# Iran: Islam, Revolution, and the Modern State

with Gary Sick

## TABLE OF CONTENTS

1. INTRODUCTION ................................................................. 2  
2. AN ISLAMIC STATE ............................................................. 3  
   2.1 Democracy ................................................................. 3  
   2.2 Political Authority ...................................................... 6  
   2.3 Elections .................................................................... 7  
   2.4 Civil Rights .............................................................. 9  
   2.5 Women's Rights ....................................................... 11  
3. FOREIGN AFFAIRS .......................................................... 13  
   3.1 An Evolving Revolution .............................................. 13  
   3.2 The International Community .................................... 14  
   3.3 New Fears in a Smiling State ..................................... 16  
4. THE INTERNATIONAL ECONOMY ...................................... 17  
   4.1 Business Before Politics ............................................ 17  
   4.2 Neither East Nor West ............................................... 19  
   4.3 Self-Reliance ............................................................ 20  
5. THE MIDDLE EAST .......................................................... 22  
   5.1 Oil as Foreign Policy ................................................. 22  
   5.2 Iran and Palestine .................................................... 24  
   5.3 Protecting the Shi'a .................................................. 25  
   5.4 The Iraqi Dilemma .................................................... 26  
6. THE MODERN STATE ....................................................... 28  
   6.1 A Contradictory Nature .............................................. 28  
   6.2 Rethinking Islam and Politics .................................... 29  
7. CONCLUSION .................................................................... 30
1. INTRODUCTION
In this e-seminar, I will introduce the modern Iranian state. How has Iran changed in the twenty-plus years since the Iranian revolution? What role does it currently play in the Persian Gulf region and in the world? First, I will examine the influence of Islam on governance in the Middle East in general, and on Iran specifically. Many scholars point to a growing Islamic movement in the Middle East. In my opinion that process remains much less unified and far more tentative than a true movement. While Iran and many of its neighbors are attempting to fashion true Islamic identities for themselves, their efforts to date have often proved contradictory to each other and, occasionally, internally.

Next, I will look at Iran's tumultuous relations with the external world. The Iranian revolution of 1979 dramatically severed the close ties that Iran had formed with the West under the shah's regime. Initially, the revolutionary leaders sought to ensure Iran's complete self-reliance—to establish a nation that was "neither East nor West." Over the past two decades, that isolationist stance has gradually softened. Today, Iran seeks to reap the benefits of serving as a reliable member of the international community while still ensuring that its beliefs are heard.

To succeed economically, Iran must open itself up further to foreign investment—a difficult transition for a nation so distrustful of foreign influence in its affairs. Underlying Iran's economic, foreign, and even domestic policies is the reality of oil. As the second-largest oil-producing nation, Iran functions basically as a commodity broker. Its fortunes follow the price of oil. Today, Iran seeks price stability above all—a far cry from its early days of seeking ever greater returns. The mandate of oil has even
spurred Iran to cooperate with neighboring states that it once vehemently denounced, such as Saudi Arabia.

Finally, Iran must determine its role in the Middle East. The self-proclaimed protector of Shi'a Muslim communities everywhere, Iran maintains close ties with the anti-Israeli Hezbollah movement in southern Lebanon. The United States, Israel, and other nations involved in that Israeli-Palestinian conflict remain keenly aware of Iran's extremely pro-Palestinian pronouncements. Iran must also carefully balance relations with its hostile neighbors, in particular Iraq under the regime of Saddam Hussein. While no longer at war, the two nations still engage in low-level hostilities through their support of rebel factions.

These changes in revolutionary Iran have occurred as a slow evolution rather than as a sudden transformation. The nation is still actively struggling to find its balance between the competing influences of Islam and nationalism, economics and independence, and populism and autocracy. The election of opposition candidate Mohammad Khatami in 1997 accelerated the pace of change, and the current popularity of philosopher and theologian Abdol Karim Soroush has furthered the debate. These leaders and others are helping the nation to confront the fundamental issue: How can Iran create a new form of Islam that will respond to the realities of the modern world?

2. AN ISLAMIC STATE

2.1 Democracy

Video Caption:
Far from presenting a unified whole, leaders of Islamic nations offer conflicting statements when asked about the relationship between democracy and Islamic rule.
Many people think of Islam as a unified whole, as a monolith. Even some individuals in Islam itself view their situation that way. The reality is quite different. Islam is a very diverse situation, particularly in terms of governance. Let me start with a couple of interesting quotations. When King Fahd of Saudi Arabia was asked in 1992 what he thought about democracy, Islam, and Islamic rule, he said:

The prevailing democratic system in the world is not suitable for us in this region. Our people's composition and traits are different from the traits of that world. We cannot import the way other peoples deal with their affairs in order to apply it to our people. We have our own Muslim faith, which is a complete system and a complete religion. Elections do not fall within the sphere of the Muslim religion, which believes in the consultative system and openness between the ruler and his subjects. Free elections are not suitable for our country, the Kingdom of Saudi Arabia. Our country is a special one. In my view, Western democracies could be suitable in their countries, but they are not suitable for all the peoples of the world. There is no harm from benefiting from some of the good aspects of the West on the condition that they do not disagree with the teachings of our religion.

In a similar interview the next year, Sultan Qaboos of Oman, the ruler of that country, said:

Islam, in essence, is democratic. We believe in equal chances. We believe that our leaders, spiritual as well as secular, have to prove themselves to God and to the people. We believe that civilians must be able to express their opinions freely. This is the true spirit of Islam in its purest form.
In the same year that Sultan Qaboos gave his response, Ayatollah Khomeini, the supreme leader of Iran, said:

    How can anyone accuse the regime of the Islamic Republic of Iran of being opposed to democracy and the rule of the people? For there are no countries among the countries of at least this region in which the votes of the people, the presence of the people, the participation of the people and free elections are paid attention to as they are in the system of the Islamic Republic.

These three men are all rulers of supposedly Islamic countries. They all view Islam as the ultimate law in governing their countries. Yet they obviously have very different views on what exactly Islam is and its meaning in terms of governing.

– END VIDEO –

Today Islam is in a state of flux. Not only is it not a monolith, but there is scarcely any agreement on key issues among Muslim leaders and scholars. Tremendous disagreement exists over the definition and meaning of Islam. In many cases, these divergences have arisen and are being worked out in response to practical circumstances rather than theoretical treatises. Contrary to the conventional dogma, Islam does not offer a preexisting set of solutions to all problems—especially problems of just and effective political rule. In fact, as Islam increasingly confronts the practical problems of governance associated with the exercise of political power, its internal contradictions become more apparent, as heard in the quotations from the three leaders.

This process of contention, argumentation, exploration, and experimentation is actually healthy. It's healthy for Islam; it's healthy for democracy; and it's healthy for political development. In many cases, Islamic countries have previously been subject to the stultifying effects of colonial rule, or the equally stultifying effects of
despotism. Through this process, they're now trying to work out answers to some of their problems. While Islam may offer one of the answers, it does not provide the sole answer, as is frequently claimed.

2.2 Political Authority

What are the sources of political divergence in Islam? Although Islam tends to be viewed by itself and by others as a single community, the reality is very different. Islam consists of different languages and different national traditions. Even in matters relating to the intersection of faith and government, Islamic differences are often greater than its similarities. Islamic nations divide their rulings into the sunna, the established law, and the shari'a, the official, religious law.

First of all, who votes? Iran and Yemen have universal suffrage. In Iran, all men or women over the age of 15 are free to vote in any election. Women can also vote along with men in Yemen. Kuwait offers the vote only to first-class male citizens. To qualify, men must trace their ancestry in Kuwait back a certain number of generations. The goal is to limit elections to bona fide Kuwaitis, excluding residents and more recent nationals. Kuwaitis must have the right pedigree to vote. King Fahd of Saudi Arabia charges that voting is unnecessary and inconsistent with Islam. No one votes in Saudi Arabia. Who votes in an Islamic nation depends on the particular nation.

Where do Islamic countries find the source of authority and legitimacy for their rulings? The Iranian constitution says that "absolute sovereignty over the world and mankind is God's." In the next article, it provides that the "nation shall exercise this God-given right." While Iranians agree that authority comes from God, they declare that the actual exercise of this authority remains man-made—determined by the people who rule the nation.
In practice, Iran has a functioning legislature whose actions are subject to review by a panel of Islamic jurists, called the guardian council. These jurists decide whether or not a given law corresponds to Islam. Iran also has an expediency council which resolves disputes between the parliament and the guardian council. Prior to the formation of the expediency council, the parliament and the guardian council were constantly disputing what was and was not Islamic. This stalemate prevented the government from functioning effectively. The leadership formed the expediency council to break the tie. Members of the expediency council review the *majlis*, the parliament's laws, together with the guardian council's objections, and make findings about what can and cannot be done.

While this structure offers a solution of sorts, that solution bears no resemblance to the government of the Prophet back in the early days of Islam. All Islamic states look back to the days of the Prophet as the perfect example of how an Islamic government should work. The Prophet didn't have a constitution. He didn't have a parliament or a guardian council. He certainly didn't have an expediency council to resolve disputes between the two. In fact, the solution that Iran has created to deal with its particular problems resembles no other government in the world. It's completely unique and strictly man-made.

### 2.3 Elections

What about elections? Iran has regular elections. In fact, some people would say that the nation has too many elections. Since the Islamic revolution more than 20 years ago, Iran has held elections approximately every 18 months. The voting process is generally free and Iran has universal suffrage. In order to run for office, however, candidates must pass a test on Islamism. The guardian council certifies the candidates who are allowed to run as good Muslims. Needless to say, that oversight process can be subject to abuse.
Iran does not have primaries. When people decide to run in an election, they simply put their name in the hopper. In the election of 2001, for example, 814 people said they wanted to run for president of Iran. Obviously, that is a completely unworkable number. The guardian council went through the list and determined who could and could not run. While some people were clearly unqualified, the council's decisions regarding other candidates seemed arbitrary. The guardian council ultimately determined that nine of the original 814 candidates would be permitted to run. Most people would probably agree that the approved candidates were the most serious of the group. However, there were a couple of disputes over the council's selections, and the reality remains that the system contains the built-in potential for abuse.

The three most recent Iranian presidential elections have been quite remarkable in several respects. In the 1993 election about 40 percent of the people stayed home. Of those who did vote, 35 percent selected the opposition candidate. At the time, not voting for the establishment candidate sent a pretty significant message to Iran's leadership. A similar message simply cannot be sent in Saudi Arabia, Kuwait, or other Islamic nations with voting laws that are more restrictive. The Iranian people managed to show a remarkable degree of independence, despite the handpicked list of candidates.

Video Caption:
In 1997, Mohammed Khatami soundly defeated the establishment presidential candidate by campaigning on a platform of free speech and the rule of law.

– VIDEO –
A few years later, in 1997, 90 percent of eligible voters went to the polls. Almost 70 percent of them voted for Mohammed Khatami, who opposed the establishment. The establishment candidate, Natek Nouri, was the speaker of the majlis. Given his support by the entire establishment, everyone expected Nouri to
easily win the election. Khatami entered the race at close to the last minute. He ran a whistle-stop campaign all over the country, talking about subjects that people thought were crazy at the time—civil society, freedom of speech, openness, freedom of expression, and the rule of law. Only in the last week before the election did the establishment begin to realize its mistake. The leaders had thought that nobody would understand or support Khatami. In the end, he received an overwhelming endorsement with 70 percent of the vote—very impressive for a candidate who was not accepted by the ruling elite.

– END VIDEO –

Mohammad Khatami again ran for president in the most recent election of 2001. Although the percentage of people who went to the polls was lower, the increase in Iran's overall population meant that Khatami actually won more votes than he had received in his first election. He also received an even higher percentage of votes: Almost 77 percent of the people who went to the polls voted for him. In fact, Khatami did not have a particularly remarkable record from his first term in office. His actual governance had been less than perfect.

2.4 Civil Rights
Civil rights in Islamic nations is a subject of great interest to Westerners. Iran's constitution provides for a wide range of political and civil rights. In each case, however, these rights are hitched to an Islamic test. For instance, Article 24 of the constitution provides for freedom of expression, "except when it is detrimental to the principles of Islam." That's a big if. Again, there is a huge opportunity for abuse. No individual can clearly define the Islamic principles that will be observed. If the top clerical leaders do not like what someone is saying, they can always silence that person by finding his or her speech contrary to the principles of Islam. As a result, many people who have tried to promote political and economic reform are in Iranian jails right now.
Most Arab monarchies have no constitutions or written guarantees of political and civil rights. Their leaders would argue that Islam itself, through the Qur'an and the shari'a, provides all the necessary guarantees. Since they rely on Islamic law as the basis for their governments, they do not need to establish any additional written rights. In practice, civil rights vary enormously from one country to the next. Even within a single nation, the rights of its citizens may vary substantially from year to year. Clearly, the determination of rights has nothing to do with Islam and a great deal to do with what a given government finds appropriate and what actions it will permit from its people.

Video Caption:
In their respective efforts to fashion a true Islamic identity, Islamic nations often adopt contradictory civil rights policies—all of which they justify as being consistent with Islam.

– VIDEO –
We could explore many other civil-rights issues, including minority protections, press freedoms, the existence and rights of political parties and opposition groups, the role of the clergy in politics, the nature of political succession, and the system of education. All of these factors relate directly to Islam, and each nation trying to create an Islamic identity for itself forms its own interpretations. Even though leaders may choose the exact opposite position from one Islamic nation to the next, they all claim that they're consistent with Islam in all their rulings.

The key point is that practices differ enormously. In my opinion, what we're seeing today is not so much an Islamic movement, which implies a measure of unity and sense of direction, but rather an Islamic groping process. Islamic nations are engaged in a tentative effort to fashion a true Islamic identity. They are seeking out answers to a bewildering range of questions—to which there are no clear, unequivocal answers. Some of their efforts have genuine democratic content,
while others, regrettably, do not. Overall, Islam has taken second place to practical governance in a number of cases.

2.5 Women's Rights

Another question that comes up constantly in talking about the Middle East and Islam is the state of women's rights. Take the extreme example of Saudi Arabia: Saudi women are not permitted to drive. As far as I know, Saudi Arabia is the only country in the world that says that it is un-Islamic for women to drive a car.

Although the Iranian constitution initially excluded women from serving as judges, a few years after the revolution women were permitted to participate as judges in civil, not criminal, cases. In Iranian divorce cases, women are now permitted to sue for compensation for the household work they performed during the marriage. Many American women would probably approve of that rather unique set of circumstances. The justification for this ruling certainly does not stem from anything written in the Qur'an. Its foundation has more to do with a group of activist women in the majlis having pushed very hard for women's rights.

Westerners are often also interested in the question of birth control. Immediately after the 1979 revolution, the Iranian clerical establishment and the new revolutionary elite determined that birth control was un-Islamic. The legal use of birth control was viewed as a leftover from the shah's un-Islamic days. It was quickly abolished. Once it was outlawed, Iran faced a huge population explosion. Iranians began to have kids at an incredible rate. The population was soon growing at a pace of about 4 percent a year. At that rate, the population would double approximately every 15 years, putting an immense strain on the nation's resources.
After about five years, Iran's leadership took another look at birth control, deciding that it wasn't so un-Islamic after all. By 1986 the nation was facing a tidal wave of young people. The leaders worried about where to find a place for these children in schools, how to provide them with social services, and ultimately how to create jobs for them—the practical problems that accompany uncontrolled population growth. Faced with these obstacles, the leaders decided to change their mind and permit birth control.

Today Iran is among half a dozen states with the most effective birth-control methods in the world. Unlike the Chinese, the Iranian leadership does not force people to restrict their families. But billboards all around Tehran and Iran declare that two children are enough, and government benefits have been removed for third children. The Iranians have been very successful with this effort. Population growth has slowed from 4 percent to, debatably, around 2 to 2.3 percent a year. While the population of Iran is still growing relatively quickly, the current pace is much more manageable. But is birth control Islamic? That question wasn't really the issue. Population growth had become a national crisis. Faced with the severe practical problem of how to provide the necessary services for their people, Islam suddenly took a backseat.

In fact, many Islamic countries have called for the use of birth control. It is not an unusual policy in the Islamic world. Egypt and many other countries have even justified the use of birth control in terms of Islam. Iran won a UNECSO (United Nations Educational, Scientific and Cultural Organization) award last year for having one of the most effective birth-control programs in the world. Interestingly, one of the reasons Iran's effort has been so successful is that the nation is Islamic. Religion often represents the greatest obstacle in convincing people to pay attention to birth control. While a government may declare its approval for birth control, that nation's religious leaders may disagree—preaching their opposition to
the neighborhood communities. Because Iran is a theocratic state, ruled in the name of Islam, most of the nation's clerics supported the government's program. They helped Iran to successfully promote the effort on a community and individual level.

3. FOREIGN AFFAIRS
3.1 An Evolving Revolution

Having gone through this quick overview of Islamic influence, let's now examine the more specific effects of that influence, particularly in Iran. Looking at Iran's experience after 22 years of revolutionary government, we could say, What goes around comes around. The nation has undergone an immense series of changes in its first two decades.

I was working in the White House when American hostages were taken in Tehran and were held for more than a year. At the time, Iran justified the action as a blow struck against imperialism and against foreign involvement in its affairs. I'm struck that when its own official hostages were taken in Afghanistan—when the shoe was on the other foot—Iran's views were different. Ironically, the Afghans also said that they were striking a blow, because of Iran's foreign involvement in their internal affairs. Experience has an effect.

In the early days of the revolution, the Iranian government and the revolutionaries completely dismissed the United Nations. They said it was a Western-dominated organization run according to Western law. They declared that the UN had nothing to say to Islam or to Iran. Over the years, Iran has changed that view completely. It now cooperates actively with the UN. Iranians are leaders and participants in many of the key committees, including in the UN General Assembly. They actively support the UN, praising its usefulness and its operations.
In the early days of the revolution, Iran called for the overthrow of what they called the "corrupt monarchies" of the Persian Gulf region. Saudi Arabia was its main target, but Iran also opposed Bahrain and a number of other states in the region. The Iranians declared that these nations had un-Islamic and pro-American regimes that used Islam for the wrong purposes. After nine to ten years, Iran's leadership concluded that it would have to get along with neighboring countries. Iran's efforts to overthrow the governments of these nations had failed. It would now have to deal with the established governments of those countries, and to do so it would be better to establish good relations.

Today, Iran actively cooperates with Saudi Arabia on any number of different issues, most importantly oil. The two nations have signed a security pact. The minister of the interior from Saudi Arabia regularly visits Iran and vice versa. The situation is different from that of the early days of the revolution. The two nations have cooperated in the Organization of the Islamic Conference (OIC), a permanent delegation to the UN, where it represents the interests of the Muslim world. Iran had once denounced the OIC as a Saudi instrument. Recently Iran held the presidency of the organization, with the support of Saudi Arabia.

Shortly after its revolution, Iran tried to organize a coup in Bahrain, hoping to overthrow the established government. Iran and Bahrain have a long history of close political and geographical ties. The failed coup attempt eradicated any relationship between the two nations for some time. After a few years, the nations once again decided it was better to get along. Currently, Bahrain and Iran have exchanged ambassadors and have positive relations. High-level government representatives from both countries frequently conduct official visits.

3.2 The International Community

Video Caption:
Like most revolutionary states, Iran initially sought to transform the world in its own image.
In the early days of the revolution, the object of Iran's foreign policy was to transform the world in its own image. All revolutionary governments undergo this phase. The odds against overthrowing a dictator or tremendously changing a political system are so unlikely that it seems like a miracle or magic when a revolution succeeds. The revolutionary leaders often come to believe that they have grasped a central truth that will be transferable to the rest of the world. Having succeeded in their own effort, they believe that other nations will want to follow their example. This is a common pattern. It was true of the French revolution, the Chinese revolution, and the Russian revolution. It was certainly true of the Iranian revolution. Their leaders initially set out to transform the world. They don't say that anymore.

Today the principal object of Iranian foreign policy is to become a reliable member of the international community. They want to receive the benefits of that membership, while still making their views heard. The Iranians have not backed away from their own views. They still believe that they have something important to say to the rest of the world. They have just adopted a different way of expressing those views. They no longer try to forcibly export the revolution, changing or overthrowing foreign governments. Rather, they cooperate with governments whenever possible and work out useful relationships for all parties involved.

I'm very aware of Iran's relationship to the United States. For many years, the United States constantly denounced Iran as a rogue state, calling for changes in their political actions. The U.S. slogan, our mantra, has been "we're interested in deeds not words." We claim that we do not care what the Iranians say, we only look at what they do. Interestingly, as the United States has become more
interested in establishing a good relationship with Iran, the Iranians now use the same mantra. They say they want to see deeds, not hear words, from the United States. They don't want to just hear happy words from America's secretary of state. They want us to lift sanctions; they want us to take concrete steps. Again, what has gone around comes around once more.

3.3 New Fears in a Smiling State

Video Caption:
Once ostracized for its own extremism, today Iran fears Islamic fundamentalists, such as the Taliban in Afghanistan.

- VIDEO -

The greatest irony is that one of Iran's greatest fears today is Islamic fundamentalism. Iran lives next door to the Taliban in Afghanistan, whom the Iranians see the as a direct threat to their interests. The Taliban holds itself up as a model of the ultimate Islamic state—a view with which the Iranians vigorously disagree. The Iranians think that the rulers of the Taliban are crazy people who completely fail to understand Islam. They believe that the Taliban gives Islam a bad name.

Of course, many people said the same things about Iran not that many years ago—calling it extremist, saying it was giving Islam a bad name, and accusing it of creating problems for everyone else. It is interesting to watch Iran go through this transformation of calling the Islamic extremism in Afghanistan a genuine threat. The two nations differ over more than just their interpretations of Islam. They are neighbors with conflicts over many issues, including who should control their countries.

- END VIDEO -
Since the revolution, Iran has undergone changes in an evolutionary manner. It's been a slow process, rather than a sudden, tremendous transformation. These changes have been occurring more rapidly since the 1997 election of President Khatami. He was elected based on a domestic agenda that included promoting the rule of law, freedom of expression, and similar reforms inside Iran.

Curiously, Khatami's greatest successes as president have all been in the area of foreign policy. He has transformed Iran's image from that of a dour, crazy, extremist state to that of a much more smiling nation. Iran is working hard today to develop good relations with many of its neighbors. That shift represents a huge turnabout. While it remains unclear how his efforts will resolve in the final analysis, Khatami’s foreign policy has so far proved to be an area of great success.

4. THE INTERNATIONAL ECONOMY

4.1 Business before Politics
Let me identify a few of the key elements in Iran's foreign policy, both those that seem to work and those that don't. The first major element is Iran's mercantilist theme. Iran has taken the position in virtually all of its foreign-policy dealings that business comes first and then politics will follow. In adopting this approach, Iran is not unlike other countries that perceive themselves to be the center of the universe. As an ancient civilization, Iran certainly sees itself as an extraordinarily important country from a cultural perspective and in every other aspect.

When it comes to economics, the Iranians really exaggerate their importance. They're mistaken in their belief that they can create a new foreign policy out of their appeal to international business. To understand the situation, you must get a sense of the scale involved—a topic most Iranians do not like to talk about. For example, the annual budget of the European electronics company Siemens is greater than the annual budget of Iran. The combined gross domestic product of
all the oil-rich countries of the Persian Gulf (including Saudi Arabia and Kuwait) is approximately equal to that of Switzerland alone. These numbers are important to keep in mind, especially since oil-producing nations are so often considered to be fabulously wealthy.

In addition to its problem of scale, Iran's economy is challenged by the nation's long legacy of nationalization and international involvement. Iran does have a rich economy with great potential. However, for much of its modern history, starting with the constitutional revolution in the early 1900s and extending to today, Iran has struggled to extricate itself from the control and dominance of outside economic forces.

This struggle for independence represents a recurring theme and one at which Iran has succeeded to a considerable degree. The revolution brought about a sharp break of any relations with the outside world. Although costly, that break did cut Iran's ties of economic dependency. However, the break also left Iran with a strong legacy of economic grievances against the rest of the world. That sense of grievance is still so strong today that it remains difficult for the Iranians to decide to invite foreigners back in to their nation on their own terms.

Video Caption:
Iran imposes extraordinary taxes and bureaucratic hurdles on foreign investors—compounding the obstacles to foreign investment already inflicted by sanctions.

– VIDEO –
Iran needs to welcome foreign investment if it wants to run its economy as efficiently and smoothly as possible. However, the nation's long history of opposing foreign involvement in its society and economy has resulted in Iranian laws that basically militate against foreign investment. These laws are structured in such a way that foreigners must pay extraordinary taxes and undergo a series
of bureaucratic routines that are not required for domestic businesses. Foreigners also face sharp limits in the amount of capital they can remove from the country.

Some of Iran's economic problems do stem from the existence of sanctions that act as an obstacle to countries seeking to invest in Iranian society. However, Iran has created many of its own problems. The domestic rules on foreign investment are so unattractive that most foreigners would be driven away even if the sanctions were not in place. It's a real problem.

– END VIDEO –

The Iranians truly believe that their approach of looking at business first and politics later can solve a number of their economic and political problems. The Americans take the exact opposite approach. When talking about U.S.-Iran relations, the Americans say, "Let's talk first. After we've talked about the issues that divide us, the problems that we have, then we can discuss doing business with each other." On the same topic, the Iranians say, "Come and do business here. Let your companies come in and invest. They'll learn about our country and then we can move on to political discussions." Thus far we have a stalemate between these opposite approaches.

4.2 Neither East Nor West

In the past, Iran's relations were closely tied to the West—in particular to the United States, but also to Britain, France, and other Western nations. With the revolution, Iran became wary of these involvements. The slogan for the revolution was "neither East nor West." Iran wanted to be independent and stand on its own. In practice, Iran has often broken its ties with the West only to attempt to replace those ties by opening up to the East. Since the revolution, Iran has developed much better relations with Russia, China, and India. Iranian leaders have discussed developing the Old Silk Road, the ancient trade route across central
Asia. If that route was reborn, Iran would serve as the entry point for goods coming in from the Persian Gulf, heading through Iran and into Asia.

Thus far Iran's efforts to open to the East have had mixed success. While Iran has developed good relations with some eastern countries, those improved ties have not resolved Iran's economic problems. In some sectors, Iran has had no choice but to turn back to the West. The West is their only real resource in arenas such as the Internet, high-tech industry, and the future development of Iran's national oil company. This reality creates tension, as Iranians remain reluctant to become involved once more with the West. The purpose of the revolution was to cut their ties to the West. Now they're faced with the prospect of going back, albeit in a different way.

No one would argue that the West wants to dominate Iran as it did in the past—basically milking the country for all it was worth. Everyone knows that kind of relationship is no longer an option. Today Iran struggles constantly with how to find a new balance between foreign investment and independence, particularly in light of the nation's long tradition of opposition to investment from the West.

4.3 Self-Reliance
Implicit in everything I have mentioned is Iran's interest in developing its self-reliance. Iran does not want to be dependent on outside countries. While the revolution succeeded in making Iran a more independent nation, to some degree that independence has become a problem in itself. In the past, Iran could easily blame someone else whenever something went wrong. Its leaders attributed problems to Western meddling in Iran's internal affairs, or to the political machinations of the outside world.
Today, Iran frequently has no one to blame but itself when things go wrong. This new conclusion has been difficult for many Iranians to reach. Having broken the ties of dependency and become much more self-reliant, they now have to take responsibility for their own actions in a way that was previously uncommon. This new reality rings particularly true in Iran's domestic politics, which reign supreme. In most modern countries—and certainly in Iran—foreign policy is domestic policy. Anything that happens in foreign policy must first run through a filter of domestic politics.

Consider the problem of Iran's military. In order to become more militarily self-reliant, Iran has learned how to produce virtually all of its own ammunition. The Iranians build mortars and small submarines. They're even building aircraft using engines imported from abroad. They are engaged in a whole range of remarkable military activities. However, as Iran becomes increasingly successful in building its military, the surrounding nations become frightened. They perceive Iran's development of missiles and other high-tech military elements to be a potential threat.

Video Caption:
In today's global economy, Iran must create a new context for participating in the world, while still preserving its strong national identity.

– VIDEO –
Having broken the old notion of Western meddling, Iran must now create a new context in which to participate in world politics. It's a difficult and very narrow line that Iran has to walk, balancing between its self-image as independent and its need (like that of all countries) to work with the world. In today's global society and global economy, no country can succeed that attempts to step back or withdraw. Iran faces severe problems in deciding how far it will go in one direction
or the other—isolating itself or working with other nations—particularly in terms of maintaining its own national identity.

– END VIDEO –

5. THE MIDDLE EAST

5.1 Oil as Foreign Policy

Oil obviously dominates Iran's foreign policy. Iran is the second-largest oil producer in OPEC, the Organization of Petroleum Exporting Countries. It has large oil reserves that have yet to be developed as well as immense gas reserves.

Video Caption:

With their revenues dependent on highly fluctuating oil prices, oil-producing nations struggle to plan their annual finances.

– VIDEO –

People often fail to understand that countries that rely heavily on oil production become, in a sense, commodity brokers. Their entire national revenue depends on the price of oil. From year to year they bet on that price in an attempt to predict the level of annual revenues their governments will have available. Imagine it: In 1998–99, the price of oil dropped dramatically, by about 30 percent; that same year, Iran's national revenue decreased by approximately 20 percent.

Think of trying to run a country and planning your yearly revenue expenditures—the projects you will undertake and the social benefits you will provide—when you do not know what level of revenues will be available. Although every country has this problem to some degree, nowhere is it as dramatic as with the oil-producing nations. Their revenues go up and down in an amazing way.

– END VIDEO –
Having faced this problem for more than twenty years, Iran has today reached a pragmatic conclusion, similar to those it has reached with many other foreign-policy issues. In the early days of the revolution, the Iranians refused to sell any oil unless they received a very high price. They insisted that the shah had always undervalued Iranian oil, effectively selling the country down the drain. The revolutionaries came to power with the idea that they would keep the price of oil very high or they would not participate in the sale of oil at all.

The Iranians soon discovered first that their influence over the oil market was limited, and second that they needed the money. To set up an Islamic state with a successful government, they needed money to make it run. To get that money, Iran had to sell its oil. Immediately after the revolution, Iran became the bête noir of OPEC—the price hawk that constantly recommended cutting production and raising prices. Today, the Iranians play a much more pragmatic game. They cooperate with the other OPEC countries in order to achieve a stable price rather than the highest possible price.

Like Saudi Arabia and other oil-producing nations, Iran has discovered that stable oil prices are worth a great deal. Stability provides these nations with some indication of their available revenues from year to year. In fact, a stable price is preferable to receiving a great deal of oil income one year followed by limited incomes in the following years.

Iran's decision to develop a good relationship with Saudi Arabia was based in part on the reality that the two nations need each other. As the two biggest players in OPEC, they must cooperate with each other if they want to maintain oil prices at a relatively stable and predictable level. This coordination is a fairly new phenomenon.
OPEC was widely feared when it was created in the 1970s. It was perceived by many foreign nations as an organization that would constantly push up oil prices. Curiously enough, OPEC is currently much more interested in maintaining oil prices at a stable and predictable level. The OPEC nations seem to have learned that their customers will go elsewhere if oil prices are pushed too high. They will look to alternatives sources of energy, such as solar energy, that are gradually becoming both more effective and more economical. Or they will diversify their sources of oil to include other parts of the world.

5.2 Iran and Palestine

Iran faces a series of dilemmas and unsolved problems in its foreign policy. I'll simply identify these as I cannot predict how they will turn out. Foremost of these is Iran's relationship with Israel. Under the shah, Iran had a close relationship with Israel. During that time, the Israeli ambassador was one of the most influential diplomats in Tehran. When the revolutionaries came to power, they not only threw out the Israelis but also handed over the Israeli embassy in Tehran to the Palestinians. The Iranians have subsequently taken the position that they are "more Palestinian than the Palestinians." They frequently call for more extreme outcomes in the Arab-Israel dispute than those demanded by the two main parties.

The extreme rhetoric that Iran uses regarding the Palestinian-Israeli circumstances creates real problems. It obviously makes relations between Iran and Israel difficult. It also poisons Iran's relationship with the United States, which listens closely to what Iran says on this subject. In a sense, Iran has the advantage of being just far enough away geographically that it does not play a direct role in the conflict. But by saying anything they feel like, the Iranians still cause real problems for the other nations involved. They also create a set of circumstances in which Israel is likely to view Iran as its principal enemy in the Middle East,
ultimately raising the potential for military as well as political confrontation. It's a dangerous situation.

I think that the Iranian leadership underestimates the degree of damage that its rhetoric inflicts on its foreign policy. There is no question that the Iranians genuinely believe what they say. It's not just the hard-liners who support these extreme views. For their part, the Iranian people probably regard the Palestinian-Israeli conflict as a matter of limited interest. Israel has no effect on their daily lives. They're much more interested in jobs and personal welfare than in the latest developments in Israel and Palestine. However, the people do not argue with their government on this subject.

5.3 Protecting the Shi'a

Iran's support for the Hezbollah, which fights the Israeli occupation of territory in the Middle East, is related to the nation's championing of the Palestinians. Many people do not realize that the population of the southern part of Lebanon is Shi'a Muslim, just like the Iranians. Even under the shah, Iran maintained a strong relationship with the Shi'a Muslims in south Lebanon.

Video Caption:

Iran views itself as a protector of Shi'a populations around the world, and in particular of the Shi'a Hezbollah in the south of Lebanon.

– VIDEO –

Iran sees itself as kind of big brother or protector for Shi'a populations. The Shi'a represent an overwhelming majority in Iran. However, in almost every other country where they reside, the Shi'a are a minority—sometimes sizable, but often a tiny minority. Iran sees itself as the protector for these Shi'a minorities wherever
they may exist. Therefore, Iran's close relationship with the Shi'a Hezbollah operation in the south of Lebanon is not surprising.

– END VIDEO –

In fact, it was entirely predictable that Iran would support the Hezbollah when the group attempted to eject Israel from its occupation of southern Lebanon. The real dilemma will come if peace settlements are ever established between Syria and Israel, or between Lebanon and Israel. If that day ever comes, the question will arise as to what role Iran will play in the peace process. We really don't know the answer.

5.4 The Iraqi Dilemma

Video Caption:
In 1980, Iraq invaded Iran, launching a bloody eight-year war. Today, relations between the two nations remain hostile.

– VIDEO –

Iraq represents Iran's biggest foreign dilemma. The Iranians live next door to Saddam Hussein and have had real experience with his regime. Saddam Hussein invaded Iran in 1980. The two nations fought a bloody, terribly destructive, eight-year war in which probably 350,000 people were killed and twice as many were wounded, totaling around a million causalities. They not only launched missiles against each other during the war—Iranian cities were hit repeatedly by Iraqi missiles—but Iraqi troops also used poison gas against Iranian troops on a fairly regular basis.

– END VIDEO –

Given Iran's experience in dealing with Iraq under Hussein, the Iranians have no doubt that they will be the first target if Hussein ever develops a weapon of mass destruction. This threat puts Iran in a rather peculiar position. The United States,
Great Britain, and others Western nations have been the principal proponents of very severe sanctions against Iraq. To a considerable degree, those sanctions work to Iran's benefit. It is very useful to Iran if Hussein remains limited by sanctions and if inspectors push constantly for evidence of weapons of mass destruction in Iraq.

On the other hand, these sanctions are not popular in the Arab world of the Middle East. Faced with this riddle, Iran basically stays quiet. It takes advantage of the sanctions already in place without openly endorsing or lobbying for the U.S. and British position. Basically, Iran reaps the benefits of the program without having to pay politically for its support.

The Iranians also know that, since they live next door to Hussein's regime, the two nations have to find some way to get along. They can't leave each other behind. Although they do manage to cooperate from time to time, they often end up fighting with each other in between these cooperative efforts. In fact, each nation supports groups of militants or dissidents who oppose the regime controlling the other nation.

The Iraqis host the Mujahideen, an opposition group to the Islamic Republic. On a regular basis, this group runs operations from Iraq into Iran, blowing up police stations or firing mortars at revolutionary guard sites. The Mujahideen hold out the unlikely prospect that someday they will inherit the rule in Iran. Iran, on the other hand, serves as host to a group of Shi'a militants who frequently operate in the south of Iraq. The Iraqis view these militants as a thorn in their side. The Shi'a tend to blow up Iraqi police stations or set up roadblocks.

Overall, Iran and Iraq are entangled by a complex array of problems. The two nations have managed to find ways to avoid outright warfare since the Iran-Iraq
War ended in 1988. They have yet to find an effective way to resolve their problems over the long term.

6. THE MODERN STATE
6.1 A Contradictory Nature
With that broad overview of both the Islamic influence on Iran and Iran's specific experience, the question then becomes: How do you locate Iran in its regional and international setting? In trying to answer that question, you confront a bewildering array of contradictions. These contradictions make Iran a very interesting, but very frustrating country to study.

Video Caption:
Iran is constantly pulled in opposite directions—i.e., between religion and nationalism, or populism and autocratism. In a way, this dialectic has led Iran to create a laboratory to test issues of Islam and governance.

- VIDEO -
Is Iran motivated by religion or by nationalism? Is it an expansionist state or a status quo state? Is it a military menace or a victim (as it would claim)? Is it populist or autocratic? Does it seek to join the international system or to destroy it? The answers to these questions do not lie somewhere between those extremes. Instead, Iran has incorporated all of these elements during the course of its existence as a revolutionary state.

The problem with this dialectic is that Iran is constantly pulled in opposite directions. In many cases this tension short-circuits the nation's decision-making system. When Iranian leaders seek to pursue their national interests, they have trouble determining the proper way to achieve those goals. For example, Iran calls itself an Islamic republic. Many people would say that the description is a contradiction in terms—that Islam is simply not compatible with democratic,
Republican ideas. In a peculiar way, Iran has formed a kind of laboratory in which to test these different ideas—not just the nature of the nation's government but the whole question of Islam and governance.

– END VIDEO –

6.2 Rethinking Islam and Politics

A group of philosophers, thinkers, and theologians in Iran today are pushing a different, nontraditional view of Islam. Abdol Karim Soroush is a leading proponent of this alternative view. While not a cleric himself, Soroush is trained in religious philosophy. He has put forth a set of interesting ideas that have yet to be widely recognized outside the region. Soroush answers the question of where legitimacy comes from—from God, or from the people?—by saying that there is no official interpretation of Islam. He maintains that Islam is a body of divine law that is subject to human interpretation. In fact, he holds that human interpretation is the key to Islam. People should be in a position to judge for themselves the meaning of Islamic law.

In that sense, Soroush agrees with the idea that you can interpret Islam a variety of different ways. He would not have been surprised, for example, by the decision in Iran to change the direction of the nation's birth-control policy. Each different interpretation fit its own respective time. Neither interpretation was anti-Islamic. Rather, both interpretations were Islamic in their own way. They were simply different interpretations. In Islam this role of interpretation is known as *ijtihad*. When Muslims talk about the door of *ijtihad* being open, they mean that the door of interpretation is open, allowing people to draw different conclusions.

Video Caption:
Soroush believes that the clergy should stay out of Islamic politics—restricting themselves instead to preaching and caring for their mosques and neighborhoods.
Soroush also holds very extraordinary views about Iran's clergy. He does not believe that the clergy have any role to play in politics. Soroush even argues that the clergy have no business collecting money in the form of alms and tithing, a practice they have held for years. He believes that clerics should preach to their people, take care of their mosques and neighborhoods, and leave the politics to others. In fact, he thinks that clerics can inflict huge damage on Islam by their dangerous meddling in politics.

Needless to say, Soroush's views are not popular among most Iranian clerics. His supporters are members of what I would call the political-clerical class, people who were trained religiously but who have become government functionaries. The clerics do not take kindly to Soroush's declarations that they should withdraw from politics or to his warning that their activities pose a potential danger to Islam. Mobs of thugs often interrupt his lectures, tearing apart the site and beating up the attendees. His life has been threatened on a number of occasions. Soroush has even left the country from time to time, catching his breath before returning to spread his views once more.

7. CONCLUSION
I think that Soroush confronts the fundamental issue: How do you create a whole new form of Islam that will respond to the realities of the modern world? This question emerges from the foundation of questioning the meaning of Islam and governance, of Islam and democracy. Soroush's particular solution may not be acceptable to everyone, but his ideas are being discussed openly in Iran. Journals print his articles. His lectures are extremely popular. Young Iranians are particularly interested in Soroush. Currently, 65 percent of Iran's population is
under 25 years old. A huge portion of these young Iranians are fascinated by Soroush's new ideas about Islam and believe in his approach to governance.

Soroush has a certain amount of support from President Khatami. In his speeches, Khatami talks about "this questing religion," by which I assume he means *ijtihad*. *Ijtihad* states that Islam is *looking for answers* rather than *being the answer*. Instead of providing a complete code that answers all questions, Islam offers a body of divine rules. These rules then provide people with the opportunity to interpret for themselves and draw their own conclusions.

Video Caption:
It is still far too early to understand the full impact of the Iranian revolution. Its effects continue to evolve and reverberate today.

– VIDEO –
Where is all this headed? I think it's really impossible to tell at this stage. There's a famous story about the French writer André Malraux, who was also an encyclopedist and an intellectual. After the Chinese revolution, Malraux went to China, where he had the opportunity to interview Zhou En-lai, the great Chinese revolutionary. In the course of that interview Malraux said, "Mr. Zhou, I can't resist asking you this. As a great revolutionary, what do you think is the impact of the French Revolution?" Zhou thought about this for a while and replied, "Well, it's too early to tell."

I think that is probably the best answer as far as Iran is concerned. The effects of revolutions extend not only for generations but for centuries. The French Revolution is certainly still playing itself out in terms of its ultimate meaning. It has already gone through many phases, and its effects are still being felt in France today. The Iranian revolution has certainly experienced a number of twists and turns, changes and contradictions in its first couple of decades. We really don't
know its ultimate impact. It remains far too early to tell. Ultimately, we will find out, and that process of discovery is what makes Iran such an interesting place for a political analyst to study.

– END VIDEO –