Thirty years after the Islamic revolution, the Islamic Republic of Iran (IRI) remains the subject of misunderstanding. Although the Iranian constitution of 1979, institutionalized after the Islamic revolution, is unique and has absolutely no predecessor, the Islamic revolution was not a big break with the past—the Pahlavi regime, 1921–79—but to the contrary, the IRI, indeed, shows aspects of continuity with the Pahlavi regime. The Islamic revolution took place by a coalition of Islamic, secular, and liberal Islamic social forces. It was the combination of these forces, and not Ayatollah Ruholla Khomeini and his followers alone, that enabled a mobilization of the masses. Although the secular and liberal Islamic forces were eliminated from power shortly after the revolution, ideological divisions remained, even among Khomeini’s supporters. When Khomeini was still alive, he was able to channel the ideological divisions among the Iranian political elite and therefore prevent major clashes among them. After his death in 1989, these divisions intensified. His death created the space for more open conflict among those political elite with different views on domestic (economic and sociocultural) and foreign policy. Since then, the different views have been aligned in political factions that compete with one another for power.

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

This article discusses elite theories and defines the political elite in the IRI. It briefly elaborates on the continuity and change of power relations from the Pahlavi regime to the IRI. It further describes state institutions and the politically relevant elite in Iran. Then, it analyzes the dynamics of factionalism among the Iranian political elite and the (changing) approaches of the different political factions to domestic and foreign policy issues from the Islamic revolution in 1979 until 2008. Finally, it looks at the prospects for change of the political system in Iran.

Defining the Political Elite in the IRI

An important element of power in a society is the political elite. The concept of the political elite, as developed by the classical elite theorists Vilfredo Pareto, Gaetano Mosca, and Robert Michels, forms part of a doctrine that is critical of, and opposed to, democracy and even more to modern socialism. It was also set against the developments toward democratization starting in the late nineteenth century in Western Europe, the expanding structures of mass societies, and the striving for socioeconomic equality by social movements (e.g., trade unions). Elite theorists since the end of World War II such as C. Wright Mills and Robert Dahl normatively prefer democracy as a form of government. Like the classical elite theorists, however, they acknowledge that there is always an elite that rules over the rest of society. Goran Therborn criticizes the former approaches of elite theorists for neglecting the dynamics of elite change and consequently social change. In his analysis of the political elite he is interested not so much in who has power, and for what purposes, but in what the effects of power are on a particular society and on reproduction and social change.

Besides a historical analysis as Therborn suggests, what is also important is to make a systemic distinction between elite theories that study elites in industrialized countries and theories that study elites in developing countries. This distinction is important, as power relations between state and society in countries where a comprehensive industrialization has taken place differ from those in countries where industrialization has failed or been only partly successful. Industrialized countries are usually characterized by a certain extent of cohesion, while developing countries, especially in the Middle East, are often characterized by a socially fragmented society. In the latter case that means that the political elite is confronted with the conflict between traditionalist and modernist forces within society at large. This puts great pressure on the activities of the political elite and the choices they make. Another important issue regarding defining the political elite is whether the elite refers solely to individuals who actually exercise power or includes also individuals who can have an indirect influence on policy formulation. If the latter is the case, members of the elite do not necessarily have to control the power resources of a society to be influential but can also have indirect influence on policy making through participation in the political discourse.

In this article I use the concept of the “politically relevant elite” to define the political elite in the IRI. The concept of the politically relevant elite includes not only individuals who strive for “political leadership” but also “opinion makers” (rather than “decision makers”) and “temporary elites,” such as journalists, leading economists, nonestablishment clerics, intellectuals, leaders of nongovernmental organizations (NGOs), and so forth. Analytically, we can distinguish among three concentric circles of the politically relevant elite, each with a different degree of political influence. The inner-circle elite comprises those members of the politically relevant elite who have the power to implement strategic decisions or to block them. Strategic decisions can have a domestic or foreign policy character. Strategic decisions are also those that, directly or indirectly, influence the priorities of state policy. To the second circle, the administrative elite, belong those members of the politically relevant elite who have a decisive influence on strategic decisions or can make political decisions of less relevance. The third circle, the discourse elite, consists of those who


directly or indirectly influence policy formulation by determining the political discourse and who participate in “agenda setting.” 7

While the concept of the politically relevant elite is useful in giving an overview of the structure of power relations in a society, it falls short, as it does not set power relations in relation to domestic and foreign policy formulation and how they come about, that is, how the structure of power relations interacts with political decision making and the factors that play a role here, as, for example, ideology or material interests. In this article the aim is to solve this problem by identifying not only the formal power structure and the position of the different political factions within it but also the influence of ideology and economic groups that support the different political factions on policy formulation.

**Continuity and Change of Power Relations from Pahlavi to Khomeini**

In the 1960s and 1970s most of the members of the political elite in Iran were Western educated and secular orientated and supported a sociopolitical, economic, and cultural modernization. The shah stood in the center of power and controlled the state apparatus and the decision-making process of the separate state institutions. Marvin Zonis describes the shah’s style of rule as “divide et impera.” 8 Its purpose was to prevent any decrease in the power of the shah. The shah’s control over the armed forces, their loyalty to him, and their position in the political system vis-à-vis other organizations constituted the cornerstone of the rule of the Pahlavis. According to the Iranian constitution of 1906, the form of state under the reign of Reza Shah (1921–42) and Mohammad Reza Shah (1942–79) was a “constitutional monarchy” with an independent legislative power (the Majlis), an independent juridical power, and an independent executive power. Practically, however this system was not applied. The shah had an active role in all spheres of political, military, and economic life. The shah not only relied on punishment to secure legitimacy from his citizens. He also used the government’s economic networks to acquire legitimacy. The most important organization in this context was the Pahlavi Foundation, which received most of its financial resources from the state. It invested in enterprises that were considered important by the shah for the country’s economic development such as construction and agro-business. It was the main source of salaries, pensions, and sinecures of the political elite. It also financed the education of twelve thousand students who studied abroad and funded several youth, health, literacy, and pension programs. 9

In addition to military and economic control, the shah also reigned over the state’s political institutions. Government ministries and agencies could not act independently of the shah. The prime minister and the minister of the Interior in theory commanded the gendarme and police forces for internal matters. Practically, however, they had no control over these forces. 10 The legislative procedures were under the control of the executive, and the members of the executive were appointed by the shah. Mohammad Reza Shah had a relatively autonomous position within this system. 11 The shah and his political elite in the 1960s created a two-party system when the National Party (Hezb-e Mellyion) in 1963 was replaced by the New Iran Party (Hezb-e Iran Novin) and the Peoples Party (Hezb-e Mardum). 12 The vertical party system was the most important instrument of the political centralization of state power as well as of social control and mobilization from above. Members of Parliament were recruited by the party and were dependent on the approval of the shah. This meant that the shah could exclude oppositional forces from Parliament. 13 The shah ruled mainly through farman (decree), without any control or counterpower. One of the most important executive institutions of the

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7. Ibid.
10. Zonis, Political Elite.
political system was the Special Bureau, which mainly had to guarantee that the shah’s policy was carried out correctly. At the same time, the Special Bureau infiltrated and coordinated various state institutions.\(^{14}\)

After the Islamic revolution the secular-oriented political elite of the shah was replaced by clerics and religious laypersons. Despite this great discontinuity in the composition of the political elite, there are aspects of continuity between the IRI and the monarchy of Mohammad Reza Shah. The legitimacy of the political system of the IRI is twofold. First, it consists of state institutions that were formalized according to the constitution of 1979 and derive their legitimacy from Islamic law—the religious supervisory bodies (the Council of the Guardian [Majles-e Khobregan], the Expediency Council [Majma’-e Tashkhsis-e Maslahat-e Nezam], and the Assembly of Experts [Shora-ye Maslahat-e Nezam]). Second, it consists of republican institutions that find their origin in the constitution of 1906 and are legitimized by the people (the legislative [the Majlis, or Parliament], the executive, and the judiciary). It further consists of major semigovernmental economic institutions (the religious foundations [bonyads]). These religious foundations, like the Pahlavi Foundation under the shah, nominally are charitable foundations, but in reality they are large economic entities well connected to the inner circle of the political elite in Iran. The basic principle of the political system in the IRI is the velayat-e faqih (the government of the jurist) system, as developed by Ayatollah Khomeini—reinforced in 1988 by adding a new dimension, the absolute governance of the jurist (velayat-e motlaqah-e faqih)—according to which the supreme leader (vālī-e faqīh) is the head of the political system.\(^{15}\)

The supreme leader, who like the shah is not elected by the people, may overrule any bills passed by the legislature. In contrast to the Shah period, the power of the supreme leader in reality is not absolute but is checked by the religious supervisory bodies. Together, the supreme leader and the religious supervisory bodies oversee the republican institutions. Unlike the absolute mode of rule during the Shah period, the twofold legitimacy of state institutions in the IRI (religious supervisory bodies legitimized by Islamic law and religious institutions legitimized by the people) means that tensions have been inherent to the structure of state institutions since the establishment of the IRI. Among the political institutions and groups there is no clear distinction of competencies and jurisdiction on power. At the same time, the IRI is unique among nondemocratic regimes, having regular parliamentary and presidential elections with a (limited) choice of candidates, as well as relatively open discussions in Parliament.\(^{16}\) As legal political parties do not exist in the IRI, political factions represent the different approaches to domestic and foreign policy. The main political factions are the conservative, the pragmatist, and the reformist factions.\(^{17}\) The political factions are not homogenous but loose coalitions of groups and individuals with similar views. They have no coherent organizational structure and no official program. The extent to which a political faction participates in policy formulation, or the political discourse, depends on what faction or alliance of factions control (semi)governmental institutions in a certain period of time. However, though the domination of the republican institutions has shifted among the factions several times, the religious supervisory bodies, the military, and the religious foundations, since the Islamic revolution, have been under the control of the conservative faction. That means that the conservative faction has continuously ruled over key state institutions and, consequently, has had a decisive influence on domestic and foreign policy formulation.

\(^{14}\) Ibid., 265–67.

\(^{15}\) The velayat-e motlaqah-e faqih gives the supreme leader far-reaching power over all Muslims, even en- titling him to temporarily cut short pillars of Islam such as prayer and the hajj (the pilgrimage of Muslims to Mecca). Mehdi Moslem, Factional Politics in Post-Khomeini Iran (Syracuse, NY: Syracuse University Press, 2002), 285n16.


\(^{17}\) The distinction of the political elite into factions is not my own categorization, but is based on several works published on factional politics or factionalism in the IRI; see, e.g., Moslem, Factional Politics; Hossein S. Seifzadeh, “The Landscape of Factional Politics and Its Future in Iran,” Middle East Journal 57 (2001): 57–75; Wilfried Buchta, Who Rules Iran? The Structure of Power in the Islamic Republic (Washington, DC: Washington Institute of Near East Policy, 2000); and Bahman Bakhtiari, Parliamentary Politics in Revolutionary Iran: The Institutionalization of Fractional Politics (Gainesville: University Press of Florida, 1996). This distinction is also used by the Iranian political elite itself and the Iranian public, as can be seen from academic publications, newspaper articles, speeches, etc.
State Institutions and the Politically Relevant Elite in the IRI

State Institutions

The state institutions in the IRI are composed of the supreme leader and three sets of institutions: the religious supervisory bodies, the republican institutions, and the religious foundations (see fig. 1).18

The power of the supreme leader is based on the velayat-e faqih system. The ultimate decision maker in the IRI is the supreme leader, whose office was established when the constitution of the IRI was drafted in 1979.19 The supreme leader has the power to declare war, to mobilize the troops, and to dismiss many senior position holders in the IRI. These senior positions include the head of the judiciary, the head of state radio and television, the supreme commander of the Islamic Revolutionary Guards Corps (IRGC), the supreme commander of the regular military and the security services, and the clerical jurists in the Council of the Guardian.20

The religious supervisory bodies consist of two groups: (1) three decision-making and advisory institutions (the Council of the Guardian, the Assembly of Experts, and the Expediency Council) and (2) institutions that are considered to be the extended arms of the supreme leader but have no legal status.21 The most important institutions that are in the hands of the supreme leader and formulate his ideas are the Office of the Representatives of the Supreme Leader (Namayandegan-e Rahbar), the Association of Friday Prayer Leaders, and the Special Court for the Clergy (Dadgah-e Vizheh-ye Rouhaniyat, or SCC).22 These institutions are responsible for ensuring that the Islamic character of the regime remains intact.23

The republican institutions are the three governmental branches: the executive, the judiciary, and the legislative. The Iranian people elect the members of Parliament every four years. Since the death of Khomeini, Parliament’s political importance has significantly increased. It drafts legislation, ratifies treaties, approves states of emergency, approves loans and the annual budget, and can remove the president and ministers from office.24 Originally, the 1979 constitution divided the power over the executive between the president and the prime minister. Actual leadership over the executive was in the hands of the prime minister, who, in contrast to the president, was not elected by the Iranian people. The idea was that, by this division of power, a popularly elected president could not undermine the authority of the supreme leader. With the revision of the constitution in 1989—when Ali Akbar Hashemi Rafsanjani became president—the office of prime minister was abolished and his tasks taken over by the president. The president is now the head of the state, and the prime minister has become merely the representative of the president.25

21. The Council of the Guardian consists of twelve jurists (six clerical and six nonclerical). The six clerical members are selected from among the ranks of the clerical elite and appointed by the supreme leader. The six nonclerical members are appointed by Parliament at the recommendation of the head of the judiciary. The Council of the Guardian determines whether laws passed by Parliament are compatible with Sharia (Islamic law). It has supreme oversight of the elections for Parliament, the Assembly of Experts, and the presidency. Asgar Schirazi, The Constitution of Iran: Politics and the State in the Islamic Republic (London: I. B. Tauris, 1997), 89. The Assembly of Experts is a council of eighty-six clerics who are elected by the Iranian people for an eight-year term. The Assembly of Experts elects the supreme leader from its own ranks and may dismiss him if he does not fulfill his duties (Algar, Religion and State in Iran, 1785–1906: The Role of the Ulama in the Qajar Period [Berkeley: University of California Press, 1969]), the latter of which is very unlikely to happen. The Expediency Council was established in 1988 to act as a mediator between the Majlis and the Council of the Guardian and to advise the supreme leader (Tellenbach, “Zur Änderung der Verfassung,” 54). The Expediency Council’s thirty-one members are appointed by the supreme leader from among the ranks of the Iranian political elite (Buchta, Who Rules Iran, 61).
22. The Friday prayer leaders are appointed by the supreme leader. While the executive branch of the government provides their budget, it has no control over the contents of the weekly Friday prayers. The Friday prayers have served as powerful propaganda forums for the conservative faction. They have been very influential in setting the tone on important political issues, especially foreign policy. Supreme Leader Ayatollah Khamenei and the head of the Expediency Council, Rafsanjani, have often made use of the Friday prayers to bring their views to the public, especially on foreign policy issues, without taking into account the Ministry of Foreign Affairs or the president. The head of the judiciary and the leadership of the IRGC are others who use the Friday prayers as a platform to bring their views on foreign policy to the public. The SCC is another example of an institution that functions outside of, and parallel to, the judiciary. It was created during the Iran-Iraq war (1980–88). Its responsibility lies in prosecuting dissident clerics, that is, those who give an interpretation to Islam that could undermine the official state ideology. It is one of the most powerful institutions of the regime, as it safeguards the ideological unity of the clergy. The SCC has imprisoned several prominent reformist clergy, including Abdullah Nuri, confidant of Ayatollah Khomeini and former minister of the Interior; Mohsen Kadivar, candidate for president in 2005; and Hassan Yussefi-Eshkevari, cleric and founder of the Ali Shariati Research Center. Mehran Kamrava and Houchang Hasan-Yari, “Suspended Equilibrium in Iran’s Political System,” Muslim World 94 (2004): 509–12.
of government, with powers to appoint and dismiss ministers, control the Planning and Budget Organization (Sazeman-e Barname va Buje), appoint the head of the Central Bank, and chair the National Security Council (Shura-e Amniat-e Melli, or NSC). The president can be removed only by a two-thirds majority in Parliament. He can also be declared “politically incompetent” by Parliament, after which the supreme leader can remove him from his post. Formally, the president is the second most powerful member of the Iranian political elite, behind the supreme leader. He is responsible for domestic but not foreign policy. The president has no control of the armed forces.26

The armed forces in the IRI are composed of two main components: (1) the regular military and (2) the revolutionary military, which consists of (a) the IRGC with its paramilitary Basiji militia and (b) the Law Enforcement Forces (LEF). The regular military and IRGC are formally subordinate to the Ministry of Defense and Armed Forces Logistics (MODAFL). They are responsible for defending Iran’s borders and for providing internal security. The LEF are formally subordinate to the Ministry of the Interior.

The origin of dividing the combat forces dates back to the postrevolutionary period. The postrevolutionary elite did not trust the regular army, as it used to be loyal to the shah, and therefore established the IRGC to maintain internal security, safeguard the ideological purity of the revolution, and counterbalance the regular military. Both the military and the IRGC have ground, air, and naval forces, but the regular military is much larger and better equipped than the IRGC. The IRGC is a key institution in Iran because of its role as guardian of the revolution and because many senior revolutionary guard officers have close personal and family ties to key members of the Iranian political elite. Current president Mahmoud Ahmadinejad, and many of his cabinet members, used to be members of the IRGC. The IRGC plays an important role also in the selection, ideological indoctrination, professional development, and advancement of future senior civil servants. The Basiji militia is the most powerful paramilitary organization in Iran. It was established in 1979 by Ayatollah Khomeini, as an “Army of the 20 million,” to protect the IRI against U.S. influences and against “domestic enemies.”

Although the republican institutions are modern, the popular will officially represented in these institutions is, as described above, challenged and undermined by the religious supervisory bodies and also by informal institutional mechanisms such as the religious foundations.

The religious foundations are an integral part of the political-economic system of the IRI. Important foundations are the Foundation for the Oppressed and Disabled (Mostazafan va Janbazan), the Martyrs’ Foundation (Bonyad-e Shahid), and the Imam Reza Foundation (Bonyad-e Astan-e Quds). The supreme leader appoints the heads of the foundations. The religious foundations are responsible to no one but the supreme leader and his local representatives. They have control of large parts of the economy and are entrusted with safeguarding the Islamic and revolutionary principles of the IRI. At the

25. The NSC has twelve permanent members that coordinate governmental activities in defense, intelligence services, and foreign policy. The members include the heads of the executive and the legislative; the chiefs of the regular military and the revolutionary military; the ministers of the interior, intelligence, and foreign affairs; departmental ministers; two representatives of the supreme leader; and the head of the Plan and Budget Organization. The president acts as the chairman of the NSC.


27. The LEF was established in 1990, after Rafsanjani became president, out of the various Islamic Revolutionary Committees (Komiteh-ye Enqelab-e Eslami), the city police (shahrban), and the gendarmerie (countryside police). During the first decade after the revolution, the revolutionary committees—mainly composed of members of the conservative faction—together with the regular police were responsible for implementing law and order in Iran. By merging them with other police forces in 1990, Rafsanjani aimed at reducing their scope of action. The committees, not so visible on the streets today, maintain an independent structure and activities. Rainer Hermann, “Von der Wirtschafts: Zur Legitimationskrise; Die Ara Khameenei/Rafsanjani in der islamischen Republik,” [From an economic to a legitimacy crisis: The era of Khomeini Rafsanjani in the Islamic Republic] *Orient* 35 (1994): 546.


31. For more details on the Basiji militia, see Nikola B. Schahgaldian, *The Iranian Military under the Islamic Republic* (Santa Monica, CA: Rand, 1987), 87.


33. On these three foundations, see further Rakel, *Power, Islam, and Political Elite*, chap. 3.
same time, the foundations claim to be charities that provide financial help to low-income groups, families of martyrs, former prisoners of war, rural dwellers, guardian-less households, the disabled, and the handicapped. The foundations act in parallel with the official governmental institutions. The foundations have become pivotal actors in the power struggle among different factions of the Iranian political elite, not only in terms of mass mobilization, ideological indoctrination, and repression, but also as financial resources to the conservative faction. This makes them not only economically important but also significant actors in forming the domestic policies in Iran. This means that the religious foundations have the legal authority to directly, or indirectly, influence the operation of the government and to execute political power alongside or even above the legislative, executive, and judiciary branches of the government.


The Politically Relevant Elite

The politically relevant elite have two levels: (1) the different political factions of the political elite that cut across the state institutions and their aligned institutions and (2) the three concentric circles of power (the inner-circle, the administrative, and the discourse elite).

As there are no legal political parties in Iran, it is the political factions that represent the different approaches to domestic and foreign policy. These different approaches have an ideological and a material component. First, there are diverse opinions among and within factions on whether Islamic jurisprudence should be the only or main basis of the legal system in the IRI. The conservative faction considers Islamic jurisprudence—with varying interpretations—an important constituent of the juridical system in Iran. For the pragmatist faction, Islamic jurisprudence is of relevance on the sociocultural level but less on the economic level. The reformist faction considers Islamic jurisprudence insufficient to address all the issues in Iranian society. Second, the political factions defend the material interests of their members and of the economic groups that support them. According to Hossein Akhavi-Pour and Heidar Azodanloo, economic policies derive not from the differing ideologies of the three factions but from the different economic bases on which each faction depends (see table 1).36

The most important source of income in the IRI is its oil and gas resources. Rent from the oil and gas exports gives the Iranian political elite a relative independence from society. Economic relations between state and society are regulated not by taxes but by a network of direct and indirect subventions.37 The conservative faction represents the interests of the traditional economic sector (the bazaaris), as well as the ultraorthodox clergy and the highly religious public. It receives its major income from official economic sources based on fiscal instruments (taxes, fees, and borrowings) and oil/gas revenues (sources of foreign currencies), as well as from religious sources (the mosques and the Shiite holy shrines and sites) and the religious foundations outside the fiscal instruments. The other two main factions, the pragmatist and the reformist, rely only on official fiscal sources. The pragmatist faction is supported by (religious) technocrats, parts of the middle class, and segments of the population with liberal tendencies. The reformist faction represents the interests of a wide range of (secular) social groups, among them women, students, and intellectuals. Thus, while the pragmatist and the reformist factions rely on official economic sources within the fiscal instruments, the conservative faction receives its major income from religious sources and the foundations, outside the fiscal instruments. Until now, the conservative faction has had the political tools and fiscal means to maintain a dominant position in both the political and economic life of the IRI.

Table 1. Economic resources of the three main political factions in Iran

<table>
<thead>
<tr>
<th>Sources</th>
<th>Conservative faction</th>
<th>Pragmatist faction/reformist faction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil and gas revenues</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Taxes and fees</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>State enterprises</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Municipalities’ income</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Mosques, holy shrines</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Religious tax (khuums and zakat)</td>
<td>X</td>
<td>—</td>
</tr>
<tr>
<td>Religious foundations</td>
<td>X</td>
<td>—</td>
</tr>
</tbody>
</table>

Source: Akhavi-Pour and Azodanloo, “Economic Bases of Political Factions.”

The conservative faction is in favor of trade liberalization but objects to large-scale privatization policies, which could counter the interests of the traditional economic sector and the religious foundations. The pragmatist and reformist factions represent liberal tendencies.

or support economic liberalization policies with a limited role for the state. On the foreign policy level, two main positions of the political factions can be distinguished. The first group is represented mainly by the conservative faction. It sees the Iranian society as part of the umma (Islamic community) and emphasizes the identity of the Islamic revolution and the return to Islamic values. To reach these goals, the IRI has to have a good partnership with Islamic countries, but not necessarily their governments, and also refrain from rapprochement with the United States. In the first ten years after the Islamic revolution, this position was dominated by the two main ideological foreign policy principles of the revolution: “Neither East nor West” and the “Export of the Revolution.” Today, because of the huge economic problems in Iran, segments of the conservative faction have softened their position on these two principles. The second group is represented by the pragmatist and reformist factions, which are convinced that Iran has to play a key role in international relations, as international trade and international diplomatic relations are preconditions for economic development in Iran. Since the late 1980s, the pragmatist and reformist factions have been the driving forces behind the IRI’s international economic policies and improvements in diplomatic relations with the Persian Gulf countries, the European Union, China, India, central Eurasia, Russia, and also the United States. Since 1989, this foreign policy goal has been more or less independent of the composition of factions that controls the republican institutions and religious supervisory bodies in a certain period. That means, in contrast to the domestic level, factional rivalries are of less importance on the foreign policy level. The interaction with other countries and regions plays a much greater role in foreign policy formulation than factional rivalries do.

The political factions cut across three concentric circles of the political elite. Based on the work of Johannes Reissner, three interrelated levels of the informal power structure in the IRI can be distinguished (see fig. 2). The first level is the inner-circle elite, composed of the highest clerics and (religious) laypersons. Wilfried Buchta also calls those belonging to the inner circle the “patriarchs.” Until the election of Ahmadinejad as president in 2005, the inner-circle elite consisted only of clerics. The inner-circle elite determines the course of the IRI but, in contrast to the first ten years after the revolution, no longer determines the political discourse, to which it only reacts. The inner-circle elite dominates those state institutions whose members are not elected by the people and are not responsible to them. The most important institutions dominated by the inner-circle elite are the supreme leader; the Assembly of Experts; the Council of the Guardian; the Expediency Council; the heads of those institutions that are installed by the supreme leader, that is, the head of the judiciary branch, the commander of the regular military, and the head of the IRGC; the representatives of the supreme leader in all important state institutions and in the provinces; and the chairmen of the different religious foundations, who are also installed by the supreme leader. Thus the inner-circle elite, through the institutionalization of constitutionally legitimized religious supervisory bodies, has gained for itself an independent position within the political system. The second level of the informal power structure is the administrative elite, made up of those Iranians who participate in the political decision-making process, give advice, or carry out political decisions. While the revolutionary background of the administrative elite still plays an important role in its political prestige, in contrast to the inner-circle elite, the administrative elite holds more diverse political-ideological ideas. The administrative elite is composed of members of all three political factions. Most of them are civil servants, representing the executive, judicial, and legislative branches. The members of the administrative elite are mainly religious laypersons and have

38. In the first ten years after the revolution, particularly when the new republic’s main foreign policy guidelines were formulated, the foreign policy of the IRI was dominated by two principal guidelines that had emerged shortly after the revolution: the first was summed up in the slogan “Neither East nor West, but the Islamic Republic,” and the second was the “Export of the Revolution.” To summarize these two slogans, Iran should refrain from relations with the West and support those Muslims who are suppressed by the West or their un-Islamic rulers.


40. Buchta, Who Rules Iran.

gradually gained in significance in the political process since the revolution. Women have played an important role in the administrative elite since the Islamic revolution. Their biographies are strongly connected to the revolution. For women to become members of the political elite, family ties seem to be even more important than they are for men. Examples include Zahra Khomeini, the daughter of Khomeini, who was a member of Parliament and was active in the women’s movement, and Fa’ezeh Hashemi Rafsanjani, the daughter of former president Rafsanjani. Members of the administrative elite are viewed by the population as “normal” politicians and are evaluated according to their political achievements, for which they compete with one another. The third level of the informal power structure comprises the discourse elite, members of the political elite who participate in the discourse on domestic and foreign policy issues. To the discourse elite belong members of the inner-circle elite, members of the administrative elite, clerics outside the inner-circle elite, as well as academics, writers, journalists, and leaders of NGOs. For example, former president Mohammad Khatami, who belonged to the inner-circle elite, can also be counted as part of the discourse elite, as can equally so a journalist who gained political significance by writing a specific article; religious lay and clerical public intellectuals, such as Abdolkarim Soroush, Mohammad Mojtahed Shabestari, and Mohsen Kadivar; and the public intellectuals, including among others Abbas Abdi, Akbar Ganji, and Saeed Hajarian.

The relationship between the inner-circle elite and the discourse elite can be described as a kind of ideological rivalry. At the heart of the debates are questions on what role Islam and the clergy should play in politics. More recently, the question of secularization has gained in significance. The dispute has led to a change of political culture, even in the political state institutions. The inner-circle elite is no longer able to distance itself from this dispute. The following section analyzes the dynamics of factionalism among the Iranian political elite from the Islamic revolution in 1979 until 2008.

Factional Rivalries since the Islamic Revolution

After the Islamic revolution, the Iranian political elite was unable to produce a dominant revolutionary party. Although the regime was able to integrate a number of semigovernmental organizations (e.g., the religious foundations) into the power structure of the Islamic regime, there exists no institutional mechanism that would distribute power among the different political factions. The fact that regular elections are held, however, has led to a certain degree of pluralism in the political system, with members of the political elite practicing “electoral politics” and showing “parliamentary behavior.”

The rivalry for power among the political factions since the establishment of the IRI in 1979 can be distinguished into four phases: (1) 1979–89, (2) 1989–97, (3) 1997–2005, and (4) since 2005. Each phase coincides with the political factions’ emergence to and decline from power, shifts in the composition of those among

42. Ibid., 195.
43. Ibid., 196.
44. The main issues of the intellectual debate in Iran, for clerics and (religious) laypersons, concentrate on the velayat-e faqih system, the relations between Iran and the West, and the role of Islam and the clergy in politics. More recently, the rising demand for reforms by the Iranian population has shifted the discussion of reform from within elite circles, to more secular intellectuals and activists in NGOs and universities (Hassan Yousefi-Eshkevari, Kherad dar Ziafat-e Din [Knowledge in the service of religion] [Tehran: Qasideh, 2000]). This development in the political discourse distinguishes itself from the earlier discourse in that the new secular thinkers no longer aim to protect Islamic identity in politics and believe that an ideal form of government does not necessarily have to be based on Islam (Ali Gheissari and Vali Nasr, “Iran’s Democracy Debate,” Middle East Policy 11 [2004]: 103).
46. Historically, charitable foundations have played a significant role in Islamic societies. They could be used as mechanisms for untaxed savings and investment and provided financial independence of the clergy from the state. During the Safavid period (1501–1722), the Safavid rulers granted endowments to the clergy and, therewith, strengthened the independence of the foundations from the state, providing the clergy with “economic independence.” The clerics for their part guaranteed noninvolvement with politics (Nikki R. Keddie, Iran and the Muslim World [Hampshire, Basingstoke, UK: Macmillan, 1995], 12). During the Qajar Empire (1783–1925), the religious authority of the clergy developed with the collection and distribution of various kinds of taxes. The more taxes the clergy received the more it reflected its authority and importance. Additionally, the income from the endowments associated with shrines and mosques was one of the most significant sources of income for the clergy (Algar, Religion and State, 14). In contrast to the foundations of the Safavid, Qajar, and Pahlavi periods, the foundations established after the Islamic revolution have been part and parcel of the political system. After the revolution the Islamic government gave the foundations the assets of the shah, his ruling elite, and other Iranians who had fled the country, including hundreds of companies in all sectors of the economy (Hooshang Amirahmadi, “Bunyad,” in The Oxford Encyclopedia of the Modern Islamic World, ed. John L. Esposito [New York: Oxford University Press, 1995], 234–37).
47. Bakhtiar, Parliamentary Politics; Gheissari and Nasr, “Iran’s Democracy Debate,” 98.
the political elite who control important state institutions, and shifts in the formulation of domestic and foreign policy.

**Factional Rivalries for Power, 1979–89**

In 1979 Ayatollah Khomeini, as the leader of the revolution, overthrew, with the support of a wide range of secular and Islamic social forces, the modern secular-authoritarian regime of Mohammad Reza Shah.48

In the first two years after the revolution, Khomeini was able to eliminate from power the main secular and liberal Islamic social forces, which had supported him during the revolution. In November 1979 Mehdi Bazargan, the leader of the Liberation Movement of Iran (Nehzat-e Azadiye Iran) and prime minister of the first postrevolutionary government, resigned during the American embassy hostage crisis of 1979–80, leading to the elimination of the liberal Islamic forces from the power block.49 In 1981 Abu al-Hasan Bani Sadr, elected as president in 1980, was forced to abdicate because he openly criticized the concentration of decision making and the supremacy of the supreme leader (Khomeini) in the political system.50 The different political Islamic forces that remained were united in the Islamic Republican Party (IRP), which had been established in 1979. The unification of the various Islamic forces in the

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48. On the mobilization of the different revolutionary social forces in Iran, see Amineh, *Die globale kapitalistische Expansion*, chap. 13.


IRP was followed by heavy tensions among these groups because of their different views on domestic and foreign policy issues. Khomeini managed to prevent an open conflict among them, but he was unable to prevent the IRP from splitting. In June 1987 its leadership agreed to dissolve the party. The IRP coalesced into two major political ideological camps: those who supported private property and opposed the “Export of the Revolution” but were socially conservative were called “conservative,” “moderate,” or “pragmatic”—the conservative faction; those who advocated state intervention in the economy and supported the export of the revolution were the “Left,” or the “hardliners”—the radical Left faction. Some people, including Rafsanjani, favored state intervention in the economy but were socially conservative. They were called “reformist” but were counted in the camp of the conservative faction.51 The conservative faction consisted mainly of religious traditionalists, sociopolitical conservative clerics, and religious technocrats. In the early years after the revolution, members of the conservative faction supported a pragmatic domestic and foreign policy. They promoted private property and were opposed to the taxation of the private sector by the state. They demanded the strict application of Sharia and were opposed to the export of the revolution to other Islamic countries. They were supported by the traditional Iranian bourgeoisie, the bazaaris, as well as by the ultraorthodox clergy and highly religious people in the Iranian society.52 The radical Left consisted mainly of social revolutionaries, independent clerics, and religious laypersons. The radical Left followed a dogmatic policy based on a state-controlled and egalitarian economic policy and the export of the revolution (see table 2).

The radical Left faction dominated the first Majlis (1980–84) and the second Majlis (1984–88), as well as the executive and judicial branches of the republican institutions, until the presidential elections of 1989. During that period, the Iranian government carried out a comprehensive restructuring of the economy characterized by direct state intervention. A heavy restrictive policy on the sociocultural level was introduced, and on the foreign policy level the Iranian government followed an isolationist policy.53

Factional Rivalries for Power, 1989–97

In the second half of the 1980s and in the early 1990s, two intellectual and political groupings emerged that both set in motion the public debate of reform in Iran. The first group, the pragmatist faction, emerged within the ruling government, led by Rafsanjani. The pragmatists promoted domestic and foreign policy reforms in accordance with the theocratic regime. The second group emerged a couple of years later among dissident lay Islamic intellectuals, such as Soroush. This latter group was in opposition to the principle of the velayat-e faqih system, that is, to the supreme leader as the ultimate decision maker, and advocated an Islamic state not controlled by the supreme leader. Neither group represented a consistent social movement or advocated the separation of religion from politics; rather, both sought reform within the existing theocratic system.54 When Rafsanjani became president, members of his cabinet founded the Executives of Construction Party (Hezb-e Kargozaran-e Sazandegi), which is a reform-oriented party and one of Rafsanjani’s most important supporters. The Executives of Construction Party is also a member of the Second Khordad movement that later, in 1997, supported Khatami in his electoral campaign to become president. This is interesting, as Rafsanjani is also a founding member of the conservative Combatant Clergy Association (Jame’e-ye Rowhaniyat-e Mobarez), which was established by several clerics in 1978 to overthrow the Shah regime.

The Iranian public’s calls for reform that emerged in 1989, after ten years of political hardship and economic crisis, have been driven by three inevitable changes since the death of

Khomeini. First, long years of war against Iraq, economic crisis, and sociocultural restrictions have led many Iranians to turn away from the ideology of the Islamic revolution and, instead, to become primarily preoccupied with economic difficulties. For example, while the population almost doubled between 1976 and 2000, from 34 million to 64 million (to almost 70 million in 2008), the non-oil gross domestic product per capita in 2000 was lower than in 1976, at R4,342,000 compared to R4,773,000. The national income per capita in 2000 was only half the national income in 1976.55 Second, the large generation of Iranians born in the 1970s and 1980s, who have recently entered the political arena, are frustrated with the poor economic prospects and sociocultural restrictions in Iran. At the same time, however, since the revolution, younger Iranians have benefited from better education than ever before. While in 1976 the literacy rate of men and women in Iran was 47.1 percent, in 1991 it was already 66.3 percent, and in 2004 it was 77 percent among those fifteen years olds and older.56 With a legal voting age of fifteen (in January 2007 it rose to eighteen) and more than half of the electorate under thirty, Iran’s youth constitutes a large, and growing, base of support for reforms.57 This younger generation has increased in importance, while the older generation of hardened revolutionaries, who were active in the 1960s and early 1970s, has been fading, with many key figures retiring from politics, becoming less active, or passing away. Third, the process of globalization and its influences both on people and states is crucial to understanding the demand of Iranians for reforms. The global system has become more complex and interdependent, with the result that changes in one part of the world can have profound effects on other parts. Progress in media, information, and communication technologies have facilitated the development of a global consciousness, enabling people all over the world, and also in Iran, to participate in discourses on world peace, human rights, and democratic issues. Politics, gender issues, the concepts of civil society, democracy and the rule of law, questioning of customs and traditions, and finding new friends are the main topics of discussion among participants.58 Even clerics have set up their own Web sites.59

The pragmatist faction was able to attract members of the new middle class, as well as segments of the population with liberal tendencies. At that time, however, the radical Left faction still controlled the executive, legislative, and
judiciary branches, until the presidential elections in July 1989. The conflict among the three factions intensified after the dissolution of the IRP in June 1987 and the cease-fire with Iraq on 20 August 1988. A major dispute among them centered on what strategy would be most suitable for reconstructing the national economy and those areas of the country most affected by the war with Iraq. Although the radical Left faction kept its position in the Majlis until 1992, the death of Khomeini in 1989, and the election of Rafsanjani as president, showed that the pragmatists, together with the conservatives, won that new phase in the struggle over state power.60 The cooperation between President Rafsanjani and Ayatollah Hojatolislam Sayyed Ali Khamenei—the new supreme leader after the death of Khomeini—systematically deprived the radical Left faction of most of its power base in the political system.61 Between 1989 and 1990, a number of supporters of the radical Left faction lost their positions in government, changes manifested by the dominance of pragmatism in the IRI.62 In the elections for the fourth Majlis (1992–96) in April 1992, the radical Left faction gained only 79 of 270 seats.63

As Khamenei was not an authority as great as Khomeini, it was Rafsanjani who took over Khomeini’s role in setting the direction and principles of the IRI. Rafsanjani pursued a policy of socioeconomic liberalization that received mixed reactions from the various factions.64

While the conservative faction, especially the bazaaris among its supporters, welcomed (limited) economic liberalization, it opposed Rafsanjani’s liberal attitude to sociocultural issues and his pragmatic approach to foreign policy, or what they referred to as the Westernization of the IRI. The radical Left faction, in contrast, opposed Rafsanjani’s liberal economic policies and pragmatic foreign policy while supporting his sociocultural views (see table 3). In his two terms of presidency, Rafsanjani was able to remove some constraints on the economy but could not resolve its structural problems.

### Table 3: Political positions of political factions, 1989–97

<table>
<thead>
<tr>
<th>Politics</th>
<th>Economy</th>
<th>Sociocultural issues</th>
<th>Foreign policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservative</td>
<td>Traditional²/liberal³</td>
<td>Conservative⁵</td>
<td>Conservative⁷/liberal⁸</td>
</tr>
<tr>
<td>Pragmatist</td>
<td>Liberal²</td>
<td>Liberal⁶</td>
<td>Liberal⁸</td>
</tr>
<tr>
<td>Radical Left</td>
<td>Conservative¹</td>
<td>Nationalist¹</td>
<td>Conservative⁷/liberal⁸</td>
</tr>
</tbody>
</table>

Notes:
Politics: ¹ conservative (supportive of the velayat-e faqih)
Economy: ² traditional (supportive of the traditional economic sectors)
³ liberal (market economy)
⁴ nationalist (state-controlled economy)
Sociocultural issues: ⁵ conservative (great restrictions on individual freedom)
⁶ liberal (limited individual freedom as legitimized by Islamic ideology)
Foreign policy: ⁷ conservative (isolation)
⁸ liberal (integration in international relations)

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and the radical Left shared some ideological facets, such as a common belief in the moderation of the sociocultural sphere. Additionally, both factions supported a modern economic policy, with the Left stressing a state-initiated industrialization and the pragmatists a greater participation of the private sector. The conservative faction mainly represented the interests of the traditional economic groups—especially the bazaaris—and protected the activities of the religious foundations. Besides their ideological similarities, three other factors had brought the pragmatist and the radical Left factions closer together by 1994: (1) a decrease in radicalism on the side of the radical Left faction, (2) more statism from the side of the pragmatist faction, and (3) a shared interest in confronting the conservative faction. Still a point of division between the pragmatist and the radical Left factions were probably the relations with the United States, although many members of the radical Left faction had already softened their position on that issue.65

The crisis of the IRI after the death of Khomeini led, in the early 1990s, a number of religious lay Islamist intellectuals and activists to criticize the political system of the IRI. Among these critics was the intellectual and writer Soroush, who enthusiastically had supported Khomeini during the revolutionary period in 1978–79 and who in the early 1980s emerged out of the radical Left faction, which belonged to the radical Left faction. He was a member of the Council of the Cultural Revolution and used to play an important role in formulating the ideology of the IRI during its initial phase of existence. But in the early 1990s, he and other thinkers and writers became increasingly dissatisfied with the IRI.66 Soroush criticized the inflexibility of the ideology of the IRI and the influence of the clergy in the IRI’s political system, especially the position of the supreme leader within it. In his later works, Sorouhis called for a reformation of Islam from “within,” paving the way for more pluralism within Islam and an “Islamic democracy.” However, his ideas have appealed more to those aiming to carry out reforms based on Islamic ideals and less so to those concerned with secular democracy outside Islamic reform. That means that, because the reform debate is no longer reserved to those within the political regime but is now also open to the public (to journalists, students, the women’s movement, etc.), the religious lay intellectuals have become less central within the democracy debate.67 The public is no longer satisfied with debating issues such as democracy, pluralism, and civil society but demands fundamental political reforms, such as governmental accountability, improved economic conditions, the easing of rigid Islamic sociocultural restrictions, improvements in gender relations, and good relations with the United States and other Western countries.68 These people were mobilized in the 1997 elections and gave a voice to their demands by voting for Khatami as president.

In the mid-1990s the reformist faction emerged out of the radical Left faction, which gradually ceased to exist (see table 4). With the election of Khatami as president, it became institutionalized. Against the backdrop of the complex of problems that have confronted the IRI—including increasing unemployment, inflation, economic mismanagement, and restrictive sociocultural policies—the struggle for power among the various factions and their different approaches to domestic and foreign policy intensified.69

Khatami’s election to president was made possible partly because he was supported by

the Second Khordad movement, which refers not only to pro-reformist parties and organizations but also to everyone who supported Khatami’s reform program. Important parties that belong to the reform camp are the Islamic Iran Participation Front (Jebheje Mosharekate Iran-e Eslami), the Association of Combatant Clerics (Majma’-e Rowhaniyun-e Mobarez), and the Mujahedeen of the Islamic Revolution Organization (Sazman-e Mojahedin-e Enqelab-e Eslami). Probably the most notable figures are Soroush and Hajjarian, who through their writings paved the way for the emergence of the Second Khordad movement. Khatami himself is a member of the reformist party, the Association of Combatant Clerics.

During Khatami’s presidency some clerics intensified their critique on the political system. These thinkers, some of whom had already initiated their critique before the mid-1990s, put forward new religious and political formulations that in various ways differed from the theocratic vision of the principle of the velayat-e faqih. In some regard, these reformist clerics were continuing what Soroush had started. However, given that their critique comes from within ulema circles, it carries particular significance. The most notable reformist clerics are Ayatollah Hossein-Ali Montazeri (at one time Khomeini’s heir apparent), the late Mehdi Haeri-Yazdi (a noted philosopher and senior member of the clergy), Seyyed Mostafa Mohaqeq-Damad (a prominent professor of Islamic law and an authority on the judiciary), Kadivar (a student of Montazeri and candidate for president in the 2005 elections), Shabestari (a full professor of philosophy at the University of Tehran), and Hassan Yousefi-Eshkevari (a writer).70 The reformist clerics, each in different ways, question the primacy of the supreme leader in the Islamic state.71

The urgency for reform, felt even by the Iranian political elite, made the way free in the late 1990s for President Khatami to carry out some reforms, encourage debate and criticism, and support popular sovereignty. With these promises, Khatami won four elections—two presidential (1997, 2001), one parliamentary (2000), and one in local councils (1999)—each with about a 70 percent majority. One of Khatami’s goals during his presidency was to make the government more transparent. This was evidenced in the mushrooming of a critical press and also in open discussions at universities, seminaries, and in Parliament on the ideology of the Islamic state and how it was manifested in the constitution. Issues that were once the subject of debate among the elite (and intellectuals) were now open to the public and discussed in daily

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71. Mohammad Mojtabah-Shabestari, Naqdi bar Qiraat-e Easmi az Din (Tehran: Tarih-e Naw, 2000).
newspapers.72 When Khatami was president, the concept of civil society became a political project.73 At the same time, however, Khatami was eager to prove his unconditional loyalty to Supreme Leader Khamenei and maintain workable relations with the conservative-dominated fifth Majlis (1996–2000). That means that, although Khatami used expressions clearly linked to modern democracy, one has to be aware that he integrated them into a philosophy hostile to modern democracy.74 Khatami’s concessions to the conservative faction, particularly his support for the concept of the velayat-e faqih, posed an obstacle to political reform and split his supporters.75 All of the groups who saw in Khatami a hope for change were already disappointed within the first four years of his presidency. The low voter turnout in his second run for office (67 percent compared to 83 percent four years earlier) reflected this discontent. During this period, the conservatives, for their part, feared losing their power. If political authority were to be passed on from the divine (velayat-e faqih) to the popular, it would threaten their own position within the political system and their control of important state institutions and their aligned institutions.76 In 2005 the conservatives therefore supported Ahmadinejad in the presidential elections.

Factional Rivalries for Power since 2005

Ahmadinejad (his original name is Saborjian) has stuck to his beliefs since his childhood, a fact that has been the most important aspect of his career. During the 1970s, when many young Iranians turned secular, Ahmadinejad did not. When the Islamic revolution took place, people like Ayatollah Seyed Mohammad Hosseini Beheshti became aware of Ahmadinejad’s loyalty and helped him further his career.77 After the Islamic revolution and the war with Iraq, members of the IRGC became businessmen and made a lot of money. Ahmadinejad stayed a civil servant until he was elected president. During the late 1990s and early 2000s, former members of the IRGC, such as Ganji, and also members of the conservative faction joined the reformist faction. Ahmadinejad was one of the strongest opponents of the reformist faction. Supreme Leader Khamenei noticed Ahmadinejad when he was looking for a loyal person as president. This was the main reason why Khamenei supported Ahmadinejad’s candidacy and why Ahmadinejad was able to rise to be president.78

It is interesting to note that during the 2005 presidential election all candidates, including Ahmadinejad, very rarely referred to Islamic ideology or to Ayatollah Khomeini’s ideas. As Arshin Adib-Moghaddam notes, recent candidates strive no longer for the approval of the supreme leader but for the vote of the people.79 But the fact that Ahmadinejad did not refer to Khomeini’s ideology during his electoral campaign can also be understood differently. As Majid Mohammadi states, President Ahmadinejad represents a group of people within the Iranian political elite who see its legitimacy based not on the velayat-e faqih system but on the Twelfth Imam directly.80 Examples include Ahmadinejad’s statement that he was “enveloped in a halo of light” at the United Nations, and Ayatollah Ali Akbar Meshkini’s claim that all members of the seventh Majlis have been approved by the Twelfth Imam.81 This group’s ideology relies not on the revolutionary principles as developed by Ayatollah Khomeini but on a kind of “utopia.”

Ahmadinejad was brought to power by the conservatives and the Iranian poor, the latter of whom he promised a better life.82 In his
Ahmadinejad's victory in the second round was not very surprising given that his only competitor was Rafsanjani, during whose presidency thousands of Iranian political prisoners were executed and who is himself one of the richest men in the IRI. Rafsanjani was thus not a very appealing candidate. But Ahmadinejad's victory should also not be exaggerated. In the second round only 36 percent of the electorate voted for him, while in the first round 38 percent voted for conservative candidates and 40–45 percent voted for reformist or pragmatist candidates. The Iranian electorate was thus polarized. 

Ahmadinejad's election as president in 2005 brought to power a marginalized minority branch of the conservative faction, termed "neoconservatives" by the reformist newspaper *Shargh* and by Anoush Ehteshami and Mahjoob Zweiri and "military traditionalists" by Mohammad. This group became radicalized after the Iran-Iraq war when it was excluded from policy making by the then-dominant faction of the Iranian political elite, the pragmatist faction. Ahmadinejad represents a group of younger ideologues closely connected to the revolutionary military forces (the IRGC and the Basiji militia). Most members of Ahmadinejad's cabinet and the seventh Majlis (2004–8) had careers in the IRGC and security forces. They are second-generation revolutionaries without any political experience. Their worldview is dominated by the events of 1979 and the argument that the Iranian society has been unsuccessful in realizing the revolutionary Islamic principles. In contrast, many conservatives now recognize that there are limits to implementing Khomeini's radical ideas.

During his electoral campaign, Ahmadinejad complained bitterly about Iran's moral and cultural decay. He (himself a non-cleric) accused his two predecessors (Rafsanjani and Khatami, two fairly high-ranking clerics) of having failed to establish a “true Islamic state” in Iran. He criticized the huge state bureaucracy and state centrisrn. Like other presidential candidates, he kept away from foreign policy and focused on the economy. Ahmadinejad promised the Iranian people “to put the oil money on everyone’s dinner table.” He said he would put an end to what he called the “oil mafia.” But unlike Rafsanjani and Khatami, with their Structural Adjustment Program and Economic Rehabilitation Plan, Ahmadinejad has had no profound economic plan to lift Iran out of its economic crisis.

After his election as president, Ahmadinejad undertook a profound reorganization of electoral campaign, Ahmadinejad criticized the large gap between rich and poor, as well as corruption. By voting for him, people showed their discontent with the previous two presidents, Rafsanjani and Khatami, who were unable to narrow the income gap. As Mark Gasiorowski notes, some of those who voted for Ahmadinejad also felt that he best represented them on their criticism of sociocultural liberalization policies (e.g., a loose dress code for women, public romantic activity, and gender mixing). Therefore, whether it was mainly the poor or those against more liberal sociocultural policies who voted for him is not so clear. However, Gasiorowski thinks the rich-poor divide was probably more important for Ahmadinejad’s election: “The gap between Iranians who support and those who oppose this liberalisation largely parallels the rich-poor divide, so it is difficult to say how much the election reflects anger at liberalization and how much at the gap between rich and poor. My guess is that the election outcome mainly reflects the latter, but the former certainly was important for some.”

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After his election as president, Ahmadinejad undertook a profound reorganization of
power in the state apparatus, with several thousand posts changing hands, even down to university rectors and deans.\(^90\) Although the 2005 presidential election split the conservative faction (see table 5), between the conservatives and neoconservatives, still, Ahmadinejad’s victory was a victory for Supreme Leader Khamenei rather than for Ahmadinejad himself.\(^91\) Khamenei and his conservative faction now control Iran’s domestic and foreign policy institutions.\(^92\)

People like Rafsanjani have the most to fear from Ahmadinejad’s policies and promises to combat corruption and alleviate income equality. This conflict of interest has created tensions between Rafsanjani and Ahmadinejad and will affect Iran’s politics in the short term.\(^93\)

In October 2005 Supreme Leader Khamenei extended Expediency Council Chairman Rafsanjani’s powers by granting the council greater oversight over the president, the Majlis speaker, and the head of the judiciary system. This move empowers not only Rafsanjani but also the pragmatist faction of the Iranian political elite. Khamenei has issued several decrees restricting Ahmadinejad’s executive powers. For example, a decree on 25 June 2006 led to the creation of the Strategic Council on Foreign Relations (Shora-ye Rahbordi-ye Ravabet-e Khareji), composed of former government ministers.\(^94\) The council is headed by Kamal Kharrazi, former minister of foreign affairs during Khatami’s presidency.\(^95\) Its creation is a demonstration of Khamenei’s discontent with Ahmadinejad’s confrontational approach to foreign policy. It is supposed to facilitate the country’s decision-making process, search for new approaches to foreign policy, and make use of foreign policy experts.\(^96\) Ahmadinejad experienced a setback during local council elections, on 15 December 2006, when members of the conservative faction, who are critical of Ahmadinejad, gained a large victory. Although the council elections do not affect Ahmadinejad’s government and, therefore, its political course, it was through these elections that the Iranian people could, for the first time since he became president in 2005, show their discontent with Ahmadinejad.\(^97\) Another sign that the neoconservatives might have been weakened was the election of Rafsanjani, in early September 2007, as head of

### Table 5. Political positions of political factions since 2005

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</tr>
</thead>
<tbody>
<tr>
<td>Neoconservative faction</td>
<td>Conservative(^1)</td>
<td>Traditional(^3)</td>
<td>Conservative(^8)</td>
</tr>
<tr>
<td>Conservative faction</td>
<td>Conservative(^1)</td>
<td>Traditional(^2/) liberal(^4)</td>
<td>Conservative(^3/) liberal(^5)</td>
</tr>
<tr>
<td>Pragmatist faction</td>
<td>Conservative(^1)</td>
<td>Liberal(^1)</td>
<td>Liberal(^9)</td>
</tr>
<tr>
<td>Reformist faction</td>
<td>Conservative(^3/) liberal(^2)</td>
<td>Liberal(^1)</td>
<td>Liberal + (^7)</td>
</tr>
</tbody>
</table>

Notes:
- Politics:  
  - \(^1\) conservative (supportive of the *velayat-e faqih*)
  - \(^2\) liberal (limits to the *velayat-e faqih* system)
  - \(^3\) traditional (supportive of the traditional economic sectors)
  - \(^4\) liberal (market economy)
- Economy:  
  - \(^5\) conservative (great restrictions on individual freedom)
  - \(^6\) liberal (limited individual freedom as legitimized by Islamic ideology)
  - \(^7\) liberal + (individual freedom)
- Sociocultural issues:  
  - \(^8\) conservative (isolation)
  - \(^9\) liberal (integration in international relations)

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90. Leroi-Ponant, “Poor Get Poorer.”
the Assembly of Experts. He was elected with forty-one votes. His closest rival, Ahmad Jannati, received only thirty-four votes. Rafsanjani replaced Ayatollah Meshkini, who died on 30 July 2007. Meshkini headed the Assembly of Experts for twenty-seven years.98 This election is interesting, as Rafsanjani is one of Ahmadinejad’s main rivals and now heads one of the most powerful state institutions of the IRI. The Assembly of Experts not only elects the supreme leader but may also dismiss him, if he does not fulfill his duties. Only a couple of days before, Khamenei had the commander of the IRGC replaced. The new commander, Mohammad Ali Jafari, had been in favor of carrying out a crackdown on student demonstrators in the July 1999 demonstrations.99 At the same time, Jafari stands close to Mohsen Rezale, the IRGC commander between 1981 and 1997, who ran against Ahmadinejad in the 2005 presidential elections. Rezale is in favor of dialogue with the United States on the issue of nuclear capability.100 Both appointments are a setback for Ahmadinejad. The parliamentary elections of 14 March 2008 again showed that Ahmadinejad has lost support among his own ranks. Although the elections were won by the conservative faction—the majority of reformist candidates having been rejected by the Council of the Guardian—most of these conservatives are critics of Ahmadinejad.101 Another setback was the election of the speaker of Parliament in May 2008. In October 2007 Ali Larijani, a member of the conservative faction and one of Ahmadinejad’s main critics, resigned as secretary of the Supreme National Security Council (SNSC).102 It is not clear whether he was forced to abdicate or left his post voluntarily. In the short term, it was believed, Larijani’s resignation would strengthen Ahmadinejad and his neoconservative allies. But almost half a year later, in May 2008, Larijani was elected parliamentary speaker, winning 232 of 263 votes.103 This election shows that Ahmadinejad probably does not have the support of the majority of the members of Parliament (which is dominated by the conservative faction). Larijani might be able to line up the support of large parts of the conservative faction during the presidential elections in 2009, for which he is expected to be a candidate.

Prospects

The monarchy of Mohammad Reza Shah in the 1970s was inherently more vulnerable to be overthrown than is the Islamic Republic of Iran today. The current rulers in Iran have been able so far to overcome the factional rivalries on economic, sociocultural, and foreign policy issues. In contrast to the Shah regime, the IRI does not depend on one individual for regime survival. Often, authority is delegated among different state institutions, thus circumventing the velayat-e faqih system and therefore the absolute power of the supreme leader.

Nevertheless, the political factions, and especially the conservative faction, are in a dilemma. If the conservative faction gives in to the demands for reforms on the part of large segments of the Iranian population, it will lose the support of the traditional economic groups and, therefore, an important base of power. If, in the long term, it ignores the longings for change, an overthrow of the political regime from below is possible. Three scenarios on the future of the IRI are possible. The first is a revolt or revolution to overthrow the current regime. Though the discontent is high among many Iranians—especially the (secular) middle class, students, women, and intellectuals—the reform movement “from below” lacks an organizational structure and a clear vision for the future. Groups in opposition to the Islamic regime range from absolute monarchists to communists. Examples are the Mujahedin-e Khalq Organization, the monarchists, and the Liberation Movement of Iran. Most of them

99. The July 1999 demonstration was a peaceful demonstration against the banning of the pro-reformist newspaper Salam. It was brutally crushed by members of the Ansar-e Hezbollah (Followers of the Party of God), a militant group that declares itself to be absolutely loyal to the supreme leader.
operate from exile and only a few from within Iran itself. None of these groups poses a serious challenge to the legitimacy of the Islamic regime. The second possibility is a coup d’etat by the neoconservatives to prevent the first scenario. The neoconservatives have the paramilitary forces on their side and therefore the military means to carry out such a coup. However, a coup would be directed not only against the reformist movement but also, in a sense, against the supreme leader himself, who has shown several times his discontent with the policies of the neoconservatives and especially with President Ahmadinejad. Whether the regular military would support such a coup is not known. Furthermore, the neoconservatives have no clear political program. The third scenario involves a transfer of power from the neoconservatives to the pragmatists. This is the most likely scenario, as both the reformists and the neoconservatives have been unable to bring about promised political and socioeconomic changes and therefore have disappointed many of their voters. In addition, parts of the conservative faction more recently seem to have softened their approach to economic and foreign policy, thus giving the pragmatist faction a broader base of power.