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**Appendix I**

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## Internal Politics<sup>1</sup>

Politics in Iran during 2011 were characterized by an increasingly visible and bitter struggle for power among the ruling elites. Most importantly, President Mahmoud Ahmadinejad, and Supreme Leader Ayatollah Ali Khamenei, engaged in a nasty fight that seemed to reflect a generational conflict for dominance of Iran's economy, politics, and policies. As a result, there has been dissent and disagreement among the leaders of various government institutions over appointments, policies, and even the basic governing structures of the Islamic Republic which, in turn, intensify the existing divisions and make dealing with Iran extremely difficult. In addition, the Iranian democratic opposition, or "Green Movement," continued to seek reforms in the basic governing structures, as well, but found little traction during 2011 in the face of the regime's willingness to utilize wide-ranging means to repress the movement and brutalize its supporters.

Finding a solution to the nuclear stand-off will depend in part on where power and authority ultimately settle within the Iranian governing structure. Identifying the particular individuals and entities with the power to negotiate lasting settlements will be challenging, and may prove to be only transitory, placing a major roadblock in the path of a negotiated settlement.

## Background: The Rise of Clerical Supremacy Following the Revolution

With the fall of the Pahlavi Dynasty in 1979, Ayatollah Khomeini returned to Iran from exile in France and began immediately to consolidate power around a conservative clique with clerics at its center. Khomeini assigned the moderate Mehdi Bazargan as interim prime minister, but their visions of what post-revolutionary Iran should look like differed significantly and ultimately led to the Bazargan's resignation and to the rise of hard-line conservatism in Iran.<sup>2</sup>

In May 1979, Khomeini organized the Islamic Revolutionary Guard Corps (IRGC) in order to ensure that his ideas prevailed. The IRGC, or Pasdaran in Persian, was an indispensable organization tasked specifically with suppressing those whom did not support Khomeini's interpretation of the revolution.<sup>3</sup> The development of the Islamic Republic Party (IRP) further solidified power for the conservatives. The IRP worked against more secular-oriented leaders like Bazargan. In addition to the use of political channels, it utilized sympathetic mullahs to promote its ideas through their mosques and, thereby, had a means of directly influencing the public.<sup>4</sup>

One reason why Bazargan and other similarly minded individuals were relatively easily discredited was because they supported dialogue with the US.<sup>5</sup> In large part, the revolution against the Shah was also a revolution against the US—as indicated by the seizure of the

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1 This appendix was prepared by R. Taj Moore.

2 Mohsen M. Milani, "The Making of Iran's Islamic Revolution: From Monarchy to Islamic Republic (Second Edition)," Westview Press (1988), p. 166.

3 William Cleveland, "A History of the Modern Middle East (Third Edition)," Westview Press (2004), p. 431.

4 *Ibid.*, 432.

5 Milani, *Op.cit.*, 162.

US embassy and holding its staff hostage—because the US was blamed for installing the Shah and his hated secret police, SAVAK. Hatred of the US was so great that anyone advocating discourse lost public legitimacy early on and, in part, assisted the conservative consolidation of power.<sup>6</sup> This conservative, cleric-oriented power structure is also preserved in Iran's constitution.

The Iranian constitution gives the citizenry the power to elect a president and members of its parliament, the Majlis, but candidates must be approved by a 12-member clerical body called the Guardian Council, of which half the members are appointed by the supreme leader. The remaining six members are nominated by the judiciary and approved by the Majlis.<sup>7</sup> Moreover, the clerical establishment, acting through constitutional authority, is given the right to veto legislation passed by the Majlis or to overturn decisions by the president. The supreme leader, however, remains the ultimate decision-maker.<sup>8</sup> This order of governance reflects a principle called “vilayat-e faqih,” which is incorporated in the constitution and assigns almost complete authority to an individual Islamic jurist who is said to govern and interpret Islamic principles on behalf of the Hidden Imam.<sup>9</sup> This Islamic jurist approves presidential candidates, appoints and dismisses leaders of all parts of the security establishment, and is to be Iran's decisive, religious authority. Khomeini served this role during his tenure as Iran's supreme leader; now Khamenei is at the helm in this position.<sup>10</sup> With political institutions and the constitution on their side, the conservatives eventually shut out all their opponents: secularists, Marxists, and the remnants of the Shah's supporters. Through the IRP's mosque outreach and recruitment into the Revolutionary Guard, power was not only consolidated, but Khomeini created a system that allowed individuals to believe they had a stake in the regime (even if power was not actually theirs), leading many to work to maintain the objectives of the regime itself, even if those interests differed from the interests of the general population. This system of deference served Khomeini well, but may have in part been the result of his personal charisma and stature, rather than a sign that a durable governing structure had been created. Leading Iran after Khomeini's passing appears to be more volatile, revealing the organizational flaws of the post-revolutionary regime.

As a result of the brutal Iran-Iraq War (1980-1988), during which the IRGC grew considerably, as well as the death of Khomeini in 1989, many regular army and IRGC members began to re-evaluate what their place in Iran should be given the sacrifices they had made for the Islamic Republic. As some have asserted, a new generation of war veterans emerged desiring a greater share of influence, both political and economic.<sup>11</sup> The current

6 Karim Sadjadpour, “Reading Khamenei: The World View of Iran's Most Powerful Leader,” (Carnegie Endowment for International Peace, 2009), p. 14.

7 BBC News Special Reports, “Iran: Who Holds the Power? Guardian Council,” *BBC News*, [http://news.bbc.co.uk/2/shared/spl/hi/middle\\_east/03/irn\\_power/html/guardian\\_council.stm](http://news.bbc.co.uk/2/shared/spl/hi/middle_east/03/irn_power/html/guardian_council.stm).

8 New York Times Topics, “Guardian Council (Iran),” *New York Times* (June 15, 2009), [http://topics.nytimes.com/topics/reference/timestopics/organizations/g/guardian\\_council\\_iran/index.html](http://topics.nytimes.com/topics/reference/timestopics/organizations/g/guardian_council_iran/index.html).

9 The Hidden Imam is the central authority in Shi'a Islam and is said to foreshadow judgment day. Both Shi'a Islam and Sunni Islam believe in a Mahdi (a foreshadower of judgment day), but Shi'a Islam provides more authority to his role.

10 Cleveland, *Op.cit.*, 433.

11 Reza Marashi and Jason Rezaian, “Iran: The Next Generation,” *The National Interest* (June 29, 2011), <http://nationalinterest.org/commentary/irans-next-generation-5541>.

internal political struggles unfolding in Iran are possibly a result of these structural and generational developments.

## The Struggle for Power Between Ahmadinejad and Khamenei

Overt conflict between Khamenei and the president was largely absent during Ahmadinejad's first term (2005-2009). After two consecutive reform-oriented presidencies, Rafsanjani and Khatami, the conservative Khamenei was likely relieved to have a president whose extreme rhetoric and radical policies contrasted greatly with those of his predecessors and aligned more closely with Khamenei's own preferences. Because of this apparent alignment, Khamenei could step back from a more direct role in politics and rest assured that his president would behave appropriately. With the supreme leader at his side, Ahmadinejad went largely unchallenged and was protected from criticisms.

Following the "official," if disputed, results of the 2009 presidential election, Khamenei again endorsed Ahmadinejad, perhaps to maintain order and the perception of a unified Iran, and to help prevent popular reformer Mir Hossein Mousavi from winning the election.<sup>12</sup> Nevertheless, as the wide-spread protests over the June election were suppressed and eventually moved into the political background, rifts between Ahmadinejad and Khamenei began to appear. Ahmadinejad and his supporters appeared to be attempting to seize more power and maneuvering to ensure that allies of the president would be in strong positions for the next round of legislative and presidential elections. As some have asserted, it is possible that Khamenei did not previously understand that Ahmadinejad had more ambitious plans than simply catering to the supreme leader.<sup>13</sup>

The first suspicion of a potential clash came to light as early as July 2009 when Ahmadinejad named his confidante and protégé, Esfandiar Rahim Mashaei, as his vice president. Only days after the appointment, however, Mashaei was forced to resign under pressure from the clergy and other hard-line conservatives. Mashaei was criticized for taking a weak position on Israel—he once proclaimed that the people of Israel were friends of Iran. In addition, he has been attacked for his suspected desire to undermine the influence of the clerical establishment.<sup>14</sup> Despite the rebuke, Ahmadinejad then appointed Mashaei as his chief-of-staff.<sup>15</sup> Furthermore, and also unsettling to some Khamenei allies, was Ahmadinejad's early attempt to reorganize his cabinet—purging it of individuals supportive of Khamenei and nominating those with proven loyalty to the president.<sup>16</sup> Although these scuffles appear

12 Nazila Fathi, "Iran's Top Leader Dashes Hopes for a Compromise," *New York Times* (June 19, 2009), <http://www.nytimes.com/2009/06/20/world/middleeast/20iran.html>.

13 Karim Sadjadpour, "The Rise and Fall of Iran's Ahmadinejad," *The Washington Post* (July 13, 2011), [http://www.washingtonpost.com/opinions/the-rise-and-fall-of-irans-ahmadinejad/2011/07/08/gIQACK4ADI\\_story.html](http://www.washingtonpost.com/opinions/the-rise-and-fall-of-irans-ahmadinejad/2011/07/08/gIQACK4ADI_story.html).

14 Borzou Daragahi, "Iran Vice President Resigns Under Pressure from Hard-Liners," *Los Angeles Times* (July 20, 2009), <http://articles.latimes.com/2009/jul/20/world/fg-iran-resign20>; *The Economist*, "A Power Struggle in Iran: The President's Awkward Friend," (September 9, 2010), <http://www.economist.com/node/16994616>.

15 Muhammad Sahimi, "Ahmadinejad Sacks Ministers; VP Nominee to Remain Close," *PBS Tehran Bureau* (July 26, 2009), <http://www.pbs.org/wgbh/pages/frontline/tehranbureau/2009/07/ahmadinejad-sacks-ministers-vp-nominee-to-remain-close.html>.

16 Ali Alfoneh, "Ahmadinejad's Second-Term Gamble," (American Enterprise Institute – Middle Eastern Outlook No. 5, September 2009), <http://www.aei.org/files/2009/09/01/20090901-MEO-Sept09-g.pdf>.

somewhat minor, they were some of the earliest public contests which would eventually evolve into a fierce power struggle. Ahmadinejad, it seemed, was mobilizing his base.

Apparent divisions between the president and the supreme leader arose again in November 2009, during negotiations on a proposed swap of Iran's 20 percent enriched uranium for fabricated fuel rods for the Tehran Research Reactor.<sup>17</sup> An agreement on the suggested exchange was completed in Geneva, but then overturned when the Iranian negotiators returned to Tehran. It is suspected to have been a point of disagreement between Ayatollah Khamenei and President Ahmadinejad; Khamenei had warned against negotiating with the US and made it clear he believed the US was not negotiating with good, true intentions.<sup>18</sup> Ahmadinejad, on the other hand, despite his rhetorical excesses, thought it would be in Iran's interest to reach a minimal accommodation.<sup>19</sup> A negotiated settlement maintaining Iran's enrichment rights, even under strict international supervision, could have helped bolster Ahmadinejad's domestic standing, because a solution of the nuclear issue could lead to a loosening of economic sanctions on Iran and improve Iran's international standing.

Additional, more visible examples of the division came in the spring of 2011. For example, Ahmadinejad fired Iran's intelligence minister, Heydar Moslehi, a Khamenei loyalist and the supreme leader's former representative to the IRGC's Basij forces.<sup>20</sup> Ahmadinejad removed him from office as a response to accusations that Moslehi was spying on Mashaei. However, Khamenei reinstated Moslehi in short order.<sup>21</sup> Some believe that Ahmadinejad was attempting to put Mashaei in a position where he could have a strong shot at the presidency in the 2013 elections (Ahmadinejad cannot run himself because of term limits), and that such political divisions within the cabinet inspired Moslehi's spying.<sup>22</sup> In response to the reinstatement, Ahmadinejad did not attend cabinet meetings for several days following Khamenei's decision.<sup>23</sup>

In May 2011, Ahmadinejad sought to merge the energy and oil ministries in what he claimed was an effort to reduce the size of government. Instead of appointing an interim

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17 Roger Hardy, "Iran: Too Divided for Nuclear Deal?" *BBC News* (November 5, 2009), <http://news.bbc.co.uk/2/hi/8343990.stm>.

18 Thomas Erdbrink and William Branigin, "Iran's Supreme Leader Warns Against Negotiating with U.S." *Washington Post* (November 4, 2009), <http://www.washingtonpost.com/wp-dyn/content/article/2009/11/03/AR2009110301397.html>.

19 Parisa Hafezi, "Iran's Ahmadinejad Seen Backing Nuclear Deal," *Reuters* (November 15, 2009), <http://www.reuters.com/article/2009/11/17/us-iran-nuclear-ahmadinejad-idUSTRE5AG53620091117>.

20 Muhammad Sahimi, "Ahmadinejad's Security Cabinet," *PBS Tehran Bureau* (August 17, 2009), <http://www.pbs.org/wgbh/pages/frontline/tehranbureau/2009/08/ahmadinejads-security-cabinet.html>.

21 Borzou Daragahi and Ramin Mostaghim, "Ahmadinejad Fires 3 Iran Cabinet Ministers," *Los Angeles Times* (May 15, 2011), <http://articles.latimes.com/2011/may/15/world/la-fg-iran-ahmadinejad-20110515>; *Reuters*, "Iran's Khamenei Rejects Minister's Resignation: Report," (April 17, 2011), <http://www.reuters.com/article/2011/04/17/us-iran-minister-idUSTRE73G1LA20110417>.

22 Saeed Kamali Dehghan, "Ahmadinejad Grooms Chief-of-Staff to Take Over as Iran's President," *The Guardian* (April 21, 2011), <http://www.guardian.co.uk/world/2011/apr/21/ahmadinejad-iran-successor-wikileaks>; Borzou Daragahi and Ramin Mostaghim, "Iran's Supreme Leader and President Wrestle for Power," *Los Angeles Times* (May 22, 2011), <http://articles.latimes.com/2011/may/22/world/la-fg-iran-power-struggle-20110522/2>.

23 Borzou Daragahi and Ramin Mostaghim, "Iran's Supreme Leader and President Wrestle for Power," *Los Angeles Times* (May 22, 2011), <http://articles.latimes.com/2011/may/22/world/la-fg-iran-power-struggle-20110522>.

minister, Ahmadinejad named himself director of the oil ministry. The Guardian Council, supported by several lawmakers in the Majlis, however, ruled that Ahmadinejad's self-appointment was unconstitutional.<sup>24</sup> This is significant because at the time, Iran held the rotating presidency of OPEC and this would have allowed Ahmadinejad to deliver opening remarks at the meeting—as well as to negotiate for higher oil prices. Ahmadinejad's self-appointment would have allowed him to put himself at the center of a major international meeting and to project his image of power globally.<sup>25</sup> But his aim was not realized and he later made an announcement that he would not be attending the meeting as he initially had planned and said a cabinet minister would replace him.<sup>26</sup> This was a clear sign that Khamenei had the upper hand in the overall struggle for power.

The fight between the two is so broad that it even includes general social disagreements. In July 2011, Ahmadinejad and the clerical elites were engaged in a debate over the government's veil, or hijab, requirement for women. The clerics claimed that the president was doing very little to enforce the law, to which he responded that the government should place a stronger emphasis on education, and allow women to choose to wear it or not.<sup>27</sup> The clerical elite considered this an attempt by Ahmadinejad to expand the size of his popular base. Whether or not it reflects a pure political motivation or a genuine belief on the part of Ahmadinejad, it reveals the extent to which the power fight has grown in Iran following the 2009 presidential elections.

Khamenei and his allies appear to delight in humiliating Ahmadinejad. The president's inability in September 2011 to free two American hikers jailed in Iran, at the time he had publicly said they would be freed, was another definite sign that the clerical establishment, which also controls the courts, is supreme.<sup>28</sup> Ahmadinejad had wanted the hikers to be returned to America at the same time he was arriving in New York for the UN General Assembly meeting. Despite Ahmadinejad's claims that release of the hikers would be imminent, judicial spokesmen publicly countered his assertions and made clear that the president had no authority to release the prisoners. They were released a few days later than promised.<sup>29</sup>

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24 *Reuters*, "Ahmadinejad Oil Ministry Move Illegal: Iran Watchdog," (May 20, 2011), <http://www.reuters.com/article/2011/05/20/us-iran-oil-ahmadinejad-idUSTRE74J3T720110520>.

25 Clifford Krauss, "Iran's President to Lead Next OPEC Meeting," *New York Times* (May 19, 2011), <http://www.nytimes.com/2011/05/20/world/middleeast/20iran.html>.

26 Parisa Hafezi, "Ahmadinejad Not to Attend OPEC Meeting," *Reuters* (May 23, 2011), <http://www.reuters.com/article/2011/05/23/us-iran-opec-ahmadinejad-idUSTRE74M32U20110523>.

27 Thomas Erdbrink, "Ahmadinejad and Clerics Fight Over Head Scarves," *Washington Post* (July 20, 2011), [http://www.washingtonpost.com/world/middle-east/ahmadinejad-and-clerics-fight-over-scarves/2011/07/12/gIQAhoqJPI\\_story.html](http://www.washingtonpost.com/world/middle-east/ahmadinejad-and-clerics-fight-over-scarves/2011/07/12/gIQAhoqJPI_story.html).

28 *CBS News*, "Ahmadinejad Heads to NYC Without U.S. Hikers," (September 19, 2011), <http://www.cbsnews.com/stories/2011/09/19/501364/main20108156.shtml>.

29 David D. Kirkpatrick, "In Rebuke to Iran's President, Courts Void Release of Hikers," *New York Times* (September 14, 2011), <http://www.nytimes.com/2011/09/15/world/middleeast/irans-judiciary-clouds-fate-of-american-hikers.html>.

The split in the leadership took a nastier turn in September 2011, when an individual with ties to Ahmadinejad, characterized by clerics as the “deviant current,” Amir-Mansour Aria, was jailed in a \$2.6 billion bank fraud scandal.<sup>30</sup> Aria is said to be a partner of Ahmadinejad’s advisor, Mashaei, who the clerical establishment sees as a major threat to religious elites, as he suggests that the clerical establishment is unnecessary for communicating with the Hidden Imam, a direct attack on the need for a supreme leader and the clerical elite.<sup>31</sup>

The scandal involved falsified letters of credit that transferred money from several of Iran’s banks, including Banks Melli and Saderat, into a private firm and then out of Iran.<sup>32</sup> Many hard-line conservatives in Khamenei’s camp have attempted to link this scandal directly to Ahmadinejad’s cabinet. Some claim the religious elite are worried that Ahmadinejad may try to extend his power beyond his term by ensuring his allies have the financial support necessary to compete in parliamentary and presidential elections in 2012 and 2013. At least 67 individuals have been interrogated, with 31 of them put under house arrest. The managing director of Bank Melli, Mahmoud Reza Khavari, has since fled to his second home in Canada.<sup>33</sup>

As Reza Marashi has argued, this rift between Ahmadinejad and Khamenei is not only a personal struggle, but representative of a generational divide that is growing in the Islamic Republic.<sup>34</sup> Ahmadinejad and his allies represent a younger generation of Iranian leaders who believe that the established elites, and in particular the clerical establishment, have been abusing their positions for personal gain and depriving ordinary Iranians, especially those in outlying districts, from a fair share of the Iranian economy. There are a number of Iran-Iraq War veterans that believe there is a need for a redistribution of power and resources, and have been trying to secure that through the office of the president and, earlier in this decade, through the IRGC. This generation perceives the future of Iran differently than the current elites, emphasizing integrating Iran into the global economy, a leading role for Iran in a new collection of nations opposed to the existing order dominated by the US, and a greater cultural emphasis on Persian nationalism at the expense of political Islam. As Marashi makes clear, though, the divide between these two groups of conservatives does not by any means predict a collapse of the Islamic Republic or a radical change in its foreign policies. The new generation remains committed to maintaining Iran as an Islamic Republic and to policies that seek the eventual destruction of the state of Israel, expulsion of the US from the Middle East, and fundamental change in the world order. They may pursue these aims through more moderate means, however, seeing negotiated agreements as sometimes helpful tactical instruments.

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30 *The Associated Press*, “Iran Accuses Businessman of Bank Fraud,” *New York Times* (September 12, 2011), [http://www.nytimes.com/2011/09/13/world/middleeast/13iran.html?\\_r=1](http://www.nytimes.com/2011/09/13/world/middleeast/13iran.html?_r=1).

31 Robert F. Worth, “Iran’s Power Struggle Goes Beyond Personalities to Future of Presidency Itself,” *New York Times* (October 26, 2011), <http://www.nytimes.com/2011/10/27/world/middleeast/in-iran-rivalry-khamenei-takes-on-presidency-itself.html>.

32 Mike Shuster, “Iran’s Largest Banks Swindled Out of \$2.6 Billion,” *National Public Radio* (October 27, 2011), <http://www.npr.org/2011/10/27/141729872/irans-largest-banks-swindled-out-of-2-6-billion>.

33 Rick Gladstone, “Iran Makes New Arrests in Fraud Case,” *New York Times* (October 25, 2011), <http://www.nytimes.com/2011/10/26/world/middleeast/new-arrests-and-interrogations-in-iran-fraud-case.html?ref=iran>.

34 Marashi and Rezaian, *Op.cit.*

With revelation of the foiled Iranian plot to assassinate the Saudi ambassador in Washington in October 2011, the lack of trust between Khamenei and Ahmadinejad again came to the public eye and took a far-reaching turn. In a speech delivered on October 17, 2011, Khamenei discussed the executive structure of the Islamic Republic and said that although it is the current structural design, it could be easily converted into a parliamentary power structure, if desired.<sup>35</sup> Under such a system, there would be no division of executive power as exists now between the presidency and the clerical establishment under the supreme leader. All executive power would be in the latter's hands with a weak prime minister elected by the Majlis. Indeed, there have been reports that the necessary constitutional steps are already being taken to eliminate the presidency before the 2013 elections.<sup>36</sup> Khamenei's comments, although not specifically referencing any particular individual, are telling of how wide the divide between the contending forces has become, and open the possibility that power in the Islamic Republic may shift even more heavily toward the supreme leader and away from the president, if the position exists beyond 2013.

### Additional Factions Among Iran's Elites

There are additional divisions among the conservative elites and other players that compete with Ahmadinejad. The Larijani brothers, for example, seem to represent a key opposition force within the conservative establishment challenging Ahmadinejad's authority.

Ali Larijani is the current chairman of the Majlis. His brother, Sadegh Larijani, is currently president of the judiciary and appears to have better relations with the supreme leader. The Larijani brothers (five total, all at least former high-level actors in previous administrations) bring a different element to the growing divide in Iran: social class. While the Larijanis have ancestral ties to the clerical elite and a large familial network that is part of the Iranian establishment, Ahmadinejad rose to power from very modest means. His father was a blacksmith and did not enjoy the same privileges and connections that the Larijanis did. Possibly because of their strong connections to the clerics, the Larijanis have been confidantes of, and supported by, the supreme leader. Ahmadinejad, on the other hand, despite strong support during his first-term, has always been an outsider to the clerical establishment because of his modest, provincial roots.

The Larijani family is connected to both the political and clerical elite in Iran in several ways. Although their father, Grand Ayatollah Mirza Hashem Amoli, and their grandfather, Grand Ayatollah Sayyed Mohsen Ashrafi, were not heavily involved in the politics of the 1979 revolution, their status as Grand Ayatollahs has appeared to serve the family well and buy them favor with the clerical establishment. Additionally, an uncle, Ayatollah Abdollah Javadi Amoli, is currently a powerful cleric.<sup>37</sup> In addition to familial ties to the clerical elite,

35 Muhammad Sahimi, "Supreme Leader Hints at Eliminating Presidency," *PBS Tehran Bureau* (October 17, 2011), <http://www.pbs.org/wgbh/pages/frontline/tehranbureau/2011/10/supreme-leader-hints-at-eliminating-presidency.html>; Reza Marashi, "The Conservative Rise and the Potential Fall of the Presidency," *PBS Tehran Bureau* (October 17, 2011), <http://www.pbs.org/wgbh/pages/frontline/tehranbureau/2011/10/engineering-political-change-in-iran.html>.

36 Reza Marashi and Sahar Namazikhah, "Khamenei's Power Consolidation Gambit," *Al Jazeera* (November 11, 2011), <http://www.aljazeera.com/indepth/opinion/2011/11/20111110103232754325.html>.

37 Muhammad Sahimi, "Nepotism & the Larijani Dynasty," *PBS Tehran Bureau* (August 20, 2009), <http://www.pbs.org/wgbh/pages/frontline/tehranbureau/2009/08/nepotism-the-larijani-dynasty.html>.

it is said that Ali Larijani fostered strong ties with Khamenei during his time serving as a commander of the Pasdaran.<sup>38</sup> The Larijanis, it seems, have long been in good favor of the supreme leader. In return, the Larijanis have been supportive of Khamenei. Ali Larijani even publicly endorsed Khamenei's statement about eliminating the presidency in favor of a parliamentary system.<sup>39</sup>

The formidable counter that these Khamenei-allegiant conservatives, represented by the Larijani brothers, pose to Ahmadinejad is noteworthy and a possible cause of further division within conservative ranks.

The conservative factions do not end there, however. In July 2010, Tehran's Grand Bazaar went on strike in order to protest a proposed 70 percent value-added tax on certain products.<sup>40</sup> The strike is significant because of the political history and identity of many bazaaris.

Many shop owners were not only 1979 revolution supporters, but they also have supported the conservative, Islamic government. Many influential bazaaris are members of a conservative group in Iran called the Islamic Coalition Party, or Motalefeh.<sup>41</sup> The party formed in the 1960s with the claim that it represented the interests of the bazaar.<sup>42</sup> The organization has been active in Iranian politics ever since and has largely supported Ahmadinejad during his presidency and has backed conservative politics with respect to endorsing the concept of vilayat-e faqih and supporting government restrictions on media and arts.<sup>43</sup> Their support for the conservatives derives not only from natural political alignments, but also because under the rule of the Islamic Republic, some bazaaris have been given influential positions in government previously denied to them under the Shah's rule.<sup>44</sup> The bazaaris, however, represent what some call the traditional conservatives, who fall more in line with Khamenei's views than the president's. Although they have been supportive of Ahmadinejad to an extent, his economic policies have angered them and deepened the rift between these conservative groups.

The Tehran Grand Bazaar strike was settled in the same month with a 15 percent increase in tax instead of the proposed 70 percent.<sup>45</sup> This example illustrates how the dispute between Ahmadinejad and Khamenei, while at its core a power struggle, is also a generational

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38 Muhammad Sahimi, "Nepotism & the Larijani Dynasty," *PBS Tehran Bureau* (August 20, 2009), <http://www.pbs.org/wgbh/pages/frontline/tehranbureau/2009/08/nepotism-the-larijani-dynasty.html>.

39 Robert F. Worth, "Iran's Power Struggle Goes Beyond Personalities to Future of Presidency Itself," *New York Times* (October 26, 2011), [http://www.nytimes.com/2011/10/27/world/middleeast/in-iran-rivalry-khamenei-takes-on-presidency-itself.html?\\_r=1&ref=iran](http://www.nytimes.com/2011/10/27/world/middleeast/in-iran-rivalry-khamenei-takes-on-presidency-itself.html?_r=1&ref=iran).

40 *Reuters Africa*, "Strike in Iran Bazaar Enters its Second Week-Report," (July 13, 2010), <http://af.reuters.com/article/energyOilNews/idAFHOS36468920100713?sp=true>.

41 Nazila Fathi, "Strike at Bazaar Spreads Beyond Tehran," *New York Times* (July 15, 2010), <http://www.nytimes.com/2010/07/16/world/middleeast/16bazaar.html>.

42 Princeton University Iran Data Portal, Political Factions, Islamic Coalition Party, <http://www.princeton.edu/irandataportal/parties/motalefeh/MotalefehFinal.pdf>.

43 Princeton Iran Data Portal, Political Factions, Islamic Coalition Party; Nazila Fathi, "Strike at Bazaar Spreads Beyond Tehran," *New York Times* (July 15, 2010).

44 Kevan Harris, "The Bazaar," United States Institute for Peace Iran Primer, <http://iranprimer.usip.org/resource/bazaar>.

45 Ramin Mostaghim and Borzou Daragahi, "Iran Merchants and Tax Collectors and Standoff," *Los Angeles Times* (July 18, 2010), <http://articles.latimes.com/2010/jul/18/world/la-fg-iran-economy-20100718>.

conflict characterized by different views of how the Islamic Republic should be governed, and for whose benefit, or at the very least who should control the Islamic Republic.

The divide was also evidenced by the starkly different reactions to the November 2011 take-over of the British Embassy in Tehran. While the foreign ministry, led by Ahmadinejad's supporter, Ali Akbar Salehi,<sup>46</sup> condemned the embassy attack, Majlis speaker Ali Larijani, Khamenei's loyalist, asserted that the only wrong done was by Britain, not the Iranians, who were simply upset with British behavior.<sup>47</sup> Some have even cited the protest as an attempt by the Larijani camp to prevent nuclear talks between Ahmadinejad and the P5+1 in 2012.<sup>48</sup>

## Continuing Rise of the IRGC

Perhaps because of the opportunities offered by the continuing conflict between Ahmadinejad and the clerical establishment, to say nothing of those offered by growth in the black market due to sanctions, the IRGC continued to increase its economic strength and political power during 2011. With its 150,000 highly-trained forces and its ability to influence events in many parts of the Middle East through its ties with Hezbollah, Hamas, Islamic Jihad, and Shi'a insurgents in Iraq, Bahrain, and Saudi Arabia, the IRGC has proven to be a formidable player in Iranian and regional politics.<sup>49</sup> While the supreme leader is officially in charge, by many standards the Pasdaran is now, de facto, the dominant institutional actor in Iran.

## Economic Influence

The IRGC's stake in the Iranian economy is considerable; a 2007 news report claimed that the Pasdaran's economic stake was worth \$12 billion.<sup>50</sup> During the Iran-Iraq War, the IRGC began to take hold of parts of the Iranian economy because international arms embargoes crippled Iran's ability to acquire the weapons necessary to fight Iraq. To sidestep the sanctions, the IRGC began to develop weapons and armaments industries under its direct control. As it enhanced its capabilities in the defense industry, the IRGC's expertise in manufacturing high-technology products increased and allowed it to become a formidable player in several

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46 Salehi was also on the verge of being impeached for appointing an aide of Mashaei's to a finance position in the foreign ministry; *AFP*, "Iran Parliament Starts Impeachment Proceedings Against Foreign Minister, Ally of Ahmadinejad," *Al Arabiya News* (June 21, 2011), <http://www.alarabiya.net/articles/2011/06/21/154179.html>.

47 *Washington Post*, "Iran Faces Increased Isolation After Attack on British Embassy," (November 30, 2011), [http://www.washingtonpost.com/world/norway-britain-withdrawing-embassy-staff-from-iran/2011/11/30/gIQAHR37BO\\_story\\_1.html](http://www.washingtonpost.com/world/norway-britain-withdrawing-embassy-staff-from-iran/2011/11/30/gIQAHR37BO_story_1.html).

48 Trita Parsi, "Why the UK Embassy in Iran was Attacked: The Domestic Angle," *The Huffington Post* (December 2, 2011), [http://www.huffingtonpost.com/trita-parsi/why-the-uk-embassy-in-ira\\_b\\_1125027.html](http://www.huffingtonpost.com/trita-parsi/why-the-uk-embassy-in-ira_b_1125027.html).

49 Alireza Nader, "The Revolutionary Guards," (United States Institute of Peace Iran Primer), <http://iranprimer.usip.org/resource/revolutionary-guards>.

50 Kim Murphy, "Iran's \$12-Billion Enforcers," *Los Angeles Times* (August 26, 2007), <http://articles.latimes.com/2007/aug/26/world/fg-guards26>.

Iranian markets for goods and services.<sup>51</sup> In 1988, at the end of the war, the Majlis passed legislation giving the IRGC a formal role in the economy by tasking it with rebuilding Iran's economy and infrastructure.<sup>52</sup> Beginning in 1992 under President Rafsanjani, the Pasdaran became even more profit-driven as he advocated increasing government involvement in business activities in order to build the nation's budget.<sup>53</sup> It is said that the business orientation of the IRGC grew even further under Ahmadinejad's presidency.<sup>54</sup>

The IRGC formed an industrial firm, Khatam al-Anbia, or Ghorb, following the war to manage and further reinforce its position as a major contractor. Ghorb serves as a holding company that has numerous subsidiaries in industries ranging from agriculture to infrastructure development. Ghorb has won hundreds of industrial contracts and has completed many of Iran's largest construction projects, in some cases without any sort of competitive bidding process.<sup>55</sup> Two of the most important have been the \$2.5 billion contract to develop the South Pars oil field and a contract for the development of a gas line originating in Iran and designed to reach both Pakistan and India.<sup>56</sup>

As an illustration of the extent to which the IRGC influences Iranian economic decisions, one can consider the 2004 Imam Khomeini Airport management contract, awarded initially to a Turkish-Austrian business association. In May 2004, when the airport was scheduled to open under the direction of the Turkish-Austrian group, the IRGC closed the airport, asserting that the contractor was a national security risk because of suspected ties to Israel.<sup>57</sup> As will be seen shortly, the IRGC's assertion had more to do with economic motivations than national security.

In addition to an enormous network of private holdings, 812 according to some reports, the IRGC also operates through a number of "charitable organizations," or bonyads.<sup>58</sup> Although some bonyads are managed by IRGC veterans, the largest organization, Bonyad-e Mostazafab, falls directly under the supervision of the supreme leader, who also selects the organization's director.<sup>59</sup> Another one of the largest bonyads is Bonyad-e Shahid va Omur-e Janbazan. Bonyads were created during the Pahlavi era and functioned as tax-exempt organizations. Following the revolution, the foundations were integrated into the Islamic Republic.<sup>60</sup> While some of Bonyad-e Mostazafab's profits are reserved for the

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51 Ali Alfoneh, "How Intertwined Are the Revolutionary Guards in Iran's Economy?" (American Enterprise Institute - Middle Eastern Outlook, October 22, 2007), <http://www.irantracker.org/analysis/how-intertwined-are-revolutionary-guards-irans-economy>.

52 Mehdi Khalaji, "Iran's Revolutionary Guards Corps, Inc.," (The Washington Institute for Near East Policy, Policy Watch #1273, August 17, 2007), <http://www.washingtoninstitute.org/templateC05.php?CID=2649>.

53 Frederic Wehrey et al., "The Rise of the Pasdaran: Assessing the Domestic Roles of Iran's Islamic Revolutionary Guards Corps," (RAND Corporation, 2009), p. 56.

54 Ibid., 56.

55 Wehrey, *Op.cit.*, 62.

56 Wehrey, *Op.cit.*, 62.

57 Julian Borger and Robert Tait, "The Financial Power of the Revolutionary Guards," *The Guardian* (February 15, 2010), <http://www.guardian.co.uk/world/2010/feb/15/financial-power-revolutionary-guard/print>.

58 Omid Memarian, "Iran: Revolutionary Guards Tighten Economic Hold," *Inter Press Service* (December 29, 2009).

59 Wehrey, *Op.cit.*, 57.

60 Ibid., 57.

Iranian public for such services as loans, the rest of the money is reinvested in the various subsidiary companies of the bonyad, with services ranging from agricultural investment to oil investment.<sup>61</sup> Bonyads control approximately 20 percent of Iran's GDP, according to some estimates, and the Pasdaran is directly involved in managing that share.<sup>62</sup> The IRGC also has stakes in smaller, but still significant industries, such as the automobile industry.<sup>63</sup>

In addition to its above-board roles in Iran's economy, the IRGC has been accused by some Iranians in the Majlis of enabling and perpetuating Iran's black market.<sup>64</sup> Some experts claim that the IRGC closed the Imam Khomeini Airport in 2004 because it was worried that the Turkish-Austrian company awarded the contract would impede its ability to receive items illegally.<sup>65</sup> Some have also accused the IRGC of participating in oil-smuggling, selling government-subsidized-oil internationally.<sup>66</sup> On illegal dealings alone, the IRGC is said to return a profit of approximately 200 to 300 percent. One parliamentarian in the Majlis has even asserted that 68 percent of Iran's exports are controlled by the Pasdaran.<sup>67</sup> Another Majlis representative claimed that the IRGC's yearly black market revenue totaled approximately \$12 billion.<sup>68</sup> The veracity of these claims cannot be verified given the criminal and secretive nature of these transactions, but they provide additional measures in determining the extent to which the IRGC is involved in the Iranian economy.

If the Pasdaran's hold on the economy were not strong enough, its role has only grown during Ahmadinejad's presidency. The IRGC and its associates have benefited from his privatization efforts, aiding the expansion of the Pasdaran's hold on the economy. Such privatization has been characterized by transfers of state run assets directly to IRGC affiliates.<sup>69</sup>

The IRGC's role in the Iranian economy has not gone unrecognized. Sanctions imposed by the US and some European nations penalize both individual members of the IRGC and several banks and businesses associated with the Pasdaran.<sup>70</sup> In April 2011, the US government sanctioned the IRGC's Quds forces because it was identified as an enabler of Syria's crackdown on peaceful protestors.<sup>71</sup> Sanctions were enhanced in October 2011 when the Treasury Department announced additional sanctions on individual Quds Forces

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61 Wehrey, *Op.cit.*, 58; Iran Revolution Mostazafan Foundation, <http://www.irmf.ir/en/EN-RelatedCompanies.aspx> (Accessed 10/27/11).

62 Afshin Molavi, "Soul of Iran: A Nation's Journey to Freedom," (Norton, 2006), p. 176.

63 Khalaji, *Op.cit.*, "Iran's Revolutionary Guards Corps, Inc."

64 Wehrey, *Op.cit.*, 64.

65 Alfoneh, *Op.cit.*, 5.

66 *Ibid.*, 5.

67 Wehrey, *Op.cit.*, 65.

68 *Ibid.*, 65.

69 Eliot Hen-Tov and Nathan Gonzalez, "The Militarization of Post-Khomeini Iran: Praetorianism 2.0," *The Washington Quarterly* (Winter 2011), p. 53, [http://twq.com/11winter/docs/11winter\\_Hen-Tov\\_Gonzalez.pdf](http://twq.com/11winter/docs/11winter_Hen-Tov_Gonzalez.pdf).

70 "Treasury Targets Iran's Islamic Revolutionary Guard Corps," (US Department of State, February 10, 2010), <http://www.state.gov/r/pa/prs/ps/2010/02/136595.htm>.

71 Executive Order 13572, "Blocking Property of Certain Persons With Respect to Human Rights Abuses in Syria," (April 29, 2011), <http://www.treasury.gov/resource-center/sanctions/Programs/Documents/13572.pdf>.

members because of their ties to the Saudi ambassador assassination plot.<sup>72</sup> The following day, the Treasury Department announced sanctions on Iran's Mahan Air because of its facilitation of IRGC activities. So although the economic strength of the IRGC continued to grow in recent years, those crafting sanctions against Iran have demonstrated their understanding of how deeply entrenched the IRGC is in the Iranian economic system by developing sanctions that target the IRGC, its commanders, and its businesses.

Although a central element in US strategy is to persuade Iran to negotiate restrictions on its nuclear program, there are unintended consequences to sanctions. It is likely that the sanctions regime has increased the economic portfolio of the IRGC. Sanctions against Iran's financial institutions and state companies could lead to a rise in the Pasdaran's illicit roles, meaning such sanctions will only divert such transactions from the public eye and put much more of it underground. Only narrowly tailored sanctions targeted against the IRGC, its leaders, and front organizations, could prove especially useful if the proper individuals and organizations are prohibited from international interactions.

## **IRGC Political Role and Iran's Power Structure**

The intimate relationship between Iran's national economy and the IRGC also supports the central role that the IRGC plays in Iranian politics. Article 44 of Iran's constitution asserts that the Iranian economy is divided into three parts: state, cooperative, and private sector.<sup>73</sup> In each of these areas, the IRGC appears to have enormous stock, including the fourth unstated sector, the illicit economy. The IRGC is a formidable political force in Iran, in part because of the amount of control and influence it possesses over the economy. This makes the IRGC a force to be reckoned with in Iran and strengthens its political power.

Article 150 of the Islamic Republic of Iran's constitution describes the role and purpose of the IRGC as follows:

“The Islamic Revolution Guards Corps, organized in the early days of the triumph of the Revolution, is to be maintained so that it may continue in its role of guarding the Revolution and its achievements. The scope of the duties of this Corps, and its areas of responsibility, in relation to the duties and areas of responsibility of the other armed forces, are to be determined by law, with emphasis on brotherly cooperation and harmony among them.”<sup>74</sup>

Although the constitution does not explicitly assign a political role to the IRGC, its mission to defend the ideas of the revolution is inherently political and cannot be divorced from political motivations. The political nature of the Pasdaran, while it has grown with time, has existed since its formal inception during the aftermath of the 1979 revolution, as evidenced by its assigned constitutional role and by its early interference in domestic politics.

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72 “Anti-Terrorism Designations; Iran Revolutionary Guard Corps Related Designations,” (US Department of Treasury, October 11, 2011), <http://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20111011.aspx>.

73 Constitution of the Islamic Republic of Iran, Article 44, [http://www.iranchamber.com/government/laws/constitution\\_ch04.php](http://www.iranchamber.com/government/laws/constitution_ch04.php) (Accessed 10/28/2011); Eliot Hen-Tov and Nathan Gonzalez, “The Militarization of Post-Khomeini Iran: Praetorianism 2.0,” [http://twq.com/11winter/docs/11winter\\_Hen-Tov\\_Gonzalez.pdf](http://twq.com/11winter/docs/11winter_Hen-Tov_Gonzalez.pdf).

74 Constitution of the Islamic Republic of Iran, Article 150, [http://www.iranchamber.com/government/laws/constitution\\_ch09.php](http://www.iranchamber.com/government/laws/constitution_ch09.php).

For example, in December 1979, there was significant political resistance from more moderate revolutionary groups to Khomeini's proposed vilayat-e faqih amendment to the constitution, but the opposition groups' deficient organization prevented them from successfully stopping the provision from passing in a national vote. Despite this setback, opposition forces managed to continue several protests and one leader, Ayatollah Shariatmadari, led a violent demonstration which ultimately led to the death of one of Khomeini's bodyguards. This eventually resulted in mass protests in the city of Tabriz, which Khomeini crushed using the Pasdaran.<sup>75</sup>

This incident illustrates how the IRGC was used in the early years as a direct tool of the supreme leader. Under the charismatic leadership of Khomeini, the IRGC proved to be an effective instrument of the supreme leader and not necessarily a powerful, sovereign entity of its own. With Khomeini's death in 1989, however, the independent political power of the IRGC, and the Iran-Iraq War veterans within it, grew and it began to morph into a powerful, independent political actor.

Ahmadinejad and many of his cabinet members are seen as products of this generation of young war veterans and may also be part of the reason the IRGC has gained an even greater influence in Iran in recent years, especially with regard to its economic role. Given this generational rift, which has resulted in increased economic and political influence for the Pasdaran, coupled with its original mission as the defender of the revolution and of the Islamic Republic, a de facto responsibility of the IRGC is to prevent the regime from unraveling, giving it unprecedented, perhaps not totally realized, authority in Iran.

Ahmadinejad's current oil/petroleum minister is Rostam Ghasemi, a former IRGC commander and previous head of Ghorb.<sup>76</sup> Although the strength of institutional bonds after leaving the organization is surely questionable, the significance of such appointments for the IRGC's political and economic influence cannot be understated. Moreover, the number of IRGC veterans serving in the Majlis sky-rocketed between 1980 and 2004, almost doubling when 16 percent of parliament seats were won by Pasdaran veterans.<sup>77</sup> In the 2008 Majlis election, just less than one-third of the approved candidates were IRGC veterans, with 80 of them winning elections, or approximately 27 percent.<sup>78</sup> The Pasdaran is not only a naturally political organization, but is also woven into legislative politics.

Unlike Ayatollah Khomeini, Supreme Leader Khamenei does not enjoy total and unwavering support from the clerical establishment and populous at large. In the years leading up to the revolution, while exiled, Khomeini's revolutionary ideas were spread throughout Iran via audio recordings, pamphlets, and word of mouth. He was revered as the founder and

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75 Milani, *Op.cit.*, 175.

76 Saeed Kamali Dehghan, "Iran Revolutionary Guards Commander Becomes New President of Opec," *The Guardian* (August 3, 2011), <http://www.guardian.co.uk/world/2011/aug/03/iranian-opec-president-revolutionary-guards>.

77 Mehrzad Boroujerdi and Kouros Rahimkhani, "Revolutionary Guards Soar in Parliament," *PBS Tehran Bureau* (September 19, 2011), <http://www.pbs.org/wgbh/pages/frontline/tehranbureau/2011/09/revolutionary-guards-soar-in-parliament.html>.

78 Saban Center-United States Institute of Peace Iran Working Group, "The Islamic Revolutionary Guard Corps: Military and Political Influence in Today's Iran," (Brookings, November 13, 2008), [http://www.brookings.edu/events/2008/1113\\_iran.aspx](http://www.brookings.edu/events/2008/1113_iran.aspx).

fountainhead of the revolution. When he finally returned to Iran, he was received as a nearly faultless being and his existence was sometimes seen as above human. Khomeini, therefore, governed a polity which offered him undivided respect. Even if some disagreed with his policies and beliefs, they were still obedient. Khomeini was a symbol of the revolution and people were committed to the ideas he represented. As some would claim, Khomeini's power emanated from his idealized being, while Khamenei's power is confined to the limits of the constitution and his ability to forge partnerships with other actors.<sup>79</sup>

Some viewed Khamenei's selection as the supreme leader with skepticism because of his mediocre theological background, leaving him with far less legitimacy than his predecessor.<sup>80</sup> The Pasdaran was subservient to Khomeini's commands because they revered him and because of the benefits they believed being a member of the IRGC could bring. The Pasdaran serves Khamenei because it is in its own interest to do so. This is not to say that there is significant open opposition to Khamenei among the clerical and IRGC leadership.<sup>81</sup> The point here is that Khamenei's relatively pedestrian image makes him more vulnerable and less powerful than Khomeini was. In addition, it reveals a structural problem in Iran's government.

Khomeini controlled the IRGC, while Khamenei and any future supreme leader must work for its allegiance. Because the political role of the IRGC is integral to the structure of the state and its economic position has only grown, it is no longer an entity which serves the state for the sake of the state. Instead, it uses its power to protect a particular conception of the state which preserves its own interests, and which oftentimes causes it to drift into the political realm. With the exception of some moderates and reformists during the early years of the Islamic Republic, the Pasdaran has largely been home to conservative senior officials, meaning their interests largely aligned with the supreme leader, so there has not been much of a basis for conflict, especially when unity was needed to combat the reformist presidencies of Rafsanjani and Khatami. If, however, this were to change significantly for one reason or another, the IRGC has it within its power to oppose the supreme leader and, in an extreme case, to exert more direct control over decision-making in Iran.<sup>82</sup> As some experts have written, Khamenei's future is in the hands of the IRGC.<sup>83</sup>

For Khamenei, the IRGC's allegiance is not a given. Since coming to power, and especially since the 2009 elections, Khamenei has been increasingly dependent on the IRGC.<sup>84</sup> The 2009 elections in some ways demonstrate how clerical rule is dependent on the IRGC. He has been strategic by carefully appointing the commanders of the IRGC, which is within his power, but his necessary dependence on the IRGC reveals a potential weakness and suggests a structural volatility in Iran's governance which assigns the security apparatus with

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79 Milani, *Op.cit.*, 225.

80 Wehrey, *Op.cit.*, 80.

81 Recent reports, though, suggest that this could be changing in Iran. See: Kaveh Omid, "At Low Point, Leader's Popularity Ebbs," *PBS Tehran Bureau* (January 31, 2012), <http://www.pbs.org/wgbh/pages/frontline/tehranbureau/2012/01/dispatch-at-low-point-leaders-popularity-ebbs.html>.

82 Although many IRGC members are conservative, especially with respect to foreign policy, some IRGC veterans, and perhaps members, are reformists.

83 Sadjadpour, "Reading Khamenei," VII.

84 *Ibid.*, V.

a fundamentally political mission.<sup>85</sup> In the absence of voluntary deference, power in Iran is now imbalanced and more fluid than static. When Khamenei first came to power, it was in the midst of skepticism so he solidified his authority by fostering a strong relationship with the IRGC.<sup>86</sup> If this relationship changes, the distribution of power in Iran could shift heavily toward the Pasdaran as an independent actor.

At the start of 2012, it seemed as though the Pasdaran was beginning to show its own internal divisions. In January 2012, former IRGC commander Hossein Alaei published a commentary criticizing Khamenei; the article drew both public support and opposition from within the IRGC. Pro-Ahmadinejad websites contributed to the debate by expressing that there could not be absolute confidence in the IRGC, as well as criticizing the commanders who condemned Alaei's comments (this likely also contributes to the growing divide between Ahmadinejad and Khamenei).<sup>87</sup> What is noteworthy about this incident is that it makes a negotiated solution with Iran less likely in the short term, given the lack of consensus among the leadership. On the other hand, it illustrates how Khamenei's primary support mechanism is perhaps succumbing to the same political divisions reflected en masse in Iran. Not only does this allude toward a weakened supreme leader, but it also signals that the current political situation is not sustainable in the long-term and, if it continues, could lead to political chaos.

These criticisms also seem to be present in the Iranian population more generally. At the beginning of 2012, criticisms of Khamenei and his rule began to surface. Articles emerged reporting a growth in anti-supreme leader rhetoric and, in some cases, in challenges to the need for his rule. It is reported that conservative politician Emad Afrough said in an interview that the concept of *vilayat-e faqih* should be criticized and that, perhaps, legal mechanisms are necessary as a check on the supreme leader's authority.<sup>88</sup>

Some have asserted that the concept of *vilayat-e faqih* is self-destructive and very well may have lost popular support.<sup>89</sup> With this alone, it is possible that in the long-term the "auto-theocratic" nature of the Iranian regime could implode. If the IRGC removes itself as the power stabilizer, as could possibly happen given the growing discontent with Khamenei in both the general public and within the IRGC and its veterans, political pandemonium could ensue.

Although the Pasdaran theoretically functions as one entity within Iran's larger security apparatus, which includes several individuals and groups hierarchically above the organization in theory, the IRGC in practice seems to defy this structural design. It is said

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85 Ibid., 8.

86 Ibid., 80-81.

87 Muhammad Sahimi, "A Growing Rift in the Revolutionary Guard?" *PBS Tehran Bureau* (January 23, 2012), <http://www.pbs.org/wgbh/pages/frontline/tehranbureau/2012/01/news-a-growing-rift-in-the-revolutionary-guard.html>.

88 Kaveh Omid, "At Low Point, Leader's Popularity Ebbs," *PBS Tehran Bureau* (January 31, 2012), <http://www.pbs.org/wgbh/pages/frontline/tehranbureau/2012/01/dispatch-at-low-point-leaders-popularity-ebbs.html>.

89 Interview by Reza Akhlaghi featuring Ramin Jahanbegloo and Mehid Khalaji, "The Current State of Iranian Affairs: A Candid Discussion," (Washington Institute for Near East Policy, November 15, 2011), <http://www.washingtoninstitute.org/templateC07.php?CID=613>.

that many of its components' commanders report directly to the supreme leader or possess a more influential "General Staff" position.<sup>90</sup>

The views of the IRGC leadership will clearly be crucial in determining the future of Iran's nuclear program. On the one hand, as fundamentally a military organization, the IRGC may see a nuclear capability strictly through a military lens and insist on transitioning to an actual weapons capability regardless of the political and economic consequences. On the other hand, there is a chance that with the IRGC's strong grasp on the Iranian economy and growing political interests, it could with time find the consequences of pursuing nuclear weapons to be excessively harmful and support opening an international dialogue on the subject. Given that many of those who enter the IRGC do so with the hope of gaining some sort of power, especially economic benefits, their personal and institutional prerogatives may lean more heavily toward finances, instead of toward the principles of the revolution, which in theory is their *raison d'être*. That foundational intention, however, has been conflated with other tasks that eventually may compromise its basic functions and could present an opportunity for constructive engagement.

## Continuing Repression of Iran's Opposition Movement

The June 12, 2009 "re-election" of Mahmoud Ahmadinejad was a significant day in Iranian politics. In light of what many considered to be fraudulent election results, millions of Iranians took to the streets armed with nothing more than hope and idealism. Reformist candidate Mir Hossein Mousavi was viewed by many to be the legitimate winner of the presidential elections; Mousavi himself declared the announcement false and encouraged people to contest the results.<sup>91</sup> Khamenei, at a Friday prayer assembly a week after the election results, endorsed Ahmadinejad and denounced the protests.<sup>92</sup> Despite Khamenei's decision to endorse the results, citizens continued to demonstrate in the streets, even in the face of danger.<sup>93</sup> Green became the symbol of the opposition movement because it was Mousavi's campaign color, hence the popular name "The Green Movement."<sup>94</sup> With Khamenei's backing, the regime responded to this organic protest movement with extreme violence, and it managed to successfully suppress the movement by imprisoning protestors and installing fear into the masses.

The year 2011, though, saw glimmers of opposition activity, but the impressive ability of the Iranian government to repress the opposition prevented any long-lasting changes from emerging. In February 2011, for example, the Green Movement experienced a resurgence as protestors defied the government and went out onto the streets of Tehran to protest against the regime in solidarity with uprisings in Tunisia and Egypt. Using the Internet

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90 Wehrey, *Op.cit.*, 9.

91 Robert F. Worth and Nazila Fathi, "Protests Flare in Tehran as Opposition Disputes Votes," *New York Times* (June 13, 2009), <http://www.nytimes.com/2009/06/14/world/middleeast/14iran.html?pagewanted=all>.

92 Haroon Siddique, "Iran Elections: Khamenei Warns Protesters to Stay off Streets," *The Guardian* (June 19, 2009), <http://www.guardian.co.uk/world/2009/jun/19/iran-elections-ayatollah-ali-khamenei>.

93 Nazila Fathi and Michael Slackman, "Iran Stepping Up Effort to Quell Election Protest," *New York Times* (June 24, 2009), <http://www.nytimes.com/2009/06/25/world/middleeast/25iran.html>.

94 Robert F. Worth and Nazila Fathi, "Protests Flare in Tehran as Opposition Disputes Votes," *New York Times* (June 13, 2009), <http://www.nytimes.com/2009/06/14/world/middleeast/14iran.html?pagewanted=all>.

as their mobilizing mechanism, opposition members set a date in mid-February for the protest. In an attempt to defuse what some government officials predicted would be a lively revolt, the government placed opposition leaders Mehdi Karroubi, another 2009 reformist candidate, and Mousavi under house arrest.<sup>95</sup> As was the case in June 2009, the regime squashed the February 2011 uprisings in part by suspending various phone and Internet services in order to prevent further organizing on behalf of the opposition.<sup>96</sup> Protestors were also met with the regime's typical brutality and mass arrests.

What is significant about the Green Movement is that it represents, although in a loose form, a formidable opposition to the government in Tehran. Also of note is that as repression of the protestors intensified, the demands of the opposition appeared to shift. In general, initial protests centered on the results of the election, but as time passed and repression tactics strengthened, protest rhetoric changed and began to defame the supreme leader himself. Whereas initially the movement seemed to care most about changing the current regime leadership, later protests appeared to want to change the institution itself. It is said that some of the February 2011 protestors even burned pictures of Khamenei, symbolizing what some have said was an end to demands for reform and the start of calls for revolution.<sup>97</sup> This particular incident in February 2011, however, did not generate the kind of change as was witnessed in Tunis and Cairo, in part because of the regime's well-developed repression techniques. The fact that thousands of demonstrators did take to the streets, however, does reveal that the movement has not died.

The regime has deployed numerous techniques to institute fear in potential protestors. In addition to limiting phone and Internet access, imprisonment, beatings, and even executions have served as tools of repression. In 2011 alone, over 200 executions were announced by the government. Additionally, it is reported that another 146 secret executions took place in 2011.<sup>98</sup> As of November 2011, Iran has notably eclipsed its 2010 execution record, reported to stand at 252, according to some sources.<sup>99</sup>

In the face of repression and mass execution, the opposition movement in Iran has found itself largely unable to mobilize against the regime. Despite having leadership and mobilization capacity, the opposition has faced numerous challenges to its organizing ability and its general grand strategy because of the regime's oppression. However, this has not completely destroyed the opposition. In July 2011, for instance, the Green Movement issued

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95 Farnaz Fassihi, "Tehran Beats Back New Protests," *Wall Street Journal* (February 15, 2011), <http://online.wsj.com/article/SB10001424052748703584804576143792351777466.html>.

96 *BBC News Middle East*, "Iran Police Fire Tear Gas at Opposition Rally in Tehran," (February 14, 2011), <http://www.bbc.co.uk/news/world-middle-east-12447225>; Farnaz Fassihi, "Tehran Beats Back New Protests," *Wall Street Journal* (February 15, 2011), <http://online.wsj.com/article/SB10001424052748703584804576143792351777466.html>.

97 Bozorgmehr Sharafedin, "Iran Opposition Green Movement Evolves under Pressure," *BBC News Middle East* (February 15, 2011), <http://www.bbc.co.uk/news/world-middle-east-12475139>.

98 UN Special Rapporteur Ahmed Shaheed, "The Situation of Human Rights in the Islamic Republic of Iran," (September 23, 2011), p. 19, [http://persian.iranhumanrights.org/wp-content/uploads/SR\\_Report\\_14\\_Oct.pdf](http://persian.iranhumanrights.org/wp-content/uploads/SR_Report_14_Oct.pdf).

99 Amnesty International, "Death Penalty Statistics 2010," (Accessed 11/29/2011), <http://www.amnestyusa.org/our-work/issues/death-penalty/international-death-penalty/death-penalty-statistics-2010>.

a manifesto outlining its core ideas and goals.<sup>100</sup> As the document asserts, the movement is home to various political and social groups, as is the case for many political movements, but they are all united behind certain basic principles—the rule of law, respect for human rights, and primacy of popular sovereignty.<sup>101</sup> In the manifesto, it asserts that all members of the movement, referring to them as “Greens,” need to work to build “Green cells” throughout Iran in order to spread the ideas of the movement. Especially noteworthy are two points. First, the memo asserts that “[t]he time for hesitation and talk of reformism in this regard has finished.” Reform, as posited by individuals like Khatami, does not seem to be part of the Green Movement’s vision for Iran. Specifically, it seems that they want to dismantle clerical control of public institutions. Second, although the opposition is advocating for this separation, they are not explicitly renouncing religion and it is not clear that they wish to eliminate the state’s religious identity. They are, however, renouncing “the abuse of religion by political opportunists.” Their charge is clearly not against Islam or religion at large, but instead against the political hijacking of Islam. The distinction is important in accurately framing the aims of the movement. Despite the political differences within the opposition and early criticisms of its fragmentation, the Green Movement has managed, at least on paper, to unite behind several broad goals and principles as an integrated opposition party.<sup>102</sup>

The Green Movement may be diverse and varied in its political ideologies, but its presence is at least representative of the strong, widespread desire for reform in Iran, which in itself could be a benefit to US policies.

## Conclusion

Broadly, and primarily in theory, Iran’s governing structure combines theocracy with democracy. Citizens maintain the ability to elect members of parliament and the president, but all candidates are vetted by clerics and the powers of elected officials have become largely symbolic given the supreme leader’s power to overrule parliamentary laws and presidential decisions. The erosion of this “theo-democratic” order, especially since Khamenei’s active weakening of the presidency, has given rise to a de facto autocracy which has appeared to inspire discontent in many sectors of Iran. Iran seems to be facing irreversible structural issues that may not have short-term implications, but overtime could radically change the power dynamic in the Islamic Republic. Until that distant day, though, determining where power is centrally located is a chief policy concern.

With such a fluid power structure in Iran, it is easy to see that implementing a successful negotiation strategy is challenging, especially since identifying the individuals in control is difficult and, in any case, could quickly and drastically change. However, given the structural priorities of the IRGC and Ahmadinejad’s potential willingness to compromise on the nuclear issue in order to relieve the nation of economically restrictive sanctions and political isolation, there is still time to pursue engagement with the Iranian government in order to

100 Inside Iran, “Green Movement in Iran Issues New Manifesto in Wake of Arab Uprising,” (The Century Foundation, July 12, 2011), <http://www.insideiran.org/featured/green-movement-in-iran-issues-new-manifesto-in-wake-of-arab-uprising/>.

101 Ibid.

102 Mehdi Khalaji, “Who’s Really Running Iran’s Green Movement,” *Foreign Policy* (November 4, 2009), [http://www.foreignpolicy.com/articles/2009/11/04/whos\\_really\\_running\\_irans\\_green\\_movement?page=full](http://www.foreignpolicy.com/articles/2009/11/04/whos_really_running_irans_green_movement?page=full).

prevent a nuclear armed Iran from emerging. Furthermore, although Khamenei seems to be the individual most against negotiations with the US, it is possible he could change his mind if a true engagement strategy is pursued. Khamenei has stated that negotiations are possible if the conditions underpinning US-Iran relations change. Specifically, he would like to see sanctions lifted and military and other threats totally eradicated.<sup>103</sup>

Again, power in the Islamic Republic of Iran is in flux, so identifying an individual power center will be challenging, but it is indispensable that a strategy of engagement involve all relevant powers, from the Majlis to the supreme leader. In order to build legitimate negotiating conditions, every relevant actor in the Iranian regime must be involved. This will ensure that a deal can be broadly accepted and that, should power shift to one institution over another, the entity and its interests, are included from the start.

Constructing a sound foreign policy toward Iran is impossible without some understanding of its internal politics. Doing so has become increasingly difficult because the US has isolated itself from diplomatic contacts with Iran, except in one or two highly restricted forums. For example, although Tehran keeps diplomats in its “Interests Section” in the Pakistani embassy in Washington, a proposal by the State Department to place US diplomats in the “Interests Section” in the Swiss Embassy in Tehran was rejected by the White House by both the Bush and Obama administrations. Similarly, US diplomats in third countries or in multinational corporations are prohibited from engaging with their Iranian counterparts. In addition, both countries make it difficult for their citizens to interact normally with one another, whether through tourism or the panoply of multinational exchanges of a cultural, sports, or scientific nature. As a result, the US government is unusually dependent on its intelligence agencies for information on Iran’s politics, or on the intelligence provided by third nations; both sources have notable deficiencies and biases.

States are not black boxes in international politics; their goals and interests vary. For this reason, it is indispensable for engagement to be part of US foreign policy because without it, sound foreign policy of any kind cannot be designed. In the absence of engagement, policy decisions are more like gambles than balanced, calculated decisions.

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103 *Reuters*, “Khamenei: Iran Won’t Talk with U.S. in Current Climate,” (August 18, 2010), <http://www.reuters.com/article/2010/08/18/us-iran-nuclear-khamenei-idUSTRE67H4QJ20100818>.