…. On the direct line, some people may go faster and some more slowly."

Writing in the late 1950s, Anthony Downs posited that in an open competition for votes, voters and politicians would congregate at the center of the political spectrum, a salutary convergence around the middle vote. Iranians appear to be securing a similar outcome, bringing stability to a famously raucous domestic system by suspending competition between ideological rivals and challengers to power, fashioning a center by jerry-rigging the competition for votes from above.

If in the United States there is growing evidence that the American political system is tearing apart at the ends, leading to an ever-quickening disintegration of the center, then Iran presents a case of polarization giving way to politics turning inward, achieving the same result anticipated by Downs but by other means. By seeking shelter and stability in the middle of the road, ordinary and elite participants in these latest elections remind us that politics continues to exist in Iran, despite the odds, on a trajectory that may yet prove propitious for democracy.

Shervin Malekzadeh is a visiting assistant professor at Swarthmore College.

Why Iran's Assembly of Experts election is the real race to be watching

By Farzan Sabet, February 24, 2016

On Friday, the Islamic Republic of Iran will simultaneously hold votes for the Islamic Consultative Assembly (parliament) and the Assembly of Experts. While the parliament has received more attention, the assembly is arguably more important for Iran's political future. The elected assembly is widely expected to choose the third supreme leader in the Islamic Republic's history, decisively shaping its political landscape for the critical coming years.

The assembly is an 88-person body of Islamic jurists elected every eight years that holds the power to choose, supervise and even remove the supreme leader, the single most powerful office in Iran's political system. In 1989, following the death of the first supreme leader, Ayatollah Ruhollah Khomeini, the assembly chose Ali Khamenei as his successor in a hotly politicized contest. Khamenei, who is 76, had surgery in September 2014 and is said by some to be in ill health. The choice of Khamenei's successor as supreme leader could be the most consequential political choice for Iran's near-term political future. A close examination of the political theory behind and history of the Assembly of Experts tells us that Iranians' voices will probably remain marginalized come time to choose the next supreme leader.

The role of the assembly is rooted in Khomeini's theory of Islamic government, centering on the concept of Guardianship of the Jurist (Velayat-e Faqih) that the Islamic Republic translated into a set of concrete political institutions. The Guardianship of the Jurist established the supreme leader, who governs for life unless removed by the Assembly of Experts, at the apogee of the Iranian political system. The supreme leader holds a broad set of formal and informal powers, including the power to: appoint the leadership of key centers of power, such as the judiciary, security forces and state media; appoint six jurists to the 12-member Council of Guardians, which vets national election candidates and legislation; intervene in all national affairs through an executive command; and oversee enormously wealthy economic entities that cut across the Iranian economy and are not accountable to the rest of the state.

All Iranians 18 and older can cast ballots in their local electoral district for the assembly. Each district, corresponding with each of Iran's provinces, is apportioned seats roughly according to population, the largest being Tehran with 16 seats. Candidates who get the most votes win the seats in their district. The

assembly's regulations allow only Islamic jurists to run as candidates. Furthermore, the Guardian Council vets all aspiring candidates and has largely allowed only centrist and conservative Shiite clergy to run as candidates, excluding reformists nearly altogether. Given the centrist-conservative nature of the candidate pool and past public apathy toward this body due to its relative inactiveness, most elections have resulted in an assembly that has only varied by shades of conservativeness.

This institution is intended to safeguard people's role in choosing the supreme leader through the clergy. But does this mean that the supreme leader derives his legitimacy and power from the people? Two interpretations have emerged over this question. One interpretation, articulated by senior moderate Islamic jurists, such as the now-deceased ayatollahs Hossein Ali Montazeri and Nematollah Salehi-Najafabadi, is that the supreme leader draws his legitimacy from the people who "elect" him through the assembly. A second interpretation, articulated by senior conservative jurists, such as the ayatollahs Mohammad-Taghi Mesbah-Yazdi and Abdollah Javadi-Amoli, is that the assembly "discovers" the right individual "selected" by God.

A related debate is whether the supreme leader's power is limited or absolute. While a limited elected supreme leader can be supervised and replaced by a popularly elected Assembly of Experts, an absolute selected one has unlimited power and only answers to God. Although the Iranian constitution and Khomeini's works leave open the possibility for both interpretations, the latter has arguably been dominant under Khamenei, with consequences for the assembly elected this month and choosing the next supreme leader.

The next Assembly of Experts will be forced to confront these issues with its choice of Khamenei's successor. The Assembly of Experts has not historically regularly exercised the powers assigned to it by the Iranian constitution. It has only made three important decisions that took place during the Islamic Republic's first decade of revolution and war from 1979 to 1989. It selected Montazeri as deputy supreme leader in 1985. It removed him from this position in 1989 when he came to blows with Khomeini and the regime over the mass execution of political prisoners and other issues. Finally, it selected Khamenei as supreme leader in the same year.

It is widely perceived that the assembly rubber-stamped all of these decisions under the influence of Khomeini and his high level of political authority, religious standing and revolutionary charisma. Under Khamenei, who has excluded opponents from entering this assembly through the Guardian Council, conservatives who view him as a divinely selected absolute supreme leader have come to dominate the body.

Could the current elections bring an Assembly of Experts that chooses a more moderate supreme leader when the current one passes?

The assembly may function differently than it was designed to during a supreme leadership succession. The supreme leader was originally supposed to be a very senior Islamic jurist with a high level of religious learning, respect among the clergy and a popular following. However, a small circle within the assembly and among Iran's elite — led by former Iranian president Ali Akbar Hashemi Rafsanjani — secured the elevation of Khamenei, who did not necessarily possess all of these qualities. Given the trajectory of Khamenei's second Islamic Republic, the political power centers — including the Islamic Revolutionary Guard Corps and the broader Iranian conservative current that dominates the system today — will probably have greater influence than the assembly's deliberations alone.

The signs so far are not promising that the assembly will reflect the Iranian electorate. Out of nearly 800 aspiring candidates who registered, only 161 have been approved by the Guardian Council to compete in the election, an average of less than two candidates per seat. Disqualifications appear to have disproportionately affected the moderate camp, including centrists and reformists. For example, Hassan Khomeini, grandson of Ruhollah Khomeini and an up-and-coming reformist clergyman and politician, has been disqualified.

But other signs should not be ignored either. President Rouhani and Rafsanjani, along with other moderates, have been qualified to run in the elections. Furthermore, the conservative camp has divided, with some of the traditional conservatives moving away from hard-liners and closer to the centrists on key issues. With traditional conservative, centrist and reformist elites calling on Iranians to vote for common lists in many electoral districts, we could see the emergence of a powerful centrist-traditional conservative bloc in the assembly that marginalizes hard-line conservatives.

Even such a bloc is unlikely to challenge Khamenei outright. But after his passing, it could select a new supreme leader who sets Iran on a new path.

Farzan Sabet is a nuclear security predoctoral fellow at the Center for International Security and Cooperation (CISAC) at Stanford University and a doctoral candidate in international history at the Graduate Institute, Geneva. He is also managing editor at IranPolitik, a website on Iranian politics. You can follow him @IranWonk.

How Rouhani could lose even if reformists win Iran's election

By Payam Mohseni, February 24, 2016

Iran is holding a high-stakes parliamentary election Friday. In mid-January, the conservative Guardian Council surprised some observers with the mass disqualification of reformist candidates in Iran's upcoming parliamentary elections. This institutional gambit was partially rescinded a few weeks later, after a new review of the qualifications of the candidates. While the disqualifications show that the conservatives still hold the reins of power in Iran's political system and set the terms of the game, as the reversals signal, they cannot dictate the final results or eliminate competition.

With the successful negotiation of the nuclear agreement, the coalition that backed President Hassan Rouhani on the deal will begin to fragment as factional rivalries and infighting increase and once again shape political competition inside Iran. The electoral results, however, will not have a significant impact on the continued implementation of the nuclear agreement. Instead, the conservative establishment in Tehran seeks to maintain leverage over Rouhani on broader international developments as well as domestic matters. In particular, these elections will be more important in determining the future path of development Iran chooses and how economic reform will be undertaken by the Rouhani administration.

A less widely recognized aspect of these elections is what it reveals about the potential unraveling of Rouhani's broad coalition alliance that brought him to power in 2013. Rouhani's crowning achievement — the lifting of international sanctions linked to the nuclear agreement — creates serious challenges to his political base of authority and future strategy. While the deal bolstered Rouhani's popularity and allows the government to recoup much needed funds to carry out its economic and development plans, the lifting of sanctions also divides and fragments the broad elite coalition, including significant sections of the conservatives, that had come to support him during the 2013 presidential elections and during the nuclear talks over the past two years.

Nonetheless, in the short term, the elections will not likely result in weakening Rouhani, but it will strengthen his core supporters in parliament. While the initial momentum — which propelled Rouhani into the presidency — has lessened, he nonetheless has garnered popularity by successfully negotiating the nuclear agreement and offering the Iranian people better economic futures. But over the longer term, he needs to show economic gains or risk a backlash from disappointed voters.

Rouhani built a political coalition spanning across the reformists, moderates and the pragmatic elements within the conservatives. Sanctions served as the glue holding Rouhani's coalition together, since its disparate factions could all agree on the urgency to end sanctions. What is more, sanctions drove a wedge within the conservative elite, exacerbating divisions between those favoring a more confrontational approach, represented by individuals like former President Mahmoud Ahmadinejad and lead nuclear negotiator Saeed Jalili, and those favoring engagement to end the nuclear stalemate, such as the Speaker of Parliament Ali Larijani and the foreign policy adviser to the supreme leader, Ali Akbar Velayati. Sanctions thus contributed to a recalibration of political forces within the Iranian political system so critical for Rouhani's election to power, as key segments of the conservative factions shifted towards Rouhani.

The lifting of sanctions has rendered the raison d'être behind Rouhani's coalition irrelevant. As a result, submerged divergences over political, economic and cultural policies will become increasingly pronounced within the corridors of power in Tehran. Rouhani is now caught in a tug of war between segments of the conservative and reformist factions. While Rouhani is expected to show his support for the reformists who helped vote him into power, and who will be critical for his reelection campaign in 2017, he needs the conservatives to undertake a gradual approach to political and economic reform and to secure his own political survival. The closer he moves towards the reformists, the more he risks alienating the conservatives who will look to undermine his power and, if necessary, turn to a more suitable candidate and faction to support their interests.

The reversal of the disqualifications of reformist candidates accentuates Rouhani's dilemma as the factional scene becomes more polarized and less congenial for attempts to bridge the differences between the various power centers. With more like-minded moderate and reformist candidates now eligible to run after their reinstatement by the Guardian Council, Rouhani's moderate supporters have chosen to issue a joint list of candidates with the reformists for Tehran and other major cities. On the other hand, the different shades and groupings of the conservative forces have decided to present a unified front under the Principlist Coalition Council.

This puts Rouhani in a bind. Rouhani is betting that his alliance with the reformists will give him a stronger hand against the conservatives in the parliament — and perhaps hoping to garner the reformist vote in the 2017 presidential elections. However, such a strategy risks alienating both political groups. A polarized electoral map reduces the likelihood of Rouhani being able to attract conservative voters as he did before. It will also make Rouhani's task of coalition building more difficult balancing the reformists and conservatives in the next parliament — especially if the reformists win an important number of seats. If he goes all in for the reformists, Rouhani risks losing the backing of conservatives on his economic and development plans.

All eyes will be on Iran this Friday as the elections will be the first after the implementation of the nuclear agreement (the JCPOA). The results will provide an important barometer of Iranian opinion of the deal and of popular satisfaction regarding the Rouhani administration's policies thus far. Just as importantly, the consensus which brought Rouhani to power has now come to an end — how these factional actors choose to realign themselves as a result of the elections will shape the relative balance of power domestically in Iran as well as the future direction of the country.

Payam Mohseni is director of the Iran Project and a fellow of Iran Studies at the Harvard Kennedy School's Belfer Center. He is also a lecturer on government in the department of government at Harvard University and co-chair of the Eastern Mediterranean and Europe Study Group at Harvard's Center for European Studies.

Recent Iranian political context

Iran's grass-roots politics and the nuclear deal

By Mohammad Ali Kadivar and Ali Honari, April 6, 2015

The recently agreed-upon nuclear framework between Iran and the P5+1 world powers is a great example of how grass-roots participation at the level of domestic politics can interact with important changes at the level of international politics. The nuclear breakthrough could not have happened without important developments that led to the election of Iran's President Hassan Rouhani in June 2013. If this agreement turns in to a comprehensive deal by June 2015, it will have important ramifications for Iranian domestic politics.

Grass-roots activism was crucial for the results of the 2013 election in different ways. First, grass-roots pressures convinced reformist leaders to support a candidate in the election despite the disqualification of Ali Akbar Hashemi Rafsanjani, who was initially the first choice for the reformist camp. Second, grass-roots participants in the electoral campaigns of Rouhani and the other reformist candidate, Mohammad Reza Aref, pressured the two to make an alliance and stay in the election with a single candidate. Reformist backing was crucial for Rouhani's electoral victory. According to polls before the election, Rouhani was a runner-up candidate until the day the reformist coalition headed by former president Mohammad Khatami endorsed him. After this endorsement, his support skyrocketed and continued until election day. Finally, the mass mobilization after the disputed election of 2009, later called the Green Movement, perhaps contributed to the rather clean voting process in 2013. The protest mobilization of 2009 signaled both the high costs of fraud as well as Iranian's strong desire for a fair and free election. From this perspective, the rather healthy polling process in 2013 was a result of 2009's large protest wave.

Rouhani's victory had important effects on the conditions of civil society forces and democratic activists in Iran. True to promises in Rouhani's electoral platform, the level of state repression, which had intensified since 2009, remarkably decreased after the election. After 2013, new newspapers with moderate or reformist orientation came into being. The policy of barring students from higher education because of their political activities ended due to diligent insistence from the new Ministry of Sciences. Accordingly, activists and politicians perceived that the level of repression had decreased and that they would therefore not be prosecuted for organizing private meetings. When reformist groups were able to have a public convention in January 2015 for the first time after six years, Khatami stated that under the new administration the context is more favorable for gatherings and activities of different groups and organizations. As such, there appears to be a greater frequency of public protest about issues such as violence against women, teachers' salaries and air pollution.

Another important part of Rouhani's electoral platform was addressing the nuclear dispute with the United States and European powers, lifting the sanctions and improving the economic conditions of the country. Rouhani's administration immediately started the process of negotiations to reach an agreement with the P5+1 and successfully acquired the support of Supreme Leader Ayatollah Ali Khamenei for the negotiation process. The framework that Iran and the P5+1 have agreed upon – and potential comprehensive agreement, in turn – will have important effects on the condition of civil society forces in Iran.

First, the nuclear breakthrough seems to have revitalized hope and enthusiasm in achieving more political gains for the democratic forces. Recent scholarship about social movements stresses the importance of emotions, such as hope, in shaping the dynamics of participation and activism. The violent crackdown on the peaceful demonstrations of 2009 resulted in an atmosphere of disappointment and disillusion among advocates of democratic change about achieving victories either

through elections or contentious mobilization. The electoral victory of 2013 was an important event in bringing hope back to the camp of change-seekers, and the current nuclear breakthrough is another significant sequence. Celebrations in the streets of Iran's capital city Tehran, as well as commentaries on social media and reformist newspapers, were full of hopeful reactions to the nuclear deal. The reformist Shargh newspaper, for example, published an op-ed with the title of "Hope in Days after Lifting Sanctions." Etemad, another reformist paper, also described people's reaction to the deal as the "Return of Hope."

Second, while many journalists and social media users praised Mohammad Javad Zarif, Iran's foreign minister, for reaching a deal, a group of reformists interpreted the agreement as an outcome of the collective effort of supporters of democratic change and as a sign of their individual efficacy. A study of voters in the 2013 election suggests that the sense of individual efficacy played an important role in changing the decision of individuals from boycotting to participating. A statement released by a group of reformist activists after the recent nuclear agreement also described the agreement as the result of "insight and shrewdness of citizens who, despite all jails and prisons, all pressures and limitations, did not become hopeless, stayed in the field, and by stressing the necessity of dialogue between Iran and the US, helped to resuscitate hope and prudence instead of threat and fear."

Third, some reformists have taken reaching a deal as a sign of the effectiveness of electoral politics in Iran. Whether electoral politics present an opportunity for democratization has been an ongoing debate within different factions of the democratic opposition in Iran since at least 2000. Such debates have considerably affected the alliances within the democratic movement since 1997. After the fraudulent election of 2009 and severe crackdown on the protesters, many Iranians concluded that participating in any elections in the Islamic Republic is just meaningless. On the other hand, the unexpected victory of Rouhani in 2013 was interpreted as evidence for the basic effectiveness of the electoral process. In this context, participants of 2013 election have perceived the nuclear agreement as further evidence for the effectiveness of elections in Iran, as illustrated in by Iranian social media users' posts on outlets such as Twitter and Facebook. For example, one of these users pointed out that the "real victory" happened in June 2013.

Other users have connected the nuclear deal to the upcoming parliamentary election in February 2016. A prominent reformist activist wrote that the next round of the battle for political change would be the elections for both the parliamentary and the Assembly of Experts. Comments from other reformist activists and politicians also show that they perceive the nuclear breakthrough as a big boost for the victory of reformist and moderate alliance in the 2016 parliamentary election. Reformists appear to expect that this international success could give more leverage to Rouhani's administration in domestic politics against hardliners and potentially open up space for reformists organizing around elections and collective action without direct political demands within civil society. While it does not seem likely that the Guardian Council will approve prominent reformist figures to run for the election, it is possible that moderate figures in the same vein as Rouhani – or less known reformist politicians – will be able to pass the filter of the Guardian Council.

While the democratic opposition within Iran still suffers from organizational weakness and the lack of a unifying long-term strategy, the nuclear breakthrough seems to have recharged the emotional battery of reformist activists and supporters and contributed to an optimistic perception about short-term electoral progress.

Mohammad Ali Kadivar is a PhD candidate in sociology at the University of North Carolina at Chapel Hill. He studies social movements and democratization in the Middle East and globally. Ali Honari is a PhD candidate in VU University Amsterdam. His research interests include social movements, political participation, Iran's civil society and the Iranian social media.

Where Iran's hard-liners diverge from the moderates

By Shervin Malekzadeh, April 8, 2015

Like so many Iranians before him, Iranian Foreign Minister Mohammad Javad Zarif arrived to a hero's welcome at Tehran's Mehrabad Airport after Iran and the P5+1 announced a nuclear deal last week. Olympic wrestlers, the national soccer team, filmmakers returning in triumph from Cannes, a brother or an aunt coming home after many years living in the United States or Germany — the famous and ordinary alike are made extraordinary upon their return to Iran, overseas travelers forced to endure a loving if chaotic and crowded embrace by family and friends.

Though it is widely assumed that economic pressures are driving Iranian negotiations with the P5+1, Zarif's partisans at the terminal gates had something other than sanctions relief on their minds. The crowds hailed their man as a patriot willing to stand up to Western powers, a new Mohammed Mossadegh: "Vazir e ahl e manteq, yadavar e mossadeq! Vazir e ahl e manteq, yadavar e mossadeq!" "Minister who follows logic, we remember Mossadegh! Minister who follows logic, we remember Mossadegh!" The comparison of Zarif to Iran's most famous nationalist hero delivered the unmistakable message that nuclear technology, like the oil industry before it, was the birthright of all Iranians.

Zarif is unlikely to be received quite so enthusiastically by the conservative-held Majles or by the editors of Keyhan, redoubtable purveyors of the hard line. There are already rumblings from the opposition to the deal that the final outcome of nuclear negotiations must be brought before the parliament for an up-or-down vote on its ratification. All eyes are on Supreme Leader Ali Khamenei, presumed to be the only force in Iran that can bend the conservative line to consensus.

Where do the "hard-liners" diverge from the moderates in Iran? Where might domestic conciliation around the politics of nuclear energy begin among Iranian elites and decision makers? Despite a growing recognition among U.S. policymakers that politics actually exists in Iran — that the country's political and social elites are not all fingers on the same clenched fist — analysts have done little to interrogate what constitutes the Iranian hard-line position in the context of nuclear negotiations. Conventionally understood to be reflexively anti-American, driven exclusively by an implacable faith in political Islam and ideological commitment to world revolution, the hard-line provides a conservative base for Khamenei that some analysts have suggested opposes any rapprochement with the United States simply for its own sake. Deployed in this way, the figure of the hard-liner acts as a convenient foil, one that explains the intransigence, if not irredeemability, of the current leadership in Tehran.

The Iranian hard-liner however does not look to the United States for self-definition nor does he consider himself to be hard-line. Rather, he measures his politics against the same standard used by his more moderate rivals at home, specifically the imperative to preserve the sovereign independence of Iran. This is the fixed belief, the dogmatic consensus from which politics is made possible in Iran, rendered domestically as a politics of who, or which faction, is most loyal — or most treasonous — to the state.

The domestic politics of nuclear energy plays out in this context. Nuclear negotiations are viewed as the latest front in an ongoing defensive war over Iranian sovereignty, one that makes reference to loss of the Caucuses to the Russians in the treaties of Gulistan and Turkmenchai during the 19th century, a trauma replicated in the 1908 shelling of the first Majles by the Russian-led Cossack Brigade, the British and American-led 1953 coup and the 1980 Iraqi invasion of Iran. The call back to Mossadegh at the airport, the constant reminders to American audiences that Iran "has not invaded another country in 250 years" and the overbearing demands that Iran be treated with "dignity"

by its adversaries all speak to a shared trauma of foreign interventions and local betrayals, a collective memory that is as much a source of strength as it is a trap. When Zarif and President Hassan Rouhani proclaim to foreign journalists and state media that they came away from the negotiations with a great deal, they are not simply playing to their constituencies at home. They are reassuring their audience, and perhaps themselves, that Iran's integrity was not undermined in the meeting rooms of Lausanne, Switzerland.

The hard line in Iran, then, spools out at the point of capitulation to American demands. Opponents of negotiations simply do not believe that it is possible to engage honestly with the United States. From their perspective, it is the American regime that is intransigent, reflexively anti-Iranian and anti-Muslim, driven exclusively by an implacable faith in its own exceptionalism and ideological commitment to world domination.

Disputes between conservatives and reformists about exactly where the point of capitulation lies have been a source of contentious politics that stretches back at least as far as the presidency of Mohammad Khatami. In interviews just days before the 2009 presidential election, supporters of hard-line candidate Mahmoud Ahmadinejad described to me how the 2002 revelation of the secret nuclear site at Natanz had constituted a national "betrayal" by then-President Mohammad Khatami. Although they respected reformist candidate Mir Hossein Mousavi for his unimpeachable service as prime minister during the worst years of the war with Iraq, these conservative voters expressed that they viewed the reformists as little more than a stalking horse for forces bent on destroying Iran through "un-Islamic" reforms and making the country weak before its enemies.

The belief of Iran's conservatives that their rivals can only act in bad faith appears to have changed little in the intervening years. If anything, their skepticism has only become worse with the loss of executive power, etched in the screeds of the conservative press, who regularly accuse the Rouhani administration of malfeasance and cravenly seeking the approval and acceptance of the enemy. "The winner of any deal will be the Islamic Republic not reformists who wanted to surrender to western powers and give up the whole nuclear programme," Hamid-Reza Taraghi, a conservative politician, recently stated to the Financial Times. He added, "Even Western powers know that any nuclear agreement can happen only thanks to the guidance of the supreme leader."

Like their counterparts in Iran, members of the Obama administration have faced an "unusual coalition" of criticism by certain members of Congress, including members of the president's own party. Opponents of the diplomatic path level all manner of hand-wringing accusations, including claims that the strategy of unconditional engagement has weakened American standing in the world, that the president harbors a secret desire for popularity, of wanting to be a star more than a statesman and of wanting to produce a diplomatic legacy, even if it comes at the cost of national security. "We need to make clear to Iran," Rep. Louie Gohmert (R-Tex.) asserted on a recent radio talk show, "you can play silly games with our president that buys into them and our secretary of state, but the American people aren't buying it and you're going to pay a price."

The problem for Gohmert and his allies on Capitol Hill is that the American people are in fact buying into diplomacy as a viable alternative to war. Legislative leaders in the United States currently run behind their respective populations by overwhelming margins on the question of Iran. It is one of the great ironies that democratically elected members of Congress have so far been better insulated from public opinion than their counterparts in the Iranian Majles. It is not lost on Iranian audiences that foreign policy and statecraft in the United States are increasingly driven by partisan concerns for the security of America's key regional allies, Saudi Arabia and Israel, instead of bipartisan consensus around the national defense.

As the process of diplomacy has moved forward over the past two years, there are signs that the gap between elite

and public opinion may be easier to reconcile in Tehran than in Washington. The dynamics of Iranian politics — in which the absence of democratic institutions compels leaders to cast a wary eye on an unhappy populace lest they take to the streets, coupled with the presence of a supreme leader who so far appears committed to seeing negotiations through — makes consensus a real possibility. There is, of course, no such leader in the American context, no possibility for intercession by a unifying figure. Nor is there pressure from below. Though popular, reconciliation with Iran is not a priority for a majority of U.S. citizens. There were no parallel celebrations in the streets last week, nor is there likely to be even if a final deal is reached in June.

Iran presents a curious case of a state constituted by a "sacred" ideology but whose ideology regularly provides cover for the profane politics of statecraft. Permanence and consistency have hardly been features of the Islamic Republic over its 36 years, as foreign and domestic policies have been refashioned, repeatedly, to serve the contingent interests of the revolution, not least of all by its founder, Ayatollah Khomeini. Mehdi Bazargan once observed that Khomeini sought control of Iran in order to reach Islam. Khomeini reversed course in the final days of his life, declaring just months before his death in 1989 that the state "has priority over prayers, fasting, and haj" and that it was empowered to "unilaterally revoke any sharia agreement that it has conducted with the people when those agreements are contrary to the interests of the country or of Islam," even if it meant the suspension of the very pillars of Islam. With this single decree the state replaced the mosque as the "fortress" of Islam, forever. As Texas A&M political scientist Mohammad Ayatollahi Tabaar explained to me, whereas the revolutionary state had once served the interests of Islam, Islam would now and forever serve the interests of the state. Internalized by then-President Khamenei, it is this edict that provides cover for the current supreme leader as he presses forward with the nuclear negotiations.

Understanding and accepting that hard-liners in Iran are motivated by social forces other than ideology or an unexamined hostility to the United States is an important step on the path to détente and provides a way forward to the sort of rapprochement now deemed to be improbable because of the hard line. It is true that for some, no deal will ever prove satisfactory. There is no conciliation possible with the likes of Hossein Shariatmadari, nor with his counterparts in the United States. But it is also true that for many so-called hard-liners, anti-Americanism constitutes — but does not transcend — a fundamental concern and love for their homeland. Iran has made deals with countries less pious and, in a strange way, less "Iranian" than the United States. There is far more ground for consensus than the difficulties of the past 36 years would indicate.

State authorities several years ago moved international flights from Mehrabad to Imam Khomeini International Airport. The new airport, like Iran's nuclear industry, was originally proposed by the Shah's regime, designed to present a more modern face to the world. Located in a rural province some 37 miles past the southern outskirts of Tehran, the great distance, combined with the late night arrival of international flights, have greatly diminished the ritual of going to airport in a large group. The old traditions of greeting returning travelers have become, as the Iranians say, kamrang, literally, they have "lost their color."

Mehrabad too was once located on the outskirts of Tehran. As the city expanded westward, it enveloped the old airport completely, pulling it closer to the capital's center. Its convenience keeps it in use for domestic flights as well as for diplomats returning from official business overseas, including the negotiating team recently returned from Switzerland. Mehrabad — whose name means "limitless love," where on the first day of school in 1980 the Iraqi Air Force dropped the bombs that began the Iran-Iraq War, and where the 444-day ordeal came to an end for 52 American hostages — would be an apt setting for a gathering of Iranians, waiting at the terminal gates to welcome back old friends from the United States, to restore color to the relationships that have been lost.

Shervin Malekzadeh is a visiting assistant professor of political science at Swarthmore College.

Iran's political economy under and after the sanctions

By Kevan Harris, April 23, 2015

That new market smell is in the air. Tehran's hotel ballrooms are filling up with visiting delegations of European and American investors who hear tea-fueled assurances of long-term profits before shuttling off to the tourist sights in Shiraz and Isfahan. The London-based asset management firm Charlemagne Capital recently announced a partnership with Iran's Turquoise Partners, an equity fund that invests in the Tehran Stock Exchange. If Charlemagne is knocking at the door, what's next? Alexander the Great LLC? As a nuclear deal with Iran moves closer to realization, foreign business is exploring how to cash in.

Yet all of this attention is not as new as we think. While sanctions most severely affected the economy after 2011, Iran's neighbors in Asia never fully cut off economic ties, no matter how much U.S. arm-twisting occurred behind closed doors. Turkey and Iran recently implemented a tariff-reduction agreement to increase cross-border trade. Chinese cellphones pour over the border along with Pakistani cigarettes and Korean washing machines. Iraq's southern cities are being reconstructed with Iranian steel and cement. The Emirati conglomerate Majid al-Futtain operates a garish hypermarket in Tehran's western suburbs. During trips to Iran between 2011 and 2013, even with European capital flight, I've run into Indian petrochemical executives in Ahvaz, Chinese construction honchos in Yazd and Russian mining magnates in Tabriz.

Even with the cordon sanitaire of sanctions, then, Iran's market autarky was overstated. One of the ironies of the Mahmoud Ahmadinejad era (2005-2013) was that the polarizing president opened the borders to consumer imports at the same time his government pumped unprecedented levels of cash into the economy. In 2006, my Turkish tailor in downtown Tehran asked me to bring a hard-to-get premium brand olive oil from Istanbul for his wife's beauty routine. In 2011, I could pick up the same olive oil at any Tehran corner bodega. According to Iran's Central Bank, the absolute value of imports of goods and services, controlling for inflation, rose every year from 2005 to 2011 and then finally began to shrink, but even in 2012/13 the total value was higher than a decade prior. This wasn't necessarily healthy for the economy, however, and the giddy bubble of consumption and speculation made the ensuing crash and recession over the past three years all the more painful. Faced with expulsion from global financial markets, an embargo of oil exports and a run on the currency, the Ahmadinejad government countered international pressure with tactical bluster rather than coherent strategy, while his allies went to defeat at the polls.

As the government of President Hassan Rouhani is slowly sifting through the rubble as it negotiates for a lifting of sanctions, then, the Iranian economy still looks quite different today than it did 10 years ago. This transformation has been largely misunderstood. Contemporary portrayals of Iran's economy fall into a rudimentary trap which social scientists are taught to recognize in the first year of graduate school: selecting on the dependent variable. U.S. analysts read, for instance, that Iran's economy is controlled by the contracting arm of the Iranian Revolutionary Guards Corps (IRGC), the Seal of the Prophets Construction Headquarters, or the Office fund of Leader and Supreme Jurist Ali Khamenei. If one looks for particular activity in the Iranian economy linked to shady state organs, one can find it in spades. The problem occurs when one only looks for these activities and ignores everything else. The result is analysis via rumor mill and scholarship via scaremongering. State-linked funds in Iran, including ones connected to the IRGC or the military, are unquestionably part of the economic scene. Yet by selecting on the dependent variable – in Iran's case, only searching for pre-determined actors in the economy and turning a blind eye to other actors – we miss out on the larger story.

Over the past 10 years, enormous chunks of ownership in Iran's state-owned enterprises were transferred into what many Iranian economists refer to synonymously as the "quasi-governmental" or "pseudo-private" sector. This large middle economic stratum is not under the steely hand of one monolithic organization sitting at the country's commanding heights. Nor gripped by the inky tentacles of 10 organizations. Nor entangled in the spider web of 50 organizations. Since most analysis selects on the dependent variable, Iran scholars do not know exactly how many quasi-governmental funds, foundations, holding companies and investment groups exist in Iran, nor do we know their relative share in key economic sectors. As much as we may sympathize with the motives, we cannot get an accurate picture by simply repeating the accusations of opposition politicians or activists when claims about Iran's complex economy are heatedly thrown around in electoral campaigns or journalistic jousting.

So what to do? Former deputy industry minister and reformist politician Mohsen Safai Farahani stated last summer that there are at least 120 such economic entities, which control in total around 50 percent of Iran's gross domestic product. It is as good as guess as any, since there is no existing systematic study of Iran's quasi-governmental sector. We know this sector greatly expanded in large part through the transfer and sale of state assets. At a very abstract level, we can see this shift using data provided by the Iranian Privatization Organization. As I document in a forthcoming book chapter, controlling for inflation, about 3.5 percent of the total value of state enterprise transfers occurred under President Akbar Hashemi Rafsanjani (1989-1997), 6 percent under President Mohammad Khatami (1997-2005) and a whopping 90.5 percent under President Ahmadinejad (2005-2013). These shares hardly sold to the private sector at all. Instead, they mostly were transferred to the semi-governmental sector. But what does that really mean?

At Princeton University's Center for Iran and Persian Gulf Studies, our research team has begun to map out Iran's current economic structure using a different sort of method. We are examining recently available data from the Tehran Stock Exchange (TSE) without pre-existing assumptions of ownership and economic control by any single political entity. As we cluster this raw data into linkages between different state, quasi-public and private organizations, we will be more able to determine what corporate governance looks like among Iran's top 500 companies. Since our data on institutional shareholders comes from 2013 and 2014, and foreign capital has barely penetrated this large tier of the economy, it may provide us a more systematic assessment of key economic sectors before sanctions are lifted and foreign direct investment arrives in force.

Our project is in the nascent stage, but preliminary results are telling. Many public sector companies were forced to put up large blocs of shares on the TSE during the Ahmadinejad government's drive for "privatization." Who bought them? Take Iran Khodro – the largest automaker in the country – which was required to sell off shares under the previous government. In 2013-2014, Iran Khodro's main institutional shareholders – defined by the TSE as any entity that holds over 1 percent of company shares – included:

Negar Nasr Investment Co., linked to the Basij Cooperative Fund

The Civil Servant Pension Fund, a large investment company for state employee pension contributions

The Industrial Development and Renovation Organization, a public conglomerate that pre-dates the 1979 revolution

Mellat Bank, a major semi-public bank which an European Union court ruled in 2013 was unlinked to Iran's nuclear enrichment program

Tadbir Investment Co., linked to the Imam's Order, a.k.a the Leader's Office

The Social Security Investment Company, a massive investment company for private and semi-public sector employee pension contributions

Two private-sector investment firms

Iran Khodro's own investment company, Samand

This is just one example, albeit from an enormous corporation, but we are finding it to be a common pattern. Over the past decade, state transfer of Iran's public sector companies seems to have been channeled toward organizations whose member constituencies had been produced alongside the state itself, whether large semi-public pension funds, cooperatives attached to "revolutionary" institutions like the IRGC, semi-public banks or holding companies fashioned by these very companies to protect their own stock and prevent ownership dilution.

Variants of this story have been present in many developing countries, from Japan's "stakeholder" model of corporate governance in the 1960s, to chaebol business conglomerates in 1970s South Korea, to military investments in industrial zones during the 1980s in Turkey and to Brazil's public pension fund capitalism in the 1990s and 2000s. If this is a major pattern in Iran's ongoing economic transformation, then it may look messy and unproductive, but it is not distinctive to the Islamic Republic. Given the above, the implications of a nuclear deal for Iran's political economy are twofold. First, it is unlikely that a single bloc of domestic economic ownership by itself is coherently organized enough to push Iran's politics sharply in any direction. Second, the cross-cutting nature of inter-firm and intra-firm ownership means that foreign investment is going to have to negotiate with the hundreds of economic brokers in Iran's semi-public sectors, not just powerpoint-wielding private entrepreneurs, in order to cash in on key markets.

Kevan Harris is an assistant professor of sociology at the University of California, Los Angeles.

What's really at stake in the Iran deal? Identity politics.

By Sidra Hamidi, July 16, 2015

The Joint Comprehensive Plan of Action agreement on Iran's nuclear program heralds a new era in U.S.-Iranian relations, but many analysts are misunderstanding what's important about it. To be sure, the deal's limits on uranium enrichment, along with the verification mechanisms, are crucial in preventing Iran from building a nuclear weapon. But equally significant is the shift the talks represent in the way that Iran interacts with the international community, and the way the West thinks about Iran.

The current debate centers on whether or not the deal will lead to a wider regional transformation in the Middle East and the domestic challenges, both within the United States and Iran, that could impede its success. A host of different factors will determine the future of the current agreement. But preoccupation with the success of the deal is giving observers tunnel vision and diverting attention from the broader implications in U.S.-Iranian relations.

The swelling media attention to the technical details of the deal undermines the importance of the talks. The deal is historic, but the talks themselves were no less historic than the actual deal. A regional transformation is prioritized over the transformation in Iran's nuclear status. Many observers have missed the underlying question that drives the debate: What kind of actor is Iran? The tension

between Iran and the United States has always been about how each side sees the other and the way they see themselves – that is, about identity politics.

The talks signal a shift in the way that Iran is represented in the global nuclear order. Centrifuges, inspections and enrichment levels are important, but the meaning of these objects depends very much on how the two sides perceive each other. Is Iran an irrational rogue state or a rational, cooperating party? The answer to this question determines the likelihood of transformative change as a result of the deal.

The significance of the Iran deal resembles how relations with India changed for the United States around the signing of the U.S.-India Civil Nuclear Agreement in 2008. The anxiety that existed in the lead up to India deal is echoed in the current debate about the Iran deal. Prior to the negotiation of the 2008 agreement, in which the United States and India started a nuclear fuel trade for civilian energy purposes, India was characterized by its status as a nuclear pariah.

The rocky U.S.-India relationship began after Indian independence in 1947 and was compounded by India's decision to enter the Non-Aligned Movement, which advanced an anti-colonial developmental agenda. India tested its first nuclear device in 1974, a move condemned by the international community for its opposition to the agenda of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). India vehemently opposed the "neo-colonial" agenda of the NPT and was perceived as a problem for the emerging global nuclear order. India's ensuing nuclear competition with Pakistan further marred the relationship.

The India-U.S. nuclear deal was important not just because it set up a framework for peaceful use of nuclear energy, but also because it resulted in a major identity shift for India. India was able to enter the exclusive club of states whose possession of nuclear weapons is considered legitimate — despite the fact that India is not a signatory to the NPT. India went from being a nuclear pariah to a legitimate nuclear partner. Around the time of the completion of the U.S. agreement, India also signed an agreement with France for peaceful nuclear fuel trade.

While U.S.-India relations do not quite mirror the intensity of U.S.-Iranian relations, India's example could be an important one for Iran: The India-U.S. deal allowed India to retain its arsenal and its independence on the world stage, while removing its problematic nuclear status as an impediment to foreign relations. Similarly, the current deal signals a steady transformation in the way that Iran sees itself and the way that the world sees Iran.

The symbolism in the Iran nuclear talks is not limited to prestige and face saving. National identity is not the only symbolic function at stake, Iran's identification in the global nuclear order is also at stake. It seems likely that Iran possesses weapons breakout capacity and the deal was explicitly an attempt to both delay and undermine this capacity. But even without nuclear weapons, Iran had already been "nuclear" in a political sense in that it was identified, both internally and externally, as such. Iran's interaction with the rest of the world was characterized by its identification as a "nuclear" – and thereby a pariah – state.

Iran was branded — indeed sanctioned — as "nuclear," but this was a brand that Iran chose to accept. For instance, in 2010 then-President Mahmoud Ahmedinejad declared that Iran was a "nuclear" state — an action that demonstrates the perceived value of this identification. This brand is no longer a viable way to define Iran. For the United States, the rivalry with Iran is outdated and limits American engagement in the Middle East. For Iran, its status as a nuclear pariah does not reflect changing national identity and the resulting image it portrays abroad.

As such, the current talks and the resulting deal are an attempt to change Iranian identity, to define Iran by something other than its nuclear status. The United States and Iran are pursuing this equally, signaling a fundamental change in the way that both sides perceive each other, even outside the bounds of nuclear relations. The identity shift

is occurring through a redefinition of the kind of nuclear actor that Iran represents, but also through the kind of global actor Iran represents.

In the United States, those policymakers and analysts who lament the comprehensive agreement with Iran on technical grounds, including many Republicans, seem to overlook that Iran does already have breakout capacity and that this capacity existed prior to the deal. While the debate seems to remain technical, the objections to the deal are rooted in a disdain for the fundamental shifts in U.S.-Iran relations. Those who would like to keep defining Iran through its nuclear status are threatened by this sort of change because it unsettles the way they understand Iran. In a PBS Newshour interview, former CIA director James Woolsey characterized Iran as "theocratic, totalitarian, genocidal imperialists," a view that necessitates opposition to the comprehensive agreement.

On the other hand, President Obama's assertion that the deal is based on "verification" rather than trust, is also a misrepresentation of the stakes. Verification cannot be had through negotiation of technical terms alone, it requires a social filter through which different mechanisms of verification become legitimate. This does not mean that verification cannot exist without trust. Rather, verification requires a baseline change in the way that two negotiating parties perceive one another – a shift in their identities.

So as we keep eye on the technical aspects of the current deal in order to inform the prospects for a regional transformation, we should also keep an eye on whether the burgeoning identity shifts signaled by the talks can persist in redefining U.S.-Iran relations. Ultimately, what is at stake is not Iran's possession of nuclear weapons but the filter with which international actors see Iran's nuclear status.

Sidra Hamidi is a PhD candidate in political science at Northwestern University. Her research interests focus on reconceptualizing state identity in international relations theory and its implications for nuclear politics in the 21st century.

Why did Iran's parliament hold hearings on the nuclear deal?

By Amir Hossein Mahdavi, October 6, 2015

After much heated debate and three failed attempts by the Republican-majority Senate to block it, the Joint Comprehensive Plan of Action (JCPOA), the nuclear agreement between Iran and the P5+1, entered its implementation phase. However, the vocal opposition of many U.S. senators may have inspired political debate far beyond the United States.

In July, Iranian state television broadcast a live U.S. congressional hearing to the general public for the first time in its history. Although the testimony at the hearing was replete with bitter rhetoric directed at the Iranian government, the supreme leader, Ayatollah Ali Khamenei, managed to exploit it for his own purposes. Following the hearings, Khamenei authorized the Iranian parliament (Majles) to become involved in the nuclear deal — from which it had previously been excluded — as a kind of retaliatory measure.

The most extreme of the Iranian MPs, who are close to the Iranian Revolutionary Guard Corps, subsequently established a special JCPOA commission. Although this

commission had no authority to change the provisions of the deal, its hearings, too, were broadcast live. In some respects, these hearings, and the manner in which Iranian leaders expressed their disapproval, were the first Iranian imports from the United States. By allowing hard-liner Iranian MPs to speak out about the JCPOA, the supreme leader accomplished several key goals.

After the nuclear deal was reached in Vienna, attacks on the agreement — by Republicans, by Israel and by some Gulf Cooperation Council members — commenced. They were so severe that Iran's supreme leader began having concerns about the possibility of unilateral termination by the United States. Iran had learned from the 2005 American disapproval of an agreement reached between Iran and the European troika to approach the deal with caution. In August, Khamenei insisted that nothing was final; both the United States and Iran could potentially reject the deal. Khamenei had to simultaneously assure the P5+1 that the agreement would not be jeopardized by Iran and keep Iran's position reversible. He had a tough road ahead.

On the one hand, Iranian President Hassan Rouhani had made clear that his administration would be unable to govern if a nuclear deal was not reached. On the other hand, if the supreme leader announced his full compliance with the deal and the U.S. Congress rejected it, not only would the Iranian government pay the political cost of having compromised with the United States, but it also would have gained nothing from having done so. Inviting the Majles to participate in the process was, perhaps, a means of hedging his bets.

Unlike the administration of former president Mahmoud Ahmadinejad, when no comment regarding nuclear issues was allowed, the commission on the JCPOA was broadcast live and soon became public. Foreign Minister Mohammad Javad Zarif, head of the Atomic Energy Organization of Iran Ali Akbar Salehi and other negotiators were summoned to the commission, beginning a series of intense disputes between them and the extremist MPs. The hard-liners derided the negotiators as compromisers making concessions to foreigners, with accusations as harsh as if it were a trial.

These heated discussions, however, were intentional. The public difference of opinion would show the West that the nuclear agreement was not a done deal on the Iranian side, either, suggesting that if the radicals won, Iran would resume enrichment, inspiring the West to make more concessions. The underlying message was that the nuclear deal could be reversed entirely by Iran as well, not just the United States, at any time.

In the first two years of his administration, Rouhani considered the economy Iran's gravest challenge and its sole solution the lifting of sanctions and a return to the international community. By appointing conservatives to the ministries of interior and culture, Rouhani tried not to provoke any further challenges with the supreme leader on issues other than the nuclear deal. But after the Vienna agreement, his reformist supporters expect signs of political openness, and Rouhani in turn needs their votes to win the forthcoming parliamentary elections in March 2016.

Therefore, weeks after the agreement, Rouhani challenged the involvement of the Guardian Council in approving candidates for those elections. He also implicitly referred to the State of the Islamic Republic as the replacement for the Islamic Revolution — rather than a continuation of it — contrary to what many conservatives believe. Both of these very progressive positions by Rouhani were sharply repudiated by the supreme leader

The JCPOA commission proved a useful tool to restrain Rouhani's reformist agenda without Khamenei's direct involvement. The MPs went so far as to suggest that Rouhani was incapable of holding office. Such criticism ensured that Rouhani would need greater support from Khamenei against the extremists, increasing the leader's bargaining power vis-à-vis reforms that the president might seek in other areas.

The extremist current supported by the Revolutionary Guards (IRGC) during Ahmadinejad's presidency was able to suppress all dissenting voices. With the rise of the Rouhani government and the conclusion of the nuclear deal, these extremists were on shaky ground, leaving many in Khamenei's circle upset about the state of the country.

By involving the Majles in the nuclear deal, the supreme leader may be seeking to mobilize fundamentalists and IRGC forces in advance of the parliamentary election.

If extremists lacked opportunities like the JCPOA commission to play a role in Iran's foreign policy, they might become more active within the existing order and eventually could become dangerous for Khamenei himself. With the commission as an outlet for their energy and anger, the probability of this risk has waned.

Khamenei's involvement of the Majles was a clever ploy designed to achieve both internal and external objectives. By designing a game with much fanfare but without significant adverse impact on the deal, the Iranian leader has provided an outlet for the deal's opponents that also enables him to contain them. We will have to wait and see if these efforts pay off.

Amir Hossein Mahdavi is a graduate research assistant at Brandeis University's Crown Center for Middle East Studies and a graduate student at Harvard University's Center for Middle East Studies. He previously served as an editor at several of Iran's dailies.

What Iran will really do with its sanctions relief windfall

By Eric Lob, November 4, 2015

Critics of the Joint Comprehensive Plan of Action (JCPOA) deal continue to assert that sanctions relief will primarily be used for nefarious purposes by the Iranian government. They claim the windfall will be used to improve Iran's military capabilities and increase support for proxies, fomenting instability in the region and raising the prospects for conflict between the United States and Iran.

However, past and recent statements and policies by the Iranian government indicate it will apply sanctions relief more to the economy than the military or proxies.

Sanctions relief will allow Iran to reconnect to international financial markets, import previously restricted goods, expand export markets and receive greater foreign direct investment (FDI). Estimates of the sum of unfrozen assets range from $30 billion to $180 billion in an economy valued at approximately $400 billion. Analysts have not only tried to project the deal's exact windfalls but also to what ends they will be used and to what extent they will alter Iran's regional conduct.

In the short term, sanctions relief will not radically transform Iran's regional behavior but will likely trigger incremental change. Recent political science research – which focuses primarily on the effects of imposing economic sanctions rather than alleviating them – demonstrates that they further empower entrenched elites within targeted states like Iran and fail to modify their behavior. Thirty-six years of sanctions did not lead to regime change; they did not drastically alter, but even worsened, Iran's regional conduct. Reversing this trend will likely require engaging and inducing Tehran with fewer sticks and more carrots or – to borrow David Balwin's phrase – "positive sanctions" comprised of economic statecraft and soft market power in the form of foreign aid, investment, trade, and technology transfers.

Since signing the agreement, the Iranian government has sought immediate and maximum sanctions relief to alleviate external pressure and stabilize the economy before upcoming elections for the parliament and Assembly of Experts. While the Guardian Council will vet the candidates, Iranians will cast their votes based on perceptions of whether citizens directly benefit from the deal. To promote economic stability and raise voter confidence, the Iranian government says it will channel sanctions relief, in a targeted manner, into specific economic sectors to which it has already dedicated significant attention and resources.

The government's stated top priority is attracting FDI and importing machinery and technology to expand and modernize the oil and natural gas sectors, which are by far the country's largest. Iran contains the world's second-largest natural gas reserves and fourth-largest petroleum reserves. Oil export revenues account for nearly half of the government's budget. Economic sanctions curbed oil and natural gas exports as well as restricted imports of machinery and technology. This reduced the efficiency and productivity of upstream and downstream operations, leading, at times, to rising imports of refined and processed fuel.

The government's second priority is economic diversification. This is essential given the economy's susceptibility and vulnerability to petroleum price shocks and foreign exchange shortages. To counter recent price drops, the government seeks to strengthen secondary industries, beginning with the automobile sector. After oil and natural gas, this sector is the country's second-largest and contributes up to 10 percent of GDP.

During the administration of former president Mahmoud Ahmadinejad, automobile and tractor manufacturers opened factories in Africa to produce and export taxis, buses, tractors and other commercial vehicles. Sanctions relief will enable companies such as these to attract FDI and upgrade machinery and parts to maintain and expand operations on the continent and beyond. Beyond improving economic diversification, these operations will increase export revenues and alleviate an official national unemployment rate of 11.4 percent in 2014.

Based on preexisting priorities and policies, the Iranian government will also likely direct the funds, investment and inputs that accompany sanctions relief to the following economic sectors:

Agriculture: With sagging oil prices, Supreme Leader Ali Khamenei and Minister of Agriculture Mahmoud Hojjati have been committed to achieving agricultural self-sufficiency. Since 2013, the government guaranteed wheat purchases from farmers, and, for the first time in its history, the Islamic Republic ceased being a net importer of the grain;

Human development: To improve national health care, Minister of Health Hassan Hashemi introduced a plan similar to Obamacare that would provide affordable and quality health care to all Iranians, especially those from lower socioeconomic backgrounds. Sanctions relief would allow the government to further improve health care by alleviating shortages of medical supplies and upgrading medical research reactors.

Citizen subsidies: The government will likely continue spending billions of dollars on cash transfers to citizens to compensate them for subsidy cuts and rising prices of fuel, food and other basic goods. This policy — which began under Ahmadinejad in 2010 — created sizable budget deficits. While President Hassan Rouhani cut back on transfers to the wealthy, he refrained from substantially cutting or reducing them for the rest of the population. With declining oil prices, the government may seek to attract FDI and technology to upgrade civilian nuclear reactors. This would enable the government to meet rising domestic energy demand and further cut cash transfers and fuel subsidies – which remained the highest in the region between 2014 and 2015 at five percent of GDP.

Compared to the economy, the government will likely

dedicate fewer resources from sanctions relief to the military. To a limited extent, the government will allocate funds toward improving and expanding conventional military and defense capabilities, such as missiles, tanks, naval vessels and fighter jets. The Iran-Iraq War cost Iran an estimated $450 billion – one-third of the national budget in just eight years – in infrastructural damage and destruction and precipitous declines in oil production and revenues, not to mention between 150,000 and 300,000 casualties. After such major losses, the government reduced military spending from 17 percent to 2 percent of GNP. Since then, Iran's official military spending — excluding the Revolutionary Guard and other paramilitary groups — has ranged between 1.4 percent and 3.9 percent of GDP. In 2014, this trend continued as Iran spent about $15.7 billion or 3.75 percent of GDP, and will likely continue so long as international oil prices remain low.

In fact, previous sanctions had done little to curtail its military ambitions as Iran has managed to successfully advance its geopolitical aims in the region through proxy warfare on the cheap. Iran apparently funds its Lebanese proxy, Hezbollah, several hundred million dollars per year. By offering similar support to the Houthis in Yemen, Iran has provoked its GCC rivals – which spend significantly more on defense (Saudi Arabia alone ranked fourth in the world at $80.8 billion or 10.4 percent of GDP in 2014) – into expending considerably more. The GCC's military campaign in Yemen has also tested the unity of member states, tarnished their image and created tension with the United States.

In the immediate future, sanctions relief will not cause Iran's regional conduct to change significantly. Nevertheless, sanctions relief could yield positive, incremental results over time. Irrespective of the total financial gains, the symbolic act of sanctions relief would signal to Iran that the United States is a serious, reliable and credible negotiating partner.

As trust between both sides builds, constructive engagement can materialize around common geopolitical interests, including fighting the Islamic State and resolving conflict in Afghanistan, Iraq, Syria and Yemen. This precedent was already set in 2003 with Iranian-American cooperation in Afghanistan.

Given that Tehran's support of Syrian President Bashar al-Assad costs billions per year – not to mention the lives of military advisers, specialists and operatives – ending the conflict remains in its interests. Engaging Iran grants the United States strategic flexibility to solve issues, stabilize the region and push for collective security between Iran and traditional allies.

More broadly, the JCPOA could mark a significant step toward integrating Iran into the international community and strengthening ties with the West. The deal has already opened the door for European and American trade delegations and educational exchanges, connections that sanctions relief would accelerate and reinforce. Since the negotiations and agreement, Iran is preparing to join the World Trade Organization and establish preferential trading with the European Union.

While Iranian and Western interests and identities will continue to clash and diverge in key areas, greater economic interdependence and trade relations would not only increase interactions and build trust, but also raise the costs of diplomatic defection, escalating conflict and nefarious deeds. Today, the onus of achieving economic cooperation, attracting foreign investment and improving the lives of ordinary Iranians has shifted from American-led sanctions to endemic corruption and recalcitrant hardliners inside Iran itself.

Eric Lob is an assistant professor in the Department of Politics and International Relations at Florida International University. His research focuses on the intersection of development and politics in the Middle East. Lob is currently working on a book project entitled "Construction Jihad: Rural Development and Regime Consolidation in Revolutionary Iran (1979-2013)."

The Project on Middle East Political Science

The Project on Middle East Political Science (POMEPS) is a collaborative network that aims to increase the impact of political scientists specializing in the study of the Middle East in the public sphere and in the academic community. POMEPS, directed by Marc Lynch, is based at the Institute for Middle East Studies at the George Washington University and is supported by Carnegie Corporation of New York and the Henry Luce Foundation. For more information, see http://www.pomeps.org.

COVER PHOTO: SHERVIN MALEKZADEH