

## Iran and its new President face an historic challenge

by Muriel Mirak-Weissbach

*The author visited Iran in mid-July.*

The inauguration on Aug. 4 of Seyed Mohammed Khatami as the new President of Iran, marked the transition to a new phase in the Islamic Republic's history. If the first phase, stretching from the 1979 revolution, to the end of the war against Iraq in 1988, was a period of upheavals, including massive dislocation of the economy and destruction of basic infrastructure, the period following, from the death of Ayatollah Khomeini in 1989 to the present, has witnessed the reconstruction of the domestic economy, and vast expansion of infrastructure. In the last eight years, under the Presidency of Hashemi Rafsanjani, Iran has rebuilt internally, and embarked on an ambitious foreign policy based on economic cooperation in regional infrastructure, among new partners in the political landscape opened up after the fall of communism.

The context in which this has emerged, is defined by the Eurasian Land-Bridge, the great project of continental infrastructure, which entails applying advanced technologies to rebuild the historic Silk Road linking China to Europe. Of the three great transit routes—one stretching across Russia, one through Central Asia, and the third, through the subcontinent—the latter two traverse Iran.

Thus, 18 years after the revolution, the country finds itself situated in a strategically crucial location, geographically, economically, and politically. Despite the continuing rhetoric branding it a rogue state, and the corresponding economic sanctions designed to punish it, objectively speaking, Iran has shed its pariah status and become a key factor

in the region. Now, this must become subjective as well.

The third phase opening up now under the leadership of the new President, is destined to complete the process of rehabilitation of Iran, to reestablish healthy diplomatic relations with the rest of the world, including emphatically the United States and the western European nations. Domestically, the shift will be manifest in cultural policy in particular, leading to greater freedom of the press and of association. Some in Teheran say, the real revolution is beginning now.

The seventh Presidential election, held on May 23, was revolutionary in itself: Although the vote was not compulsory (as was, for example, the practice in communist countries), Iranian voters flocked to the polls in unprecedented numbers. Of the 33 million eligible voters, 29 million cast their ballot, and 69% of them (20 million), for Khatami. Polls had to be kept open beyond official hours, to allow citizens waiting in line, to exercise their right to vote. The overwhelming majority of Iran's women and youth chose Khatami, transforming his victory into a landslide.

If the turnout, which the President-elect termed "an historical epic," handed him a clear mandate, it also presented Khatami with a list of demands, that concrete measures be introduced to effect change.

### **Economic pressures**

Highest on the priority list is the economy. As a visitor to Teheran immediately realizes, the city of over 8 million inhabitants is a teeming metropolis, pulsating with activity, and bursting at the seams. Although an ambitious effort is under way to build housing units for the expanding popula-



*The historic square of Isfahan, the capital of the Safavid Dynasty, from the 16th century to the 18th century. Isfahan was the capital of Persia during this time. The magnificent palaces and mosques are among the greatest achievements of Islamic architecture in the world.*

tion, visible in the countless cranes that stand out against the city skyline, the pace of construction of new housing units has not kept up with the growing needs. There is no homeless problem in Teheran, that is, of persons without a roof over their head, but many live in crowded quarters. Continuing demographic growth of the resident population, is augmented by the immigration from rural areas, and the massive influx of refugees, particularly from Afghanistan.

In addition to the housing shortage, unemployment and inflation are twin evils which the population demands that the new government redress. Iran's population doubled in the decade after the revolution, and reached 56 million in 1991. The most recent figures place the total population at 66 million, well over half, under the age of 18. Some time early in the next century, the population could top 100 million.

These millions of young Iranians who will enter the labor market, require education and job opportunities. The Iranian Constitution calls for "free education and physical training for everyone at all levels, and the facilitation and expansion of higher education." Although universal educa-

tion is available to all, and significant progress has been made to eliminate illiteracy, the competition for admission to universities is extremely tough. According to one estimate, about 1.3 million Iranian high school graduates seek access to universities, but only a fraction can be accommodated by existing facilities.

For those already trained for employment, competition for jobs is also tough. This has been aggravated by the massive influx of refugees, since the renewed fighting broke out in Afghanistan over the last couple of years. According to official statistics, Iran has over 2 million refugees, of whom 1.3 million are Afghans. These refugees constitute a pool of cheap labor, which can be employed without social benefits. The pressures thus exerted on native employment, are obvious. Thus, this year, the government started to fire these workers, to make way for Iranian labor. Statistics released by the Employment Ministry in July, indicated that 65,000 foreign workers, mainly Afghans, had been removed from their jobs. It was reported that 58,000 foreigners had been working illegally.

Finally, inflation continues to be a problem. The root

causes of inflation, as of the other economic problems, are to be found in the after-effects of the destruction caused by the war, and international factors, including foreign debt obligations, and trade sanctions. In an Iranian television interview on Aug. 2, outgoing President Ali Akbar Hashemi Rafsanjani drew a picture of Iran at the end of the war, and the beginning of his first term as President in 1989, as he saw it: Factories were idle, foreign exchange was scarce, industrial plant and equipment had been devastated, transportation was inadequate, and consumer goods distribution was disorganized. Rafsanjani stated, correctly, that these problems had been by and large solved in the course of his two terms.

In a speech to the Majlis (Parliament) just before leaving office, Rafsanjani gave a detailed evaluation of the reconstruction effort which is associated with his name. Although his five-year plans (which began in 1988) had been considered "ambitious" by some quarters, he said, in reality all the pre-planned projects had been implemented. The most severe problem Iran faced initially, the lack of manpower, had been overcome, and the budget deficit, which had been 51% in 1988, had dropped to zero. Rafsanjani said that Iran had a budget surplus and foreign currency reserves at present. He put inflation at 1.5% monthly, and said unemployment had dropped from 16% to 9.1%. He said Iran was among the top ten countries worldwide in projects in the areas of gas, oil, petrochemicals, dam building, urban sewerage, power generation, agriculture fisheries, animal husbandry, poultry farming, forestry, heavy and light industries, security, road building, laying railways, airport establishment, transportation and defense, according to a press summary in the Iranian daily *Ettela'at*.

Addressing a group of bankers in the capital, Rafsanjani pointed to the leading role played by them in reconstruction, due to their participation in infrastructural investments. The generation of domestic credit had also been important, to reduce dependence on foreign countries. One of the leading aims of his government, in recent years, has been to reduce foreign debt.

At the end of the first five-year plan, foreign exchange debt was at \$33 billion. At the same time, the economic sanctions, under the rubric of the "dual containment" policy, took their toll. Thus, in the second five-year plan, emphasis was placed on limiting foreign credits to \$10 billion, earmarked for specific projects, and making payments to bring down the foreign debt. As Rafsanjani told the bankers, the debt figure now stands at \$6 billion.

The cost of the effort has been felt by the population, particularly in the form of inflation. Young men eager to marry and start families, find their greatest obstacle to be financial. If an engineer can earn enough to cover the combined costs of housing and food, which in some major urban centers add up to 1.2 million rials, someone working for the state may be earning less than half that amount.

Thus, it is no surprise that such a large portion of the electorate voted for the candidate who, pledging to continue the reconstruction effort on the level of great infrastructure projects, at the same time, promised to focus more intensely on solving the domestic social issues related to the economy and culture.

## **Iran, culture, and the West**

One of the central themes of the new President's election campaign, was the need to bring Islamic Iran into line with the culture of the modern world, which means, opening up to cultural impulses from the West. In one of his many encounters with students, during the campaign, Khatami outlined his views of the West, in terms which very few Americans or Europeans would expect from an Iranian cleric.

According to a *Teheran Times* report, "He explained [his view of the West] by saying that the West is moving towards the path of humanism. By this he meant that man is the main axis upon which material life develops; but in Islam we are of the view that reason is next in importance to revelation and is capable of constructing human lives. Further, he said that our basic difference with the West is in our attitudes, but other than this, all aspects of development, including social, political, economic and cultural, have originated from the West. By expressing these views, he said he intended to convey the idea that development will not be materialized without having a proper understanding of the West, i.e., knowing about its advantages and disadvantages. We cannot confront the West blindly. We should have knowledge about the issues such as liberalism, fascism, capitalism in order to have a basis on which to judge them, Khatami said."

Developing this concept, Khatami urged citizens to adopt a critical approach both to the West and to tradition: "He said the salvation of Iranian society lies in the possession of two kinds of situations. We should have a critique of the West and modernization, and another of tradition. We should recognize all the positive and negative aspects of the two basic issues posed by Westernization and tradition, [because] without having enough understanding of both, we can neither reject nor accept either. He said that such understanding of their real nature is a must, and only then should we deal with ourselves and search ourselves from the depths of our being. Therefore, an understanding of the West, tradition, and ourselves will help save this society. If we can do this, we can have the power to construct the country, Khatami said."

Khatami reiterated his commitment to striking a balance between modernization and tradition, in his inaugural address on Aug. 4. Addressing the Majlis, in what was characterized by the press as a speech delivered in a "beautiful and poetical Persian style, difficult to translate," the new President promised to protect civil liberties, including freedom of expression, within the framework of the rule of law. While declar-

FIGURE 1

The expansion of Iran's railroad connections, east and west



- Existing main rail lines
- == Newly completed rail line
- ..... Proposed new rail routes

ing his commitment to safeguarding religion, the country's territorial integrity and borders, he said that the best platform from which to promote religion, would be a society which "enjoyed material and spiritual comfort, and had its rights recognized and fulfilled." This would be the basis for "nurturing of ideas, the countering of discrimination, the eradication of poverty, the presence of justice and the continued development of Iran," development which must go hand in hand with justice.

Acknowledging the weight of the mandate given him by particularly young voters, he said the "energetic and dynamic spirit of the youth made him hopeful that he would meet his commitments to a young nation." He focussed on the idea of accountability of the elected to the voters, and reciprocity between the two. He emphasized the importance of "public participation in the affairs of the country, reminding government officials that they were servants of their nation." Such officials, he said, had to "live up to the expectations of Iran's citizens, deal with their pain and suffering, and work for their well-being." A means of ensuring this, he said, could be found in the media, whose role was "to monitor the functioning of Iran's government." He also invited all figures from the political, intellectual, and cultural world to "keep a close watch on the administration's activities."

Finally, addressing the international stage, he said his government would "refrain from any act which could lead to tension and would strive for friendly relations with all countries that respected Iran's national interests." While promising to "confront acts of hegemony and expansionism by large powers," President Khatami emphasized that a "dialogue among civilizations and cultures was necessary to avert crises."

### **The institutions of government**

To evaluate the difficulties which the new President may face, as well as to appreciate the genuine chances of his success in the task he has defined for himself, it is important to consider the system of Iran's government. It is based on three branches, the legislative, the executive, and the judiciary. Above them all, is the Leader of the Revolution, a position held now by Ayatollah Seyed Ali Khamenei, who succeeded Ayatollah Khomeini.

The Leader represents the highest authority of the land, both religious and political, and his powers are vast. They include deciding overall policies and overseeing their implementation. He may order referenda, command the Armed Forces, declare war or peace, arbitrate among the three branches of government, endorse the winner of Presidential elections, and appoint and dismiss numerous high-level officials, including the President. It was Ayatollah Khamenei, for example, who issued the decree endorsing the election of Khatami. Nor was this a mere formality: In his decree, in fact,

Ayatollah Khamenei outlined the broad policy parameters which the new President should follow, stressing the fight against poverty, discrimination and injustice, themes which were echoed in the President's inaugural address. As supreme authority, his responsibility is to provide the guidelines according to which policy is formulated, to indicate the right path to follow.

The Leader is elected, by a group known as the Assembly of Experts for Leadership, which also has the power to dismiss him, if he no longer provides leadership. The First Assembly debated and passed a draft of the constitution in 1979, which was later put to a referendum. The Second Assembly of Experts, was elected in 1982. Members may also hold other offices, in parliament or in government, but they must be clerics. They are elected for an eight-year term.

Next in order of authority is the President, who leads the executive branch. The powers of the President were enhanced through a constitutional amendment which abolished the position of prime minister. Thus the President has the power to name his cabinet ministers, and submit them to the Majlis for a vote of confidence. The President, like his ministers, may be subjected to a vote of no-confidence, and can be impeached with a vote of two-thirds.

In the legislative branch, there are two organs, the Majlis and the Guardian Council of the Constitution. Legislation which is approved by the Majlis, must be ratified by the Guardian Council, before being signed into law by the President. Thus the Guardian Council functions like an upper house.

The Majlis is made up of 270 members, who are elected by direct vote, for a four-year term. The overwhelming majority of members are Muslims, but there are seats for representatives of the religious minorities, the Armenians, Assyrians, Jews, and Zoroastrians.

The Guardian Council, or council of sages, is made up of 12 members, six of them clerical Islamist canonists, elected by the Leader, and the other six, civilian jurists, elected by the Majlis. In considering legislation presented by the Majlis, this group must ascertain that it is compatible with Islamic provisions and with the constitution. The Guardian Council also supervises elections.

Given the composition and responsibilities assigned the two bodies, the more conservative Guardian Council, and the more heterogenous Majlis, it is not surprising that they should come into conflict. As early as 1987, a new institution was created, to intervene in disputes which broke out between the two organs.

The Council for the Determination of Exigencies, or Assembly for Determining the Expediency of the Islamic System, has developed over time, from a mere arbiter to a functioning body of the legislative process. Shortly before the Presidential elections took place, the Expediency Council was reshaped by Ayatollah Ali Khamenei and then-President Raf-

sanjani. It was announced that Rafsanjani, on leaving office, would take over as chairman of the Expediency Council. Furthermore, the body was redefined, its powers and responsibilities significantly enhanced. Not only is it to intervene to settle disputes between the two houses of parliament, but it is to function as a consultative body, which even the Leader, Ayatollah Khamenei, would hear, before issuing decisions on the foreign policy, economic, or defense front. Reports in Iranian publications have identified the Expediency Council as the primary vehicle for economic policymaking.

Soon after the results of the May 23 vote had been announced, Rafsanjani explained to the press, what the significance would be, of his presiding over the Expediency Council. Asked by a Syrian paper, what his capacity would be in foreign and domestic policy, Rafsanjani answered, "We are discussing general policies at the Council of Expediency. The President-elect Mr. Khatami will also be a member of the council. Our views at the Expediency Council take effect after the final approval of the Leader of the Islamic Revolution [Khamenei] and that I will help Mr. Khatami." Asked by another reporter, in what ways he could be expected to aid Khatami in his new capacity, Rafsanjani outlined the three duties of the institution, as "removal of the differences between the Majlis (parliament) and the Guardians Council, settlement of problems which the current laws and regulations are unable to tackle, and lastly serving as an advisory body to the leadership."

Considering that Rafsanjani's entire tenure as President was dedicated primarily to the task of reconstruction, infrastructure development, and, since 1991, aggressive economic

cooperation in the framework of the Silk Road program, his having been appointed to head up the Expediency Council, means that this body will maintain continuity in policy with that of the past Presidency. This was already clear in the decision by Rafsanjani, to throw the weight of his political movement, the Cadres for Reconstruction, behind Khatami's candidacy.

Thus, Iran's new President may find significant resistance to his proposed opening on the cultural front, from among the more conservative clergy, in the Guardian Council. In addition, the conservatives in the Majlis, emphatically including the Speaker, Nateq Noiuri, who ran on a conservative profile against Khatami, still hold a numerical majority. But the new President has been assured the support of his predecessor, Rafsanjani, who is in a position to provide it, not just politically, but institutionally. And, most important, he enjoys an unprecedented popular mandate. The vote which swept him into office, was an unambiguous message to the conservatives, that their policies and outlook had been defeated.

### **The Khatami cabinet**

According to Iran's Constitution, the President has two weeks' time after having been sworn in, to present his cabinet to the Leader and the Majlis. As of this writing, President Khatami has announced only two cabinet appointments. The first was Dr. Hassan Habibi, who was reappointed as first vice president, a post he has held for eight years under Rafsanjani. Dr. Habibi, a former justice minister, received his training as a lawyer in France, and was among those

## **Who is Iran's new President?**

President Hojjatoleslam Mohammed Khatami was introduced by Ayatollah Khamenei, as "an experienced and revolutionary clergyman, a man of letters and culture who has been trained in a seminary . . . a competent scholar and a prominent thinker."

President Khatami was born in Ardakan, in the Yazd province, in 1943, the son of Ayatollah Rouhollah Khatami. After completing his early schooling there, he went to Qom, where he conducted religious studies, and received a diploma in 1961. He took a B.A. in philosophy, years later, at the University of Isfahan, and continued religious studies at Qom Seminary. He carried out post-graduate studies in education in Teheran.

Prior to the revolution, he was active in political activities against the Shah, together with the Association of Muslim Students at Isfahan University. He chaired the Islamic Center of Hamburg, in Germany before 1979. Following the revolution, he entered the Majlis as a representative of Ardakan and Meybod. In 1982, he was appointed as minister of culture and Islamic guidance, under the premiership of Hussein Musavi. During the Iran-Iraq War of 1980-88, he held various posts, including deputy and head of the Joint Command of the Armed Forces, and chairman of the War Propaganda headquarters. He was reappointed minister of culture by President Rafsanjani in 1989, but resigned in 1992, under pressure from conservatives. Thereupon, he was appointed cultural adviser to President Rafsanjani and head of the National Library.

He is the author of numerous articles and books. He is fluent in German, Arabic, and English, in addition to his native tongue, Farsi. Married in 1974, he is the father of two daughters and one son.

who drafted the country's Constitution. Over the past years, he has been closely associated with Rafsanjani's infrastructure-building projects, not only in Iran, but abroad, and is therefore another guarantor of continuity in economic policy orientation. Dr. Habibi is also well suited to implement President Khatami's design for greater accountability of government to the citizenry. As *Iran News* noted in a report on his nomination, Dr. Habibi used to hold weekly press conferences, to report on the government's day-to-day activities, during his first few years in office. It was mooted that he might return to this practice. In announcing the nomination, President Khatami said he had made the choice on the basis of his scientific and educational background, as well as his moral and religious qualifications, and experience.

The other appointee embodies the spirit of innovation of the new government. Called to occupy a new post, as vice president and head of environmental organizations, was a woman, Mrs. Massumeh Ebtekar. The first woman to occupy a cabinet post, Mrs. Ebtekar, in her thirties, is a university professor in Teheran. She studied in the United States and received her Ph.D. in chemistry. In recent years, she represented Iran as a delegate to the United Nations conferences in Cairo and in Beijing.

It is expected that the crucial post of foreign minister will go to Dr. Kamal Kharrazi, who has been serving as the Permanent Representative to the United Nations in New York City since 1989. He is thus the highest-ranking Iranian diplomat on American soil, and is in the best position to contribute to improved relations with the United States. Dr. Kharrazi has served as deputy foreign minister for political affairs and acting foreign minister, in a career which began shortly after the 1979 revolution. Before receiving his post at the UN Mission, he was the head of the Islamic Republic News Agency (IRNA). He also directed the War Information headquarters during the 1980-88 Iran-Iraq War. It was he, who convinced then-UN Secretary General Javier Peres de Cuellar, that Iraq was the aggressor in the conflict. Dr. Kharrazi's diplomatic efforts led also to the resumption of relations with several countries, among them Morocco and Jordan. During his term at the UN, Dr. Kharrazi has generated initiatives aimed at finding a political solution to the continuing conflict in Afghanistan.

### **Rapprochement with Washington**

Immediately following the news of the elections results in Teheran, President Clinton was quoted saying, he had found that they expressed the viability of the democratic process in Iran. He said, he found the fact that a moderate had been elected, "intriguing." Just on the eve of Khatami's inauguration, the White House said something of substance: It was announced July 27, that the U.S. administration no longer opposed the project for a pipeline to traverse Iran, from Turkmenistan to Turkey.

Unnamed U.S. officials were quoted to the effect that the Clinton administration "had not endorsed the pipeline, but had concluded that such a project did not technically violate America's 1996 Iran-Libya Sanctions Act." Despite routine diplomatic denials, by Secretary of State Madeleine Albright and White House official Anne Luzzato, that the announcement did not constitute any change in policy toward Iran, the opposite is obviously true. In Teheran, the announcement was taken as a signal.

Coincidentally, on the same day, the Majlis endorsed the United Nations treaty to eliminate chemical weapons, and, according to official Iranian press dispatches, it was expected that the Guardian Council would ratify the decision. At the same time, the International Atomic Energy Agency expressed its "satisfaction" with Iran's nuclear program. Hans Blix, secretary general of the IAEA, visited Iran in the last week of July, to inspect the country's nuclear installations. After inspecting the Karaj nuclear research center in Teheran province, which has an agricultural and nuclear medical research center, Blix "confirmed Iran's use of nuclear energy for peaceful purposes" and "expressed hope that products of this center would be used in other countries of the Middle East and Central Asia," according to IRNA. In an interview with *Iran Daily*, Blix reported that Rafsanjani had assured him of Iran's acceptance of the agency's new safety provisions, and of the IAEA's right to inspect installations anywhere and anytime.

These developments in Iran, constitute further meaningful signals. It is known, that the reasons given by the British and their faction's representatives in the United States, like Sen. Alfonse d'Amato (R-N.Y.), among others, for imposing sanctions against Iran, and maintaining the "containment" policy, include the allegation that Iran seeks to procure weapons of mass destruction, specifically that its nuclear program is a cover for the development of atomic weapons, etc. With the clean bill of health issued by Blix, and the Majlis vote for the chemical weapons ban, such allegations are somewhat deprived of their credibility.

There is every reason to be optimistic, that the new government in Teheran will pursue the openings made by Washington, to proceed, step by step, toward the resumption of normal diplomatic and trade relations. There will be attempts to sabotage this rapprochement, as shown by the current farce being played out in the European Union, under British direction (the EU nations, which, on British orders, withdrew their ambassadors from Teheran last spring, in the wake of the "Mykonos affair," have lined up in a bloc, and refused to reinstate their diplomats, on Iran's terms).

Theatrics aside, profound changes for the better are in process, in Iran. The *Teheran Times* of July 29 was not wrong in saying, "With the swearing in ceremony of President-elect Mohammed Khatami to take place within a few days, the U.S. must not miss the opportunity to pave the way for a rapprochement with Iran. . . ."