

Analysis: Mahmoud Ahmadinejad and Iranian Politics

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Introduction

August 2006 marked the one-year anniversary of the passing of the Iranian presidency from reformist Mohammad Khatami to conservative Mahmoud Ahmadinejad.¹ The latter's election in June 2005 had given rise to dire predictions about Iran's domestic and foreign policies. Indeed, the new president's rhetorical excesses about Israel and the Holocaust, Tehran's unyielding position regarding its nuclear program, and its steadfast support for Lebanon's Hezbollah and its leader Hassan Nasrallah have caused a tumultuous year for Iran's relations with the U.S. and the European Union. Yet Ahmadinejad was elected on a platform focused on domestic issues. Since his election he has used a combination of confident decision making and shrewd political calculation to increase his popularity for the 2009 presidential election. At the same time, he has quickly retracted once proposed economic policies when confronted with opposition. In addition, relatively favorable economic and regional conditions backed by high oil prices have allowed him and his supporters to claim success in relation to his main campaign slogans of government "in the service of people" and as "the promoter of social justice."

Despite the claimed success, however, personnel changes and policies pursued reveal an executive branch that remains weak at fulfilling promises and in conflict with other institutions and centers of power, including the conservative-controlled Majles (Parliament). It is only through the understanding of internal political dynamics that one can begin to make sense of Ahmadinejad's rise to power and the impact of the ninth presidential election since the Islamic revolution of 1979 on Iran's domestic politics and foreign policy.

Ahmadinejad's Rise to Power

Among the countries in the Middle East and North Africa, Iran has experienced one of the most dramatic transformations of its governance structure since the revolution of 1979, which heralded the change from a monarch-dominated system to an Islamic republic with multiple centers of power. This system of governance defies easy characterization. At one level, a powerful but not necessarily cohesive combination of nonelected clerics and nonclerics command many centers of economic and political power, including key political institutions, such as the Office of the Leader (rahbar), Guardian Council, and Expediency Council, parts of the judiciary, a multitude of intelligence operations within the military and security forces, revolutionary foundations, and paramilitary organizations. Yet at another level, a type of unpredictable election-based politics unknown to most of the region has shaped the country's politics in significant ways, ensuring that competing political factions and institutions remain permanent features of the Iranian polity (Moslem 2002).

This elite competition is assured by the divided nature of the state structure, which has entrenched political and economic competition among social and political groups, ranging from traditional trade-centered interests located in the bazaars to modern professional middle classes tied to more service-oriented interests of the new Iranian political economy to those whose economic power comes from smuggling, development projects, or the arms industry. Because of the control it has over the country's most important source of income (oil), the state, rather than becoming the autonomous medium through which competition among these groups is regulated, has developed into an institutional repository of these varied interests and an arena in which multiple claims over various parts of the state and resources are constantly negotiated, sometimes very acrimoniously, rather than resolved (Farhi 2003).

Historically, elections have played a significant role in highlighting these multiple claims through the rotation of personnel. And it is within this context that the election of Ahmadinejad in 2005 must be situated. The 2005 election came after two significant presidential elections in 1997 and 2001 when one section of the Iranian political elite, worried about being eliminated and relying on what turned out to be a popular campaign slogan of political reform, managed to take over the office of the presidency. Learning from this experience, Ahmadinejad's election was made possible by the reliance on yet another popular campaign slogan of economic justice as well as the strength of an organized, patronage-based political network.

Like all other candidates that competed in this election, Ahmadinejad, who at the time was the mayor of Tehran, ran on a platform of rejecting the status quo and affirming the need for change. He relentlessly critiqued the past 16 years of the Islamic Republic under the two previous presidents (Ali Akbar Hashemi Rafsanjani and Mohammad Khatami), successfully separating the government's policies, its institutions, and those who run them from the overall Islamic political order. He campaigned on the basis of three simple slogans regarding a "committed" Islamic government: It must be an efficient servant of the people whose simple Islamic way of life must be protected; it must promote social justice; and it must fight corruption. His campaign slogans were "conservative" insofar as they emphasized the conservation and promotion of "pure and simple" Islamic ways of life and commitments. But they were also "populist" in emphasizing social justice and the need to use oil-generated revenue on social spending to reverse the neglect of the poor and needy. Drawing on the dissatisfaction of the poorer parts of the population regarding the neoliberal economic policies of the two previous administrations, which at least rhetorically emphasized less interventionist even if not necessarily smaller government, private sector development, and economic liberalization, Ahmadinejad claimed that government and its committed employees could be a panacea for Iran's economic and social ills. This was both a clever campaign strategy and a statement of ideological belief.

The cleverness resided in the fact that he ran as an anti-corruption, pro-justice, and anti-elite candidate while remaining totally committed to individuals, such as Ayatollah Khamenei, Iran's supreme leader, who personify the establishment and are in many ways responsible for the policies that have led to corruption. But by relentlessly criticizing merely the past 16 years of the Islamic Republic, Ahmadinejad was able to successfully separate government's policies, its institutions, and those who run them on a day-to-day basis from the overall Islamic political order and posit the former as the source of economic injustices (Farhi 2005).

Luckily for Ahmadinejad, this clever campaigning strategy was underwritten by increases in oil revenues that would allow the push for more social spending in the name of social justice. But clever sloganeering was only one, albeit important, facet of his approach to the presidency. Ahmadinejad really does believe that the Iranian bureaucracy has become paralyzed and is in need of deep change. He believes in extensive change at the middle and higher levels of bureaucracy to bring about efficiency and combat corruption. And he believes that a real Muslim is a successful manager and leader and that there is no contradiction between the two. Such deep beliefs give Ahmadinejad a confident posture and "can-do" mentality that pushes him to be a micromanager, to work 19-hour days, and to be a risk-taker. They also shape Ahmadinejad's implicit trust in revolutionary- military institutions, such as the Construction Crusade, Islamic Revolution Guards Corps (IRGC), and its militia unit, the Basij. In his mind, these institutions

saved Iran during its eight-year war with Iraq in the 1980s and have been relentless in assuring Iran's security and strengthening its infrastructure.

Ultimately such beliefs give Ahmadinejad a view of government as the authoritative body in the economic arena and as the body that should guide people toward justice, happiness, and prosperity. This view distinguishes him from the two previous presidents, Hashemi Rafsanjani and Mohammad Khatami, whose slogans and beliefs, even if not policies, emphasized a mostly supervisory or administrative instead of a guiding role for the government. Rather than being a member of either contending economic camp in Iran, who are at times facetiously divided between "God-worshipping liberals" and "God-worshipping socialists," Ahmadinejad's populist solution to the ills of the Iranian economy and society seems to be neither liberalization nor nationalization but further entrenchment of the government role in all arenas as facilitator and guide for the prosperity of humble men and small business.

Ahmadinejad's campaign focus on the question of socioeconomic justice was obviously significant in getting him elected. At the same time, his election jolted the Iranian political landscape for its unexpectedness and the political future it foretold. Since the early 1990s various players and forces in Iranian politics have expressed public worries about the possibility of what in the Iranian political vernacular is described as "unified governance." By that they meant the control of all elective and nonelective institutions by the conservative political camp. According to this narrative, the planned conservative takeover of all government institutions was patiently and carefully planned in the 1990s through the step-by-step control and redirection of radio and television, appointment of conservative Friday prayer leaders,² and elevation of lower and more conservative officers within the IRGC and basij militia. It should be noted that all these institutions are constitutionally under the direct supervision of Iran's supreme leader, Ayatollah Khamenei. According to this narrative, the reformist victories in the late 1990s and early 2000 delayed this takeover but did not dampen conservative ambitions. If anything, their aspirations intensified, partly for the sake of control of the state but also for the sake of bringing some sort of coherence into the very fractious decision-making process.

With the municipal election of 2002 and the parliamentary election of 2004, and the victory of a new conservative party called Abadgaran (Developers) in these elections, a new twist was introduced in this narrative. This new twist essentially was that a "third force" supported by Ayatollah Khamenei and heavily populated by members of the IRGC was about to set aside the traditional rivalry between the Left and Right, or reformers and traditional conservatives, and essentially begin to dominate Iranian politics and limit elite competition. The prominent place given to the military and security components of the Iranian state was important because presumably it is only these forces that can put an end to or limit elite competition in Iran.

Ahmadinejad's election underscored this narrative. For the first time since the revolution it allowed the takeover of the executive branch by a conservative president, making the end to elite competition a real possibility. Ahmadinejad has faced opposition to his personnel changes as well as policy proposals. This suggests a continuation of conflict between the executive branch and other institutions and centers of power, including the conservative-controlled Majles. But in the realm of policy, the fundamental contradiction of Ahmadinejad's government is the placing of a "revolutionary" head on top of the bureaucratic/technocratic body of the Iranian executive branch itself, which is proving itself weary of the trial-and-error ways of the early days of the revolution. Many of Ahmadinejad's policies and decisions are seen as too

rash and his political appointees as too inexperienced—as in the early days of the revolution, learning on the job. In addition, Ahmadinejad’s reliance on a very close circle of friends and their family members has opened him to the charge of cronyism. Finally, his “paranoid” style of politics portrays himself and his close associates as the only ones that are righteous and not corrupt. Everyone else in the private sector and government are viewed as plunderers. This has rattled the bureaucracy that is ultimately in charge of implementing the new president’s agenda. In short, the conservative control of all elective and nonelective institutions has not put an end to the factional conflicts that have characterized Iranian politics since the revolution. Indeed, the particular type of political cronyism in which Ahmadinejad has engaged and the perceived inexperience and incompetence of his team have ironically created a predicament for the new president that is not much different from that of Khatami.

Like the previous president, Ahmadinejad is a man with a message who is having a hard time delivering on his promises through proposed policies. Learning from Khatami’s experience, however, Ahmadinejad has chosen the route of selling himself as a successful manager of the economy and servant of the people through loudly touted social and economic programs. In effect, he is constantly campaigning.

Ahmadinejad as President

Ahmadinejad has lost very little time in proposing extensive change to areas where Iran’s executive branch has quite a bit of leverage: budgetary allocation and personnel.¹ Given his campaign focus on socioeconomic justice, most of his announced policies have been based on embracing economic populism, ranging from a proposed national school renovation program to increasing the minimum wage for all workers to granting loans to newlyweds to forcing banks to lower their interest rates to the distribution of “justice shares” of various factories to the poorer sectors of the population. In order to implement these programs, Ahmadinejad’s 2006-07 budget called for huge increases in public expenditures as well as operating expenses. His budget not only entailed close to a three-fold increase in withdrawals from the oil revenues account but also increased government expenditures substantially in a very selective fashion. Increases in the budget of the Guardian Council and for the administrative staff of the clerical Council of Experts in many ways reflected Ahmadinejad’s desire to buttress important conservative institutions. Also proposed were substantial increases for various clerical organizations located in the religious city of Qom as well as increases in the government’s development budget, which was accompanied with the precondition of basij forces acting as important contractors for various government projects on a fee for service basis.

Ahmadinejad’s presidency has also led to extensive personnel changes at the national and provincial levels, but this is not something necessarily new, since a similar dynamic was at play during the Khatami era as well. Ahmadinejad’s major political innovation has been ministerial provincial trips to resolve the issues of each province “on the spot.” These trips arise from his populist idea of taking the government to the people, with the explicit desire to increase

¹ The office of the president as conceived in the post-revolutionary constitution (as amended in 1989) is rather weak. On the one hand, the president is eclipsed by the Supreme Leader, who is considered the highest official in the Islamic Republic. The president also is limited by the Majles and the Guardian Council, which hold power over legislation. Finally, on significant foreign policy matters, it is ultimately Ayatollah Khamenei who makes the decision through a process of interaction with the National Security Council. The president is a member of the National Security Council and can influence its deliberations, but so do many others.

his personal popularity. This is why he holds cabinet meetings in the provinces, particularly the poor ones. Since he became president, the cabinet had made approximately 20 provincial trips and visited more than 160 cities. What are identified as “dispossessed regions,” or more simply poorer provinces, have been particularly targeted to emphasize Ahmadinejad’s desire to redress economic injustice and serve the poor through decentralization and budgetary allocation away from the capital city of Tehran and more toward the provinces. These cabinet trips follow a consistent pattern. They begin with the travel of the president and his cabinet members to the capital of the province. After attending and speaking at large public rallies in several of the provincial cities, a cabinet meeting is held on the last day of the trip and decisions about allocations for development projects are made. Along these lines, Ahmadinejad has also attempted to relocate many government agencies to the provinces they serve. Furthermore, he has also proposed to transfer the highly centralized budgetary supervision practiced by the Management and Planning Organization’s provincial branches to provincial governments.

In all these proposals and attempts, Ahmadinejad has acted with speed and without much consultation with other branches of the government. The result has been resistance not only on the part of other bodies, particularly the Majles, but also the technocratic bureaucracy of the executive branch itself. Many of the new government’s policies that were abruptly imposed in a top-down fashion by his ministerial appointees, such as increases in the minimum wage and some price controls, have been retracted in a rather speedy fashion once their ramifications became evident. In the case of unilateral minimum wage increases for temporary workers, for instance, large numbers of layoffs were reported by the Majles Research Center, ultimately leading Ahmadinejad’s government to relent and allow direct negotiations between employers and temporary workers. In addition, several cabinet ministers and high-ranking economists at the Management and Planning Organization have either resigned or been fired because of policy disagreements.

The main worry of all of Ahmadinejad’s detractors relates to what still constitutes the backbone of the Iranian economy: oil revenues. There is a real concern in the Majles as well as within the government bureaucracy itself about the increased reliance of the government on oil revenues for its operating costs and development projects, particularly during times of worries about potential United Nations sanctions. There are also concerns about the possibility of the “Dutch disease,” or hyperinflation, caused by a direct and massive infusion of the oil money into the economy. Hyperinflation has yet to happen because the government has attempted to counteract such a possibility through price controls and cheap imports. Yet real worries remain within the parliament as well as the bureaucracy.

Ahmadinejad has also faced criticism on other fronts. His provincial trips have received positive marks for understanding Iran’s varied provinces, identifying needs, and ultimately responding to some of them, but they have also been criticized for the cost of such trips for the cabinet. The ever-increasing expectations and demands of the people are also a serious concern. The worry is that these provincial visits heighten popular demands and increase the load on all those active in the implementation of government policy, particularly at the provincial levels.

Finally, Ahmadinejad has faced criticism for his personnel appointments. As mentioned, one of Ahmadinejad’s main campaign slogans was about the need to cleanse various government ministries of corrupt officials and “mafias.” But while Ahmadinejad’s rhetoric about the “plunderers” and “corrupt officials” in the government and the private sector has rattled many civil servant and domestic entrepreneurs, it has yet to lead to concrete policies

regarding government openness and accountability. If anything, the appointment of close associates to positions for which they seem unqualified and the awarding of a series of no-bid contracts to the Islamic Revolution Guard Corps (IRGC) have brought forth charges of cronyism and excessive economic payback to political supporters.

Iran's Foreign Policy under Ahmadinejad

There is no doubt that Iran has taken a turn toward a more hard-line foreign policy since Ahmadinejad's presidency. At the same time it is important to note that this turn was made possible by the dynamics that have shaped negotiations with the European Union and the United States over Iran's nuclear program as well as the changed circumstances in the region. Since the Iranian hard-line leaders, such as Ayatollah Khamenei, abandoned hope, momentarily developed at the end of the Iran-Iraq War in the late 1980s and then immediately after the U.S. invasion of Afghanistan in 2001, that the United States will forsake hostility toward Iran and its desire for regime change, Iran has essentially pursued a nuclear policy of flexibility at the last moment and only if absolutely necessary to keep Western Europe, Russia, China, and Japan interested in continued engagement with Iran (Farhi 2006). Ayatollah Khamenei, after extensive consultation with various players in Iran, has the final say on foreign policy matters. For Iranian leaders the objective remains one of survival and regional projection of power. It is worth remembering Tehran's initial decision to engage with the three representatives of the European Union (France, Britain, and Germany, known as the EU-3) over its nuclear program. This came in the wake of the U.S. invasion of Iraq and fears that Iran would be next on Washington's hit list. The EU-3 used these fears to suggest negotiations as a means to deflect U.S. animosity. Iran's nuclear program was seen as a point of entry for discussion and hence an opportunity for engagement.

But the inability of the EU-3 and Khatami's reformist government to reach an agreement before Ahmadinejad's election strengthened the hands of hard-liners who had argued from the beginning that negotiations with the EU-3 were useless because the Europeans would ultimately not be able to take an independent position from the United States. Even more significant in strengthening the hand of hard-liners has been Iran's dramatically improved regional standing since negotiations began with the EU-3 in 2003, thanks to factors and events external to Iranian decision making. Rightly or wrongly, because of events in Afghanistan and Iraq and the rise in oil prices, the hard-liners now see Iran as a force to be reckoned with in the region and would like to keep the situation the way it is. In this context, Ahmadinejad's public statements—regarding Iran's steadfast stance on its nuclear program, Israel and its occupation of the Palestinian territories, and the supposed use of the Holocaust to suppress Palestinian national aspirations—must be seen as calibrated attempts to maintain or even improve Iran's regional standing.

Turning Iran's nuclear program into a statement about national sovereignty and rights did not occur during Ahmadinejad's presidency. It was something that happened because of the nature of the negotiations with the EU-3 during Khatami's presidency. These negotiations pressured Iran to suspend uranium enrichment permanently, a demand that went well beyond Iran's obligations to the Non-Proliferation Treaty and set the stage for a nationalist reaction (Ansari 2006). Due to the changed dynamics in the region and the falling American fortunes in Iraq, however, Ahmadinejad has not only been able to play the nationalist card domestically, he has also improved Iran's popularity in the region by representing the country as the only one able to stand up against American adventurism in the Middle East. So long as the United States maintains an acrimonious stance toward the government of Iran, the hard-line leadership in Iran

will also keep its anti-American/anti-Israel trump card for domestic purposes and regional projection of power.

Conclusion

As Ahmadinejad goes through the second year of his presidency, he commands a political and economic landscape concerned about Iran's external relations, a technocratic bureaucracy weary of repeating the trial-and-error ways of Iran's early revolutionary days, and members of political and civil society worried about impending political closures. Ahmadinejad has benefited from international pressure on Iran's nuclear program. His pursuit of populist politics through a permanent campaign mode strategy is likely to keep him popular, if he is able to keep inflation within reasonable limits. In addition, his policies of economic, political, and moral support for forces such as the IRGC and its poorer sister, the basij militia, must be seen as a calculated and coordinated strategy with other powerful players in Iran to fortify the foundations of the Islamic political system during a time of threatened physical attacks and economic sanctions. At the same time, the dissatisfaction that now engulfs the Iranian elite and managerial ranks is bound to be a stumbling block for the implementation of most of Ahmadinejad's proposed policies. The results of the December 15, 2006, provincial councils and Assembly of Experts elections are likely to strengthen the hands of those opposed to Ahmadinejad's policies. In these elections, a coalition of reformist parties, representing reformers and technocrats, did well in many cities, although a conservative coalition representing more traditionalist clergy and bazaar merchants also did well. Ahmadinejad's supporters, who refused to be part of the conservative coalition, did badly in both elections.

Ahmadinejad, as the head of the executive branch, has the capability to block the further implementation of economic programs set into motion by the previous administrations. Irrespective of whether Ahmadinejad's economic decisions are correct or incorrect, the main challenge the executive branch will face in the remainder of Ahmadinejad's presidency is the perceived lack of effectiveness in the light of lofty promises. Ahmadinejad's detractors and potential competitors have shifted their focus away from the deleterious consequences of conservative control over all elective and nonelective institutions to a critique of his "wrong-headed" policies and his administration's inability to implement the "correct" policies.

This shift is the logical extension of internal political developments in Iran. By tying his hard-line revolutionary ideology to earthly objectives of economic justice and government service, Ahmadinejad has risked the rejection of his version of Islam and revolutionary ideology by his own political base if he is unable to deliver or, worse, if he ends up being deemed a political opportunist. As such, Ahmadinejad's path is no different from that of his predecessor, Mohammad Khatami, who came to office with loudly touted promises and slogans. Like Khatami, he will end up further smoothing the path, albeit haltingly, for the ascendance of the electoral process as the real arbiter of whether campaign slogans and promises are turned into implemented policies. No one knows this better than Ahmadinejad himself, who has spent most of the past year behaving as though he is still on the campaign trail, trying hard to take credit for every single economic improvement in people's daily lives throughout the country. Ultimately, however, it is not permanent campaigning that will determine the success of Ahmadinejad's presidency but the fulfillment of some of his promises.

The only factor that will prevent or delay judgment about Ahmadinejad's policies through an electoral process is actual or increased threat of military action or harsh economic sanctions. Military or economic interventions will prevent or delay judgment about Ahmadinejad's policies

and may even increase his electoral support. They will allow him to deflect criticism of his policies and their consequences for government effectiveness. Iran's emphasis on security threats will also provide the pretext for increased repression of political competitors and further consolidation of power by President Ahmadinejad and his hard-line supporters.