The Iranian revolution of 1978–79 marked a watershed in the evolution of the country’s politics in modern history. It was probably the most genuine mass revolution of the century, starting as a people’s uprising against the Western-backed autocratic rule of Mohammad Reza Shah Pahlavi and ending in an Islamic transformation of Iran under the leadership of the Shah’s principal religious and political opponent, Ayatollah Ruhollah Khomeini. Ever since, Iran has evolved as a predominantly Shi’ite Islamic Republic, with a public devotion to pursuing a religious-based independent course of national development and foreign policy, with an anti-U.S. posture.

The Shah’s main international backer, the United States, has rejected the Iranian Islamic regime as an “evil” fundamentalist force and sponsor of “international terrorism.” It has placed Iran under increased political, economic, and military sanctions. The U.S. attitude has hardened in recent years in the wake of Tehran’s determination to achieve a nuclear capability, which it claims to be for peaceful purposes but which the United States and its allies, most importantly Israel, have alleged to be for military objectives. The nuclear issue has now become a defining factor in Iran’s relations with the United States and its allies. However, it has come against the backdrop of accumulated grievances on the part of both sides, with Washington threatening Tehran with regime change and punitive measures, including military action, and Tehran viewing the United States as a power intent on regaining its influence in Iran as part of a strategy to reinforce its geopolitical dominance in the oil-rich Persian Gulf and the wider Middle East.

**Khomeini’s “Guardianship”**

The story of the souring U.S.-Iranian relations began when the revolution forced the Shah to depart Iran on January 16, 1979. That paved the way for Ayatollah Ruhollah Khomeini (the title Ayatollah means “Sign of God” and is bestowed upon a cleric as a
mark of high esteem by his peers in Shi’ite Islam) to end his fourteen years of exile at the hands of the Shah. Initially in exile in Iraq but subsequently in France, he returned to Iran on February 1, 1979, to a tumultuous public welcome. He immediately ended the age-old Persian monarchy and the Shah’s dynastic entitlement to it, and rejected as repugnant to the interest of Iran and Islam most of the Shah’s policies. He blamed the United States for the Shah’s “reign of terror,” and found it both morally justifiable and politically expedient to denounce America as the “Great Satan.” This immediately deprived the United States of a vital strategic foothold in the region.

Khomeini had entertained a vision of Iran as a popular Shi’ite Islamic state for some time. He had given a series of lectures in Iraq in the early 1970s setting out his model of an Islamic political order built around the idea of velayat-e faqih (guardianship of jurists). Few in Iran, or for that matter in the wider world, had taken his postulations seriously at the time, but they came to regret their error. He essentially envisioned a transformation of Iran into a polity underpinned by both divine law and popular, or earthly, legitimacy: on the one hand, Iran would have an Islamic order based on Khomeini’s understanding of so-called Twelver Shi’ite Islam, and on the other hand, that order would be participatory and pluralistic within an Islamic framework. He anticipated a constructive interplay between the two sides in which the divine would enforce the popular and the popular would uphold the divine, creating a two-tier theocratic-pluralistic system of governance.

However, like many inside and outside Iran, including the U.S. government and its intelligence agencies, Khomeini had not foreseen the coming of the Iranian revolution; until the Shah’s last days, he could not anticipate that he might lead Iran anytime soon. As a consequence, he had neither fully developed his vision, nor had he mapped out a strategy for its application. By the same token, neither he nor many of his close companions had much policy or administrative experience on which they could draw to lead an Iran that had been subjected to a great deal of secularization under the Shah. It was also an Iran that Khomeini had observed from a distance over a long period of time and whose state apparatus had virtually collapsed by the time he took over the helm. Upon his return, Khomeini found the Iranian political scene severely divided between those who would support his Islamic vision in varying degrees and those who had participated in
the revolution in pursuit of a democratic or socialist transformation of Iran.

Khomeini’s initial organizational strength came from the Society of Assertive Clerics (Jame’eh Ruhaniyat-e Mobarez), or SAC, which had been secretly formed in 1977 to overthrow the Shah’s regime in favor of some kind of Shi’ite Islamic order. SAC did not represent the whole of the Iranian Shi’ite establishment, but its founding members (many of whom were students of Khomeini) included most of Iran’s future Islamic leaders. They ranged from Ayatollah Ali Khamenei, to three of Khomeini’s most politically shrewd loyalists, Ayatollah Sayyed Mohammad Hossein Beheshti, Ayatollah Mohammad Reza Mahdavi Kani, and Ali Akbar Hashemi Rafsanjani. Whereas Khamenei subsequently assumed the position of the presidency under Khomeini (1981–1989) and then succeeded him as Supreme Leader (Vali-e Faqih), assuming the title of Ayatollah, the other three also proved to be very astute and keen to play determining roles in Iran’s Islamic politics. While Beheshti’s role was short-lived—he was assassinated by a bomb blast in 1981—Mahdavi Kani went on to head SAC, and Rafsanjani served as president from 1989 to 1997. As the revolution triumphed, the political and social radius of SAC expanded rapidly. SAC was joined by several other ideologically analogous associations, which had coalesced either before or immediately after the revolution. The three most important of them were the Society of Instructors of the Seminaries (Jame’eh-ye Modarresin Hozeh-ye Elmiyeh), or SIS, the Board of Islamic Coalition (Hayat-e Mo’atlefeh Islami), or BIC, and the Society of Muslim Engineers (Jame’eh-ye Islami Mohandesin), or SME, with the last two representing the traditional merchants of the bazaar and technocrats.

However, to unify these bodies within a single organization with SAC as the core—a core that exists to date—Beheshti set up the Islamic Republican Party (Hezb-e Jomhury-e Islami), or IRP, immediately after the revolution to function as the central organization for the establishment of the Islamic order. Even so, neither IRP nor SAC could claim to be the sole representative of the Iranian Shi’ite establishment. Although most clerics supported the IRP and united behind Khomeini, some harbored differences of opinion on the specific direction that an Islamic Iran should take.

Khomeini was one among many Ayatollahs. Some of them were senior to him, such as Grand Ayatollah Sayyed Mohammad Kazem Shariatmadari (who died in April 1986), and were at odds with
Khomeini on the processes, and direction, of Iran’s transformation into an Islamic state. They seemed to want a gentler and more humane application of Islam than what was unfolding. However, a number of factors gave Khomeini the edge. The first was Khomeini’s call on the Shi’ite establishment prior to the fall of the Shah to abandon its traditional role of remotely overseeing the working of the government in favor of taking over the running of it. He based his call on a claim that the Shah had deviated from the Shi’ite path and therefore the time had come for the clerics to take responsibility for redirecting Iran in the righteous direction. This dictum electrified the Shi’ite clerics, especially the younger ones, who otherwise could never have hoped to attain power or rule Iran. This enabled Khomeini to assume center stage in the uprising against the Shah’s rule and to eclipse the clerics equal or senior to him and build a base of popular support that could rapidly permit him to acquire the mantle of leadership, even among his peers. The second factor was Khomeini’s enigmatic personality: a majority of the Iranians knew enough about his opposition to the Shah’s rule to respect him, but not enough to subject him to a critical assessment. The third was his charisma, which gave him an aura that not many of his peers could match. The fourth was the lack of a comparable leader from the ranks of the Shah’s secular or semisecular opponents. Finally, there was Khomeini’s political astuteness, which enabled him to meld these factors with the tide of impulsive popular emotion that had come to grip Iran.

All this placed Khomeini in a position to emerge as the natural choice for assuming the seat of Vali-e Faqih, or Supreme Leader, and to function as a marja-e taqlid, or object of emulation—a very high status to achieve in Shi’ite Islam. From this position, he could exercise greater authority than the Shah could ever muster, giving him such a sanctified religious and political status that anyone who questioned it easily risked the wrath of Khomeini’s supporters.

Yet it was clear from the start that the revolution had come about as a result of coalitions of forces. In addition to Khomeini and his more zealous backers and those clerics who wanted a reformist rather than a combative Islam to prevail, there were a number of secular and semisecular groups that had played a notable part in opposition to the Shah’s regime. They ranged from Mujahideen-e Khalq (the People’s Strugglers), a militant group that preached a mixture of Marxism and Islamism, to the Fedaiyan-e Khalq (the People’s Devotees), another militant group fixated on
Maoism in doctrine and orientation, to the pro-Soviet communist Tudeh (Masses) and the center-leftist Jebheye Melli (National Front), not to mention many nonpartisan political and professional opponents of the Shah. Though they deferred to Khomeini’s leadership in the later stages of the revolution, these forces neither embraced the takeover of power by Khomeini and his supporters nor shared his vision of Iran as an Islamic state. Yet, they were void of a common platform, and many of them were willing to engage in violent actions to achieve their diverse secularist or semisecularist goals as the fruit of their participation in the revolution. This set the scene for a bloody power struggle, posing serious quandaries for Khomeini, who wanted to establish an Islamic political order that would be as inclusive as possible.

Under the circumstances, Khomeini appeared to opt for a two-dimensional approach to implementing his Islamic vision that crystallized as the situation unfolded: jihadi and ijtihadi. The jihadi, or combative or revolutionary, dimension, which dominated the first few years of the revolution, involved a forceful Islamization of politics and society. Khomeini commenced the process by declaring the Iranian revolution as an Islamic phenomenon in pursuit of an Islamic transformation of the country. After holding a referendum on March 31, 1979, he proclaimed Iran an Islamic Republic.

He pursued this jihadi dimension against the backdrop of Iran’s centuries-old authoritarian political culture, and within an Islamic world view of mustaz’afeen (“the have nots,” or oppressed) versus mustakberen (“the haves,” or oppressors). He labeled all those closely associated with the Shah’s dictatorship—whether inside or outside Iran—as “oppressors” and therefore liable to be punished for their crimes against the Iranian people in particular, and Muslims in general. He considered it to be morally and ethically justifiable to wrest power from oppressors not only by means of persuasion, but also, if necessary, through the use of violence in defense of Islam. Given this stance, his supporters moved forcefully, often acting extrajudicially, to achieve three jihadi objectives.

The first was to eliminate or weed out those who were considered to be the Shah’s main functionaries, ideologues, and supporters. In the process, Iran was plunged into a period of violent turmoil, and a substantial number of “oppressors” and “traitors” were jailed and executed. Estimates of the number of victims have ranged from ten thousand to twenty thousand. Meanwhile, Kho-
meini backed a group of his militant student supporters who overran the American Embassy, holding more than fifty of its diplomatic and nondiplomatic staff hostage from November 4, 1979, to January 20, 1981. This was a violation of the 1961 Vienna Convention on Diplomatic Relations, and confronted Washington with a kind of humiliation that it had never experienced before. Khomeini accompanied his condemnation of the United States with an expression of intense dislike for Israel as a usurper of Palestinian and Islamic lands and admonished America for backing the Jewish state as a strategic partner. This entailed displaying an antipathy toward those regimes in the region that were either allied with the United States (such as those of Saudi Arabia, Egypt, Jordan, and many other Arab states) or were secular and oppressive (such as Iraq), although Syria was not included in this category for broader regional strategic considerations. In addition, he called for the export of the Iranian revolution to the Sunni-dominated region and urged favorable changes in the regional configuration of forces in the Arab world to support the Iranian transformation.

The objective was to radicalize the Shi’ite segments both in the countries where they formed a majority but remained suppressed, such as neighboring Iraq and Bahrain, and in the states where they constituted deprived minorities, such as Lebanon and many other regional Muslim states. Beyond this, it was also expected that the Iranian revolutionary zeal would have an impact on many Sunni groups who were dissatisfied with their governments and with U.S. dominance in the region. Although not many Sunnis chose to emulate Khomeini’s Shi’ite leadership and the Iranian revolution, Tehran scored well among the deprived Lebanese Shi’ites, who became increasingly receptive to Khomeini’s regime as a source of sectarian inspiration and support. The result was the formation of the militant Islamic movement of Hezbollah (Party of God), which eventually emerged as a very powerful player in Lebanese politics and a notable anti-U.S. and anti-Israeli force.

Khomeini’s Iran came to be perceived as a serious threat to the interests of the United States and those of many of its regional Arab and non-Arab allies. The United States accordingly labeled Khomeini’s regime disparagingly as “fundamentalist,” severed relations with Iran, imposed economic and military sanctions against it, and promoted a perception that radical political Islamism was dangerous for America and the world order. The Iraqi regime of Saddam Hussein seized the opportunity to strike against Iran
while it was in the midst of a postrevolutionary turmoil and hostage crisis in the hopes of destroying Khomeini’s rule and establishing its own supremacy in the Gulf—all in the name of defending the Arab nation.

Iraq’s full-scale attack on Iran in September 1980 resulted in the longest, bloodiest, and most costly war in the modern history of the Middle East, ending in a stalemate in 1988. Most Arab states supported the Iraqi action, and the U.S. government, along with far-right American commentators,7 courted Saddam Hussein as an Arab bulwark against Khomeini’s regime. However, the war provided Khomeini and his supporters with a basis for linking their commitment to Shi’ite Islamism with the historical force of Iranian nationalism as mutually reinforcing to mobilize the Iranians in defense of both Islam and homeland. They were concurrently able to assume the high moral ground against not only threatened outside impositions, but also those secular and semisecular elements within the Iranian society who advocated other than Khomeini’s Islamic vision. If Khomeini had any inclination toward the possibility of reaching some accommodation with these elements, it simply melted away in favor of establishing an exclusive Islamic order.

The second *jihadi* objective, as circumstances evolved, was to create as purified and unified an Islamic movement under Khomeini’s leadership as possible. This involved the marginalization or, in some cases, expunging of those elements within the ranks of Khomeini’s followers who were regarded as undesirable or had the potential to challenge Khomeini’s particular vision. These elements came to include a diverse range of people, some casting doubt on the efficacy of Khomeini’s approach and some finding it difficult to agree entirely with his version of political Islam. A number of Ayatollahs—for example, Shariatmadari—were either imprisoned or placed under house arrest. Even Ayatollah Hossein Ali Montazari, who had initially been anointed by Khomeini as his successor, was eventually marginalized. Khomeini finally revoked Montazari’s succession entitlement in 1989. The same came to be the case with a number of other clerics and their followers. Figures such as Abolhassan Bani Sadr, the first elected Islamic president of Iran, whom Khomeini had regarded as almost a son, and the foreign minister under Bani Sadr, Sadeq Qotbzadeh, could not escape the wrath. Bani Sadr was forced into exile in France in June 1981, after nearly fifteen months in office, having lost the confidence of Khomeini and, more importantly, Ayatollah Beheshti;
Qotbzadeh was executed in 1985 on charges of plotting against the Islamic regime.

The third *jihadi* objective was to institutionalize Khomeini’s vision of a two-tier, popular Islamic order. Although the doctrine of *velayat-e faqih* was enshrined as the ultimate source of authority in Iran’s Islamic politics, a presidential system of government, composed of executive, legislative, and judicial branches, with concurrent responsibility to both the Supreme Leader and the people, was finally adopted. An Islamic constitution and various legal, political, and security structures and law enforcement agencies as well as complex systems of decision-making councils and committees and institutional checks and balances, were created. In social life, emphasis was placed on cultural conformity, with a dress code for women and moral codes for everyone. This was accompanied, especially in the context of the war with Iraq, hostile relations with the United States, and an uncomfortable coexistence within the region, by Khomeini’s directive that the government invest as much as possible in national security. The Islamic Revolutionary Guard (*Pasdaran-e Enqelab*), or RG, was set up and continuously strengthened as the guardian of the Islamic order. The RG and the IRP were closely linked to one another and to various paramilitary and security organizations as the most potent forces to homogenize and monopolize power. Khomeini’s loyalists were given the opportunity to permeate the polity at all levels. As such, a very coherent and devoted core of *jihadi* supporters, most of them coming from similar religious and social backgrounds, was spawned. The city of Qom, the traditional seat of Shi’ite learning, which had produced most cleric supporters of Khomeini, was transformed into the religious source of political power. Thus, Khomeini and his core supporters rapidly succeeded in shaping what can best be described as a single-frame Shi’ite theocratic order. However, this was not all.

There was always an *ijtihadi* dimension lurking beneath Khomeini’s *jihadi* one. The *ijtihadi* dimension emphasized the creative interpretation and application of Islam based on independent human reasoning. Khomeini had already acted in ways that had made him a *mujtahid-e A’lam*—a leading creative interpreter and activist of Islam. His whole opposition to the Shah’s rule and his proclamation that the Shi’ite establishment should take over the government had constituted major *ijtihadi* actions. While still fighting the opposition from within and outside, Khomeini ap
peared to be increasingly aware of the fact that he could not build a modern Islamic state, with a place in the international order, on the basis of a *jihadi* approach alone.

Once the opposition had been weakened and the foundational structures of the Islamic order had been institutionalized and consolidated, the question for Khomeini was how to secure the long-term viability of this order. The two-tier system of government that he had put in place already contained an in-built elasticity to provide for a degree of political pluralism and foreign policy flexibility, to facilitate wider public participation in the policy making and policy implementation processes through an elected presidency and national assembly (*majlis*). It was in this context that, while the *jihadi* dimension still prevailed, by 1983–84 Khomeini’s *jihadi* supporters in the IRP (which had now incorporated most of the founding members of SAC) and in a number of elected-appointed councils and committees, underwent a major metamorphosis. While holding the reins firmly from above, Khomeini let this transformation take its course. This opened the space for some of his supporters to promote diversity in approach and practice, which by the late 1980s gave rise informally to three important political clusters from their midst.

One was the *jihadi*, or revolutionary or conservative, cluster, which had already coalesced around such figures as Ali Khamenei and Mohammad Reza Mahdavi Kani. This cluster had by now succeeded in taking over most of the instrumentalities of state power in the Islamic order and played an active role in the war with Iraq, opposition to the United States and Israel, and export of the revolution to the region. It generally argued for the strengthening of the Islamic order and consolidation of the revolution’s gains along the lines of preservation of a traditional style of life, promotion of self-sufficiency with as little dependence on the outside world as possible, ideological and cultural purity, and continued treatment of the United States and some of its allies in the region as major threats to Iran and as a means of public mobilization in support of the cluster’s cause.

Another cluster that emerged was the *ijtihadi*, or reformist or internationalist, cluster, which began to evolve in 1987 around such prominent clerics as Mehdi Karroubi and Mohammad Khatami, a distinguished cleric supporter of Khomeini who had served as minister of culture for a short while in the early 1980s. This group united in its support for a pluralistic, democratic Islamic political
system. Some of its leading figures, most importantly Khatami, discreetly favored the promotion of Islamic civil society, relaxation of political and social controls, economic openness, a cultural renaissance, and wider interactions with the outside world, including the United States. They were inspired by such Iranian thinkers as Ali Shariati (1933–1977) and later Abdul Karim Saroush, who blended Islamic with Enlightenment ideas to suggest that a modern Islamic society could be democratic. Meanwhile, some of the cluster’s leaders, who tended to be more realists than idealists, emphasized the importance of maintaining a balance of power in domestic politics.

The third was the centralist, or pragmatist, cluster, which crystallized around Hashemi Rafsanjani. This entity generally stood between the first and the second and organized itself within two parties—the Executives of Construction Party (Hezb-e Kargozaran-e Sazandegi), which supported the reformists’ approach to culture, and the Justice and Development Party (Hezb-e E’tedal va Tose’eh), which leaned toward the conservatives on cultural issues. The camp as a whole was motivated by the intellectual work of a number of academic economists, with a belief in economic modernization from above, favoring technical and economic relations with the West but with no serious interest in the democratization of politics.

Khomeini appeared quite comfortable with this degree of political pluralism, as long as the clusters remained loyal to and operated within his Islamic vision and refrained from public display of their frictions. However, when as a result the IRP faced some factional disorder, he pragmatically began to change his stand in the mid-1980s on whether a political organization should have a monopoly of power in an Islamic society. He reverted to the traditional Islamic dictum that the existence of any kind of political party in an Islamic entity was inappropriate. By 1987, he formally abolished the IRP and decreed Iran to be a nonpartisan Islamic Republic, but without calling for an end to political factionalism.

In parallel with this, he increasingly opted to manipulate Iran’s external geostrategic settings to diversify Iran’s foreign relations as a means to minimize the foreign policy consequences of his jihadi actions, which had caused Iran international isolation. Despite his opposition to communism as a “Godless” ideology and to the December 1979 Soviet invasion of Afghanistan, which resulted in Iran’s support for certain minority Shi’ite Afghan Islamic resist-
ance groups, he let the Islamic regime develop good working relations with the USSR so that it could buy military hardware and expand trade. He similarly showed a growing inclination to improve ties with China and India.

These developments encouraged Khomeini’s *ijtihadi* reformist supporters to become more active on the political scene and to seek more organizational cohesion and political impact. In March 1988, a number of them formed the reformist Assembly of Assertive Clerics (*Majma-e Ruhaniyun-e Mobarez*), or AAC, under the leadership of Mehdi Karroubi and with strong support from Mohammad Khatami. Initially, some in the AAC leaned toward Rafsanjani’s pragmatist centralism as appropriate under the prevailing circumstances, which helped Rafsanjani to win two four-year presidential terms (1989–1997) and thus promote what became known as a phase of pragmatism in Iranian Islamic politics. But this could only assist the reformists to consolidate their position in both organizational and ideological terms in order to make a serious bid for power later.

**The Post-Khomeini Period**

Popular to the end, Khomeini died in June 1989. The political legacy that he left behind was one of Shi’ite *jihadi-ijtihadi* politics. This legacy would prove instrumental in enabling his *ijtihadi* followers to gain wider momentum. The most spectacular example of this was the success of Khatami in the presidential elections of 1997 and 2001, and that of his reformist supporters in two parliamentary elections during the same period. Once in power, Khatami openly promoted the concepts of “Islamic civil society,” “Islamic democracy,” and “dialogue of civilizations” in the conduct of Iran’s foreign relations. He strongly argued for compatibility between Islam and democracy, and urged the reformation of the Iranian polity along these lines, but within the Islamic framework which had been laid down by Khomeini.8

However, the striking feature of the three factional clusters that had emerged late in Khomeini’s rule is that they all grew incrementally to act within a *jihadi-ijtihadi* framework—a pattern consistent with the Shi’ite traditional approach to earthly existence. To date, the clusters have, on the one hand, engaged in power struggles and, on the other, accommodated and overlapped with one another: the conservatives have upheld the ideological purity of
Khomeini’s legacy, but at the same time proved to be both pragmatic and reformist when needed; the reformists have sought to popularize and pluralize that legacy and make it palatable to the international community, but without losing sight of their organic linkages with the conservatives; and the pragmatists have shifted between the two whenever desirable and opportune. There has been almost a routine fluidity of movement between the clusters, with some of their members changing allegiance quite frequently and their leaders remaining in consultation with one another from time to time when they have needed to adopt a coordinated position in the face of any serious threat. As such, they have all operated within the limits needed to preserve the Islamic regime.

This is not to claim that the conservatives have not given their reformist counterparts a hard time. They have, largely on the basis of their original domination of the power structure from the time of the jihadi phase of Khomeini’s rule. However, the United States’ refusal to come to terms with the regime and constant efforts to demonize and threaten it, have also played their parts. Washington’s response to the radicalism of Iranian conservatives, as shaped during the two-term presidency of George W. Bush (2001–2009) largely by the influence of pro-Israel evangelical Christians, neo-conservatives, and ultranationalists—all representing minority views in American politics—has paradoxically assisted the cause of this cluster, at the cost of progressively tightening the space in which the Iranian ijtihadis can operate. The more the Bush administration and some of its allies, Israel in particular, have threatened Tehran with regime change, the more they have forced the Iranian reformists to close rank with their conservative counterparts in the face of a foreign threat. It is not surprising that after the tragic events of September 11, 2001, the conservatives managed to expand their political power further, finally enabling them to take back even the legislature and presidency from their reformist counterparts in the 2004 and 2005 elections, respectively. The election of Mahmoud Ahmadinejad to the presidency in 2005 and the conservatives’ redomination of the Majlis constituted a serious blow to the reformists. Facing the risk of being accused of “sleeping with the enemy”—that is, the United States—the reformists have found themselves with little choice but to give ground to their conservative factionalist opponents.

As a result, the reformist camp today is very divided. The most liberal among them is the Participation Front Party (Jebhe-ye
Mosharekat), led institutionally by Mohammad Reza Khatami, the brother of the former president Khatami, and intellectually by Sayyed Hajarian and his associates. The second most influential and disciplined party is the Organization of Strivers of the Islamic Revolution (Sazman-e Mujahideen-e Enghelab-e Islami). The third nonclerical group is the Solidarity Party (Hezb-e Hambastegi), whose major leading figure is Ibrahim Asgharzadeh, one of the leaders in the 1979 hostage-taking fiasco, although he now asserts that such action is detrimental to world peace and Iran's foreign relations. Indeed, many leading reformists are now critical of the radical conservatism that was on display in the first few years of the revolution. The least modern group among the reformists remains the AAC, which is led by Mohammad Mousavi Khoainnia and is mainly affiliated with Ayatollah Hossein Ali Montazari.

However, this does not mean that the reformists will necessarily remain out of power forever. Given the fluidity that exists among the clusters and the Iranian people’s quest for better living conditions and their growing dissatisfaction with the conservatives' emphasis on continued ideological, political, social, and cultural conformity, the reformists’ turn may well come once again. And this time, they may even be in a position to move the Iranian Islamic order further down the path of reform than ever before. However, this can happen only if the United States and its allies also act toward Iran in a more nuanced way than they have so far.

The degree of intercluster operability that has come to grip Iran has changed the face of Iranian politics from what it was in the early years of the revolution. It has made the country politically more pluralist than many of its Arab neighbors, with scope for increased discussion and criticism and more political and social mobility. Although the conservatives still dominate state power, from Ali Khamenei and President Mahmoud Ahmadinejad down, they have also come to embrace a number of policy formulations and practices of the pragmatists and reformists as their own. They have done so with the knowledge that they either have to change in line with the requirements of an evolving Iran and world, or else risk the future of the Islamic regime. They know that the Iran of 2008 is very different from the Iran of the early years of the revolution. Not only has the country’s political life undergone changes, but so have its economic and social landscapes. Iran’s economic situation is dire. It has been poorly managed, suffering from internal overregulation and red tape as well as continued...
U.S. sanctions and a lack of substantial foreign investment and technological innovation. The country remains heavily dependent on oil as its main source of income. And although Iran’s population has grown from 33 million to more than 70 million over the last thirty years, with a majority now living in the urban centers, the country’s national production has not increased to the extent needed to enable Iran to cope with rising national consumption. All of this has led the regime to acquiesce to some of the demands of the changing conditions in Iran and the world. As a result, Iran has come a long way from being strictly a theocratic state.

Whatever President Ahmadinejad’s superheated jihadi rhetoric, ultimately he has had little choice but to bring some of his ijtihadi opponents along with him politically. He has essentially risen from the ranks of Khomeini’s mustaz’afeen, who constitute the majority in Iran. It was this constituency that overwhelmingly voted for him in the 2005 election and whom he claims to represent. This has led him to engage in a kind of Islamic politics that he thinks will endear him both to the Iranian mustaz’afeen and to their counterparts in the Muslim world, most importantly in its Arab domain. Hence his provocative anti-American and anti-Israeli pronouncements, as well as his uncompromising position on Iran’s nuclear program. He has been strongly criticized for his failures on the economic front by elements of all factional clusters, including his own, and in the sphere of foreign policy, by many reformists. But ultimately he has, in general, the support of leaders from across the factional spectrum when it comes to such matters as the nuclear issue and U.S. and Israeli threats, although the reformists would like to see a more nuanced approach to Iran’s dealings over its nuclear program. He maintains good relations with the Supreme Leader, Khamenei, and despite dislike of him by many in the major urban centers, he remains popular in rural Iran, where he has invested much time and energy. On all important issues, he essentially is constrained to follow the dictates of the Supreme Leader, who is the ultimate power holder and has proved to be both jihadi and ijtihadi in his supervision of Iran’s domestic and foreign policy.

If today the Islamic leadership—and for that matter Iran—is in a position of greater regional influence than ever before, it has a great deal to do with American policy failures rather than anything substantial that Iran has done in the region. The United States’ disastrous handling of the Iraqi, Afghan, Palestinian, and Leba-
nese situations as well as the so-called war on terror has created massive strategic vulnerabilities for the United States but favorable strategic opportunities for the Iranian regime and Shi’ite Islam to become more assertive than ever before.

What has resulted regionally is an Iran-led Shi’ite strategic entity stretching from western Afghanistan, which is closely linked to Iran, across to Lebanon, where Hezbollah has become a determining political and military player. Iran’s links with many powerful elements of the Iraqi Shi’ite majority and its strategic alliance with Syria form the central pieces of the entity. The profound shift that has occurred in the sectarian and strategic balance has confronted the United States and its allies with critical challenges and dilemmas. Neither America nor its Arab and non-Arab allies want Tehran to be the main beneficiary of their policy failures.

Whatever the future direction of U.S. policy, the Iranian regime is set to play a critical role in shaping regional politics. Its jihadi-ijtihadi politics has come to interact dramatically with American policy debacles in Iraq in particular, and in the region in general. Whether Ahmadinejad or someone else is at the helm, no Iranian leader can now afford to go too far beyond the jihadi-ijtihadi approach. It is within this approach that even the current leadership would be capable of cutting a deal with the United States, based on the politics of mutual need and vulnerability, given Iran’s dire economic situation and need for outside, especially American, help, and America’s need for Iranian cooperation to bail it out of its regional difficulties. This can come about if Washington accepts the Iranian political order as legitimate and stops treating it as a pariah in world politics. A window of dialogue has already opened in this respect, with the U.S. and Iranian ambassadors to Iraq having held two direct meetings in 2007 and the U.S. under secretary of state, William Burns, participating in EU-Iranian negotiations on Iran’s nuclear program in July 2008. The challenge for both sides now is how to build on these meetings toward a rapprochement and a resolution of the nuclear dispute independent of what can be dictated by the self-interest of third parties, especially Israel, in the region.

If they fail to meet this challenge, the alternative is a possible military confrontation, from which neither could emerge victorious. They both have enough capabilities to make a military confrontation very costly for one another. The United States has the firepower to overwhelm Iran, and Israel has the capacity to initiate
a serious assault on the country. But Iran has sufficient military and nonmilitary means to make an attack on it unrewarding. It
can deploy its hard power to target American interests across the
region, block the Strait of Hormuz—through which 87 percent of
the Gulf oil is exported to the outside world—and hit oil platforms
in the Gulf. It can also make maximum use of its soft power by
halting its own oil production and urging its Shi‘ite allies to act in
Iraq and Afghanistan against the American forces and in Lebanon
to target Israel. At the same time, it can unleash thousands of its
own suicide bombers for a similar purpose. The Iranian regime,
irrespective of its level of internal support, can always rely upon
the religious determination and nationalist pride of a majority of
the Iranian people to mobilize them in defense of the country’s
traditional independence and sovereignty.

The Islamic order that Khomeini established, and which contin­
ues to date in its basic manifestations, has certainly given Iran do­
mestic and foreign policy orientations very different from those of
the Shah. While the human rights situation has been poor for
women and a range of minority groups, the political order has
proved to be more pluralistic, with room for wider public partici­
pation and foreign policy independence than ever was the case
with the Shah’s rule. At the same time, however, it has been com­
parable to that of the Shah in several important aspects. Like the
Shah’s regime, it has thrived at different times on authoritarianism
and on Iran’s oil resources, and has emphasized the need for
strong national security and regional influence. It has exhibited
domestic and foreign policy behavior that has often led it to down­
play its publicly avowed ideological commitments in pursuit of
pragmatic, self-interested outcomes. While Islamism has been the
regime’s motto, it has often acted in ways that have contradicted
its Islamic stand. In this, it has grown very similar to other states
whose reliance on geopolitical games has become part of a normal
survival strategy in a rapidly changing and deeply interdependent
world.

The Shah’s Rule and the Advent of Revolution

Yet, it was the revolutionary events of 1978–79 that not only
opened the way for a religious-based transformation of Iran, but
also deprived the United States of a reliable ally in an economi­
cally and strategically vital part of the world. The Shah’s autocratic
rule and the way he sought to transform Iran into a powerful actor in the region, with full U.S. support, decisively contributed to these revolutionary developments, which in turn set in motion a major strategic shift in the region. The advent of Islamic rule was something that Iran experienced for the first time since its adoption of Shi’ite Islam as the official state religion at the turn of the sixteenth century. All this cannot be fully understood and analyzed without a clear and dispassionate examination of the dynamics that led to the revolution.

Although a substantial amount of time has lapsed since the demise of the Pahlavi rule, it still reverberates within Iran and in the region. It is not only some Iranians who look back on the Shah’s rule with a degree of nostalgia, but Washington also has, arguably, not come to terms with “losing” Iran. The story of how Iran was “lost” brings us to the main body of this book. The Rise and Fall of the Shah analyzes the Shah’s authoritarian rule, his dependence on American power, and his ultimate failure as a highly and widely consequential episode in modern history.

Notes


8. See Mohammad Khatami, *Islam, Dialogue and Civil Society* (Canberra: Centre for Arab and Islamic Studies, the Australian National University, 2000).


The study of what has transpired since the revolution has generated a flood of literature. Some of the substantive studies include: Daniel Brumberg, *Reinventing Khomeini: The Struggle for Reform in Iran* (Chicago: University of Chicago Press, 2001); Ray Takeyh, *Hidden Iran: Paradox and Power in the Islamic Republic* (New York: Times Books, 2006); Ali Ansari, *Confronting Iran: The Failure of American Foreign Policy and the Next Great Conflict in the Middle East*
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