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**IRAN'S PRESIDENTIAL ELECTIONS: WHAT IMPACT ON
EXTERNAL RELATIONS?**

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IRAN'S PRESIDENTIAL ELECTIONS: WHAT IMPACT ON EXTERNAL RELATIONS?

Shireen T. Hunter

In June 2009, Iran will hold its 10th presidential elections since the establishment of the Islamic regime in 1979. As a rule, in past elections the incumbent president was elected to a second term. Even Muhammad Khatami, despite his problems with the conservative elements and disagreements with the Supreme Leader, Ali Khamenei, was reelected in 2001.

This year's election is different in that it is a real possibility that the incumbent president, Mahmud Ahmadinejad, may not be reelected. Another distinguishing feature of this year's elections is that matters related to Iran's external relations and the performance record of the Ahmadinejad administration could very well play a very important role in the election outcome.

It is true that, during the 2005 elections, Khatami's supporters harshly criticized his foreign policy, which they characterized as "concessionary" toward the West, in regard both to regional issues, such as Afghanistan and Iraq, and to the nuclear question. Critics emphasized that Khatami administration helped the US in Afghanistan, only for Iran to be labeled as part of an Axis of Evil, and that it agreed voluntarily to suspend its nuclear enrichment program in the hope that the EU would normalize Iran's nuclear dossier, only to be disappointed. However, in 2005 domestic issues, especially difficult economic conditions and the seeming lack of connection of the country's political and intellectual elite from the concerns of ordinary Iranians, played a more important role in deciding the fate of the elections. Ahmadinejad, with his "man of the people" image and his folksy manner, benefited from these sentiments.

This year the situation is different and foreign policy considerations may play a more important role in the outcome of the elections. Already, foreign policy-related issues have featured more prominently than before in the presidential campaign.

There are several reasons for this prognosis. First, since Ahmadinejad assumed the presidency, because of his administration's policies Iran has been subjected to United Nations Security Council economic sanctions over its nuclear activities. Second, Ahmadinejad's nuclear policies have made Iran vulnerable to even harsher sanctions and possibly even military strikes. Third, Ahmadinejad's regional policies, especially his militant rhetoric on the Palestinian issue, have triggered the anger and enmity of Iran's Arab neighbors to the point that some of them now view Iran to be a bigger threat to their security than Israel. And fourth, Ahmadinejad's casting doubt on the Holocaust, if not its outright denial, and his prediction that Israel will disappear from the map of the world have not only exacerbated Israel's fears and intensified its hostility toward Iran, they have also

generated moral outrage and worldwide disgust toward the Iranian president and his government.

Another effect of Ahmadinejad's outrageous discourse has been that many world leaders, even those who want engagement with Iran, find it difficult to talk to him. President Nicholas Sarkozy of France was outspoken on the subject when he said that he could not talk to Ahmadinejad and shake his hand. His sentiments are shared by others, even if not so clearly stated.

Meanwhile, despite the fact that Iran's oil revenues during Ahmadinejad's presidency were higher than at any other time in the last thirty years, and despite his pledges of improved economic conditions, Iran's economic situation has actually worsened under him, with rampant inflation and high unemployment. True, his administration has implemented a number of projects in rural areas and completed some big industrial and other projects, but his macro-economic policies have been a failure. What is worth noting is that many of his opponents are pointing to connections between his foreign policy and Iran's dismal economic situation. For instance, they point out that Iran can not solve its unemployment problems without substantial foreign investment. But by making Iran subject to harsher sanctions than previous US-imposed sanctions, Ahmadinejad's policies have scared off potential investors and have even caused those companies which have investments in Iran, such as Total, to stop new investment.

As a result, all the presidential candidates challenging Ahmadinejad have criticized his foreign policy and his undiplomatic language. For example, Mehdi Karrubi, one of the two reformist candidates, notes Ahmadinejad's Holocaust comment and has said that with his "irresponsible" language he has damaged the country's national interests. One presidential candidate, Mohsen Rezaei, an independent who is campaigning on the theme of a coalition government, has even said that Iran cannot solve its economic problems without first adopting a different foreign policy and reaching an acceptable *modus vivendi* with the rest of the world. More importantly, Rezaei has said that, if elected, he will seek "constructive and effective engagement" with the United States.

Mehdi Karrubi, too, will pursue a similar policy. When he was the speaker of the Iranian Parliament in the 1990s, he traveled to New York and met with a number of American senators. Mir Hossein Moussavi, who because of his leftist and pro-Soviet tendencies in the 1980s and the 1990s opposed better US-Iran relations, would also strike a more accommodating posture toward the US.

It is important to remember, however, that no president has had a free hand in deciding Iran's foreign policy. If this were not the case, figures such as former president Ali Akbar Hashemi Rafsanjani and, even more so, Muhammad Khatami, could well have settled Iran's disputes with America and the West once and for all. This situation is unlikely to change even if Ahmadinejad is not reelected. But it also implies that Ahmadinejad's reelection does not necessarily exclude any chance for a change in the direction of Iran's foreign policy.

This is so because the Supreme Leader has the final word on these issues. Yet even he does not have a completely free hand in changing the basic tenets of Iran's foreign policy, unless circumstances make that absolutely necessary. This situation derives from the ideological nature of the Iranian regime and the ideological basis of its legitimacy. What this means is that, no matter who is president, Iran cannot fundamentally change its position on the Arab-Israeli issue, particularly if this meant clear support for the US-led peace process. Nor is it likely that, under any president, Iran would openly denounce HAMAS or Hezbollah. At the same time, however, compromises and more discrete changes are possible. It must be remembered that both during Rafsanjani's and Khatami's presidencies, the Iranian government declared that it would accept whatever decision the Palestinians took on the peace process. In other words, if Israel and the Palestinians were to reach an agreement, Iran would not oppose it. Mir Hossein Moussavi reiterated this position in a recent interview with a Western publication. Similarly, in practice Iran could reduce or even stop its support to HAMAS and Hizbullah.

Some other issues, although non-ideological in nature, have in the last several years acquired a sacrosanct nature. The controversial nuclear question is one such subject. Most Iranians, rightly or wrongly, have come to view the nuclear program as an integral part of Iran's quest for scientific and technological advancement and self-sufficiency, and view the West's opposition to it as being in line with its historical desire to keep Iran underdeveloped. What this means is that any government in Iran will insist on having some uranium enrichment activity. However, compromises on the level and format of the enrichment are negotiable. Interestingly, even the Ahmadinejad government has indicated that it is possible to find a way, such as the establishment of a consortium to produce nuclear fuel in Iran, that could ease the concerns of the Western and regional countries.

However, it would be easier for the West to agree to a compromise with a different administration that does not have Ahmadinejad's controversial baggage, just as it was easier for the West to settle the so-called Rushdie Affair with Khatami rather than Rafsanjani, although the terms of the compromise were the same.

Assessing the Candidates' Chances of Success

The most serious handicap of Ahmadinejad's opponents is division in their ranks. In the months running up to the election, it was hoped that the reformist camp could reach a consensus on a single candidate and thus maximize the chances of defeating Ahmadinejad. When, after months of speculation, Muhammad Khatami indicated his willingness to run again and established an election headquarters, it was hoped that such a consensus could be achieved. These hopes were dashed when Mir Hossein Moussavi declared his candidacy and Mehdi Karrubi refused to withdraw in Khatami's favor. Finally, Khatami withdrew from the election, raising speculation that he had received a message from the Supreme Leader to do so. Khatami rejected such speculation, and the Leader tried to stop it in a speech in Khorasan Province. Khamenei said that he was not supporting anyone in the

forthcoming election. Recently, however, when traveling in Kurdistan, he advised the people to elect someone who has a simple and modest lifestyle and who is close to the people. Since these are traits that Ahmadinejad is known for, the Leader's comments could be interpreted as being supportive of Ahmadinejad. However, Moussavi also is not known for wealth or a luxurious lifestyle, and his supporters could claim that the Leader's recommendation applies to him.

In addition, Moussavi has a number of handicaps, notably the following. First, during his premiership in the 1980s, he pursued a statist economic policy and was strongly anti-American. Many people are skeptical of how far these attitudes have changed, although he now talks of privatization and a pragmatic foreign policy. Second, until recently Moussavi had withdrawn from the public eye, refusing to voice his opinions on various issues, and consequently many people say that they don't know what he stands for. Third, he has an intellectual air and lacks Ahmadinejad's common touch, and therefore his appeal to the rural and urban poor may be limited.

Mehdi Karrubi could be a compromise candidate and get the Supreme Leader's nod of approval, assuming he has given up on Ahmadinejad. This is so because, unlike some of Khatami's supporters, Karrubi has always supported the institution of the *Velayat e Faqih* and the regime's foundations. However, he lacks both charisma and managerial experience at a time when everyone in Iran is concerned about the management of the country's affairs.

Mohsen Rezaei has conservative credentials in terms of support for the system. He is also talking of change, is offering a progressive agenda domestically and in foreign policy, and speaks even of forming a coalition government incorporating both conservative and reformist elements. This last-named aspect of his program can attract some conservatives who are disappointed by Ahmadinejad. However, Rezaei is not well known and also lacks charisma.

As a result, the contest for president, especially in the second round of voting – given that it is unlikely that anyone will get a majority during the first round -- will most likely be between Ahmadinejad and Moussavi.

Ahmadinejad's performance record, both economically and in terms of the country's international situation, works against him, and the desire for change is strong in the country. The question is whether Moussavi will be able to harness this popular dissatisfaction or whether Ahmadinejad will benefit from the syndrome of "the devil we know is better than the devil we don't know." Another conundrum is the Supreme Leader's preference. Has he concluded that Ahmadinejad has become a liability, or is Khamenei still supporting him, albeit indirectly.

This discussion implies for the rest of the world that if those who to engage with Iran should not make doing so contingent on the election of a different person than Ahmadinejad. Rather, they should be willing to talk to him no matter how distasteful they

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find it. Otherwise, given the perversity of Iranian politics, any hint that outsiders, especially in the West, do not want Ahmadinejad and is waiting for his departure to engage with Iran could guarantee his reelection.