Executive Summary

Despite violent revolutionary upheavals, a bloody war with Iraq, numerous internal political protests, and power struggles among the ruling elite, the Islamic Republic has managed not only to survive but also to maintain a considerable degree of political stability. The politicized Shi'i clergy, which first seized power in 1979, has consolidated its hold over the levers of power. This allows the ruling elite to tolerate a limited degree of political pluralism, including presidential and parliamentary elections every four years. Nonetheless, the clerical regime has weaknesses. It has not succeeded in remedying the political, social, and economic problems that led to the revolution in 1979. In particular, Iran's persistent economic crisis has become the worst nightmare of successive governments in Tehran.

The Islamic Republic's power structures are the key to understanding the clerical regime's stability as well as the persistent tensions that prevail therein. The political system in Iran is characterized by a multitude of loosely connected and generally fiercely competitive power centers, both formal and informal. The former are grounded in the constitution and in governmental regulations and take the form of state institutions and offices. The latter include religious-political associations, revolutionary foundations, and paramilitary organizations aligned with various factions of Iran's clerical leadership.

The president, as chief executive, is responsible for the day-to-day running of the country. He does not, however, determine the general guidelines of Iranian domestic and foreign policy, nor does he command the armed forces and security organs. This authority, provided for in the constitution, lies in the hands of the "supreme leader" -- the strongest power center in the Islamic Republic. Although the supreme leader seldom intervenes in the concerns of the state executive, he monitors its policies through a closely interwoven, countrywide system of "clerical commissars" who serve as the long arm of the supreme leader. Yet, without cooperation between the president and the supreme leader, the stability of the Islamic Republic could not be maintained. For this reason, the two incumbents have thus far cooperated tolerably, despite their personal differences and rivalries. How long the supreme leader and president will continue to work together, however, remains unclear, as does the question of who would prevail in the event of a confrontation. As for the informal power centers, these are often largely autonomous and act in conjunction with, or in support of, the president, though he exerts no control over them.

This duality of power is not restricted to the president and supreme leader; it runs like a thread through nearly all political spheres of the Islamic Republic of Iran. It is particularly pronounced, for example, in the legislative branch (Parliament versus the Council of Guardians) and the armed forces (the regular military versus the Revolutionary Guard). This duality of power is responsible not only for enormous inefficiencies and incoherence in the country's foreign and defense policies, but also for the paralysis that affects the political system of Iran, creating "gray areas" in which thrive numerous religious "semi-opposition" groups calling for peaceful reform and liberalization of the Islamic system (within limits set by the constitution). These groups retain a degree of influence over political and religious developments, and in the event of a confrontation between the main opposing camps of Iran's political leadership, they could tip the scales in favor of the reformers.

The country's formal power structure consists of the major institutions that constitute the heart and soul of the regime: the Assembly of Experts; the supreme leader; the president; the Expediency Council; the Parliament; the Council of Ministers; the Council of Guardians; the judiciary; state radio and television; and the commanders of the armed forces -- the Iranian Revolutionary Guard Corps (IRGC), the regular military, the police, and the security services. By contrast, the informal power structure can be envisaged as consisting of four concentric rings. The inner, first ring, consists of the "patriarchs," the most powerful political clerics in the executive, legislative, and judicial branches, as well as in the other formal centers of power in the state. The second ring consists of the most senior nonclerical governmental functionaries and administrators. The third ring consists of the power base of the regime the members of revolutionary organizations, the bonyads, the IRGC and Basij militia, religious security forces, revolutionary committees, and the media. The fourth ring consists of formerly influential individuals and groups positioned between the regime and civil society, whose goal is the peaceful reform of the system from the inside.

All of Iran's power centers, both formal and informal, are controlled by an Islamic revolutionary leadership elite composed of Shi'i clerics and laypersons. This elite is divided into two main ideological factions, a left-wing and a right-wing faction, each of which is in turn divided into two smaller factions. (The left- or right-wing designation
used here refers to their orientation regarding social and economic issues.) In defining the different ideological
tendencies in Iran, the simplified categories of "radical" versus "moderate" customarily used in the West are not
helpful, as they do not adequately reflect the complex orientations of the Iranian protagonists. These factions
often assume very diverse positions on different political issues, which makes it impossible to categorize a given
individual as being definitively "moderate" or "radical." More accurate are the categories used and accepted by
many Iranians themselves: the Islamic left, the new left, the modernist right, and the traditionalist right.

Although the Islamic-revolutionary leadership has an exclusive grip on state power, it does not hold a monopoly
over the practice of politics in Iran. There are numerous important groups located in the gray zone between the
regime and civil society which are critical of the regime. These groups constitute a religious "semi-opposition,"
criticize the regime on a religious basis, and strive for nonviolent reform of the political system within the
boundaries established by the constitution. The leaders of these groups are primarily religious intellectuals and
Shi'i clerics. Because of their involvement in the opposition to the Shah, many of them held influential positions in
the regime during the early years of the Islamic Republic, though they were subsequently forced to the margins of
the system owing to their "liberal" tendencies. These include the national-religious Iran Freedom Movement and
the Iran-e Farda (Sahabi) Group, the secular-national Nation of Iran Party, and the circle of Islamic reformers
around Abdolkarim Sorush. In addition, the regime faces opposition from the traditional Shi'i clerical establishment
over the velayat-e faqih, or rule by the jurisprudent, the concept that provides ideological legitimization for clerical
rule in Iran. Although the quietistic majority advocates the withdrawal of clerics from politics, some would like to
see clerics retain some kind of supervisory role over the political system, while others, led by Grand Ayatollah
Hosein Ali Montazeri, accept the concept of velayat-e faqih in principle but reject Supreme Leader Khamenei's
credentials for this position.

Finally, there are a number of small, militant opposition groups that actively seek the violent overthrow of the
regime. These consist of monarchists, the Islamic-Marxist Mojahedin-e Khalq, the separatist Kurdish Democratic
Party of Iran, and the several underground groups that speak for Iran's discriminated-against Sunni minority.

This is the background for the ongoing struggle for power in Iran. The May 1997 election of President Mohammad
Khatami -- who aims to reform the system in order to save it -- initiated a new phase in the history of the Islamic
Republic, one that holds both opportunities and dangers. One possible outcome of the current political struggle is
the implementation of Khatami's reform plan, leading to the establishment of a pluralistic Islamic society and a
true opening-up of the system. Yet, too rapid a rate of reform could provoke a violent backlash by Khatami's
opponents. A violent confrontation between the two camps of the power elite, pushing the country to the brink of
civil war, cannot be excluded in this case. Despite his popular mandate, Khatami has little room to maneuver
because of his limited authority. It remains unclear whether he will be able to prevail over his opponents, who hold
nearly all the levers of power.

Despite some dire predictions, Khatami has thus far succeeded in holding his own in the internal power struggle
with his stronger opponents. Still, he has failed to live up to many hopes pinned on him, unrealistic though some of
them were. In light of the strength of the entrenched powers, this should come as no surprise. It can be
considered a success that Khatami has neither been caught in the numerous snares and pitfalls of the system, nor
resigned, nor discredited himself through substantial compromise of his reform program. He continues
unwaveringly to pursue his goal, which he cleverly seeks to achieve through a many-sided strategy. On the one
hand, he avoids violent confrontations on the street; on the other hand, he promotes the development of a civil
society by encouraging the media -- especially the newspapers, which have in some ways assumed the role of
political parties -- to discuss current controversies. In the meantime, he seeks to use his influence behind the
scenes to win over Supreme Leader Khamenei to his reform program. Whether he can draw Khamenei, with
whom he meets once a week, over to his side, is questionable. Khatami's relationship with Expediency Council
chairman Ali Akbar Hashemi Rafsanjani vacillates between limited cooperation and vicious rivalry, with the
emphasis increasingly on the latter since the fall of 1998.

The main obstacle to the implementation of President Khatami's reform program has until now been the
opposition of the legislative and judiciary branches, which have the power to obstruct -- or expedite -- the
implementation of the president's liberalization measures. But the sixth parliamentary elections have the potential
to change this. The first round, held on February 18, 2000, ended with a sweeping victory by the reformist
candidates. The outcome of that round made clear that the reformists will have at least an absolute majority of
seats in the new parliament, or about 170 of 290 seats.

Despite their clear victory in the elections, however, the reformists prudently refrained from exuberance and
exultation about their triumph so as not to antagonize their defeated opponents more than necessary. Instead of
humiliating them after the first round of the elections, the reformers around Khatami sent the traditionalist right
conciliatory messages and gestures, probably because they were aware that the traditionalist right still held the
levers of power (the Council of Guardians, the Expediency Council, and so forth) that could be used all too
efficiently against the reformers if they did not honor the traditionalists' "red lines."

If the reformers win the second round of the elections as well -- and many indicators point in that direction -- they
will control two-thirds of the seats in the new parliament, which will probably start its formal legislative session in
the autumn of 2000. Bolstered by such a broad majority, Khatami and his supporters will not have to worry about
the traditionalist right opposition to reformist legislation or to Khatami's choice of cabinet ministers. If the
reformers remain united, their main objectives in the next year will probably be the expansion and consolidation
of the achievements of Khatami's presidency. In view of the powers of the parliament, the chances are good that
the reformists will find success in the areas of press, television, and radio freedoms, which would enhance the
flowering of different sectors of Iran's civil society. Much more difficult will be the fight for the creation of a more independent judiciary and for giving the parliament more control over the security services; such demands will directly affect not only the power base of many of the traditionalist-right leaders but even the powers of the supreme leader himself. Thus, pressure from students, who are pressing for more hasty and radical reforms, and parliamentary demands for increased authority could lead to an intensification of the power struggle between the traditionalist right and the reformists. The tendency toward schism and factionalism in both camps will probably continue even beyond the 2000 parliamentary elections and might even lead to new political coalitions among current opponents. As long as they have not achieved groundbreaking successes in restructuring the country's political framework, it is unlikely that the reformers will occupy themselves with such complicated tasks as the urgently needed reform of the ailing Iranian economy or the reestablishment of normal relations with the United States.