

Iran Analysis Quarterly

A Publication by the Iranian Studies Group @ MIT



Volume 1, Issue 2

Winter 2003

Table of Content

Opinion: Managing Earthquakes in Iran..... 2
Manuel Berberian

The Fate of Local Democracy in the Islamic Republic..... 5
Kian Tajbakhsh

Revolutionary Reform: Socio-political Change under Mohammad Mosaddeq..... 9
Mojtaba Mahdavi

The Impact of U.S. Sanctions on Iranian Civil Society.....21
Ali Mostashari

Contributor biographies.....

Iranian Analysis Quarterly

PLEASE NOTE: The opinions expressed in the articles are those of the authors and do not necessarily represent the official opinion of the Iranian Studies Group.

Editor:
Ali Mostashari
amostash@mit.edu

**ALL RIGHTS RESERVED © 2003
Iranian Studies Group at MIT**

Reproduction of materials in any form requires the written permission of the Iranian Studies Group at MIT

Call for Articles

The Iran Analysis Quarterly is currently accepting articles for its Winter 2003 issue. Articles should focus on the analysis of the social, political, or economic trends of contemporary Iranian society.

The editorial board reserves the right to accept or reject submitted articles. Articles may be edited and will be returned to the authors for final revision if corrections take place.

Please submit manuscripts in Microsoft Word format to amostash@mit.edu

Manuscripts should be in English, not less than 2 pages single-spaced, not exceeding

OPINION: MANAGING EARTHQUAKES IN IRAN

Manuel Berberian

Earthquake Seismologist & Geoscientist

Najarian Associates Inc.

Since the 1962 catastrophic earthquake in Iran, my long field/research experience shows that, the strategic actions formatted on papers, discussed in numerous conferences, and even creating building codes, have not ensured that earthquake hazard mitigation is effectively and practically incorporated in the Third World Countries' planning and retrofitting programs (if any). Hence, we are witnessing a cascading failure in this business, and should accept that we all were unable to break the disaster cycle in this field. The recent moderate magnitude earthquake damage at Bam (Iran) with widespread devastation (in a sparsely populated desert area), resembles a nuclear explosion with an unacceptable death toll, and is beyond imagination in the early years of the 21st century science and technology. Similar magnitude earthquake, which took place in central California on December 22, 2003, did not cause any dramatic damage or destruction with unimaginable death toll. The comparison clearly shows the failure of our efforts in this endeavor in the Third World Countries. We all should think critically and find new ways to break the disaster cycle in the Third World Countries, and make the governments liable for their failure.

The moderate ($M_w=6.6$) Bam (SE Iran) earthquake of December 26, 2003 killed several thousands and demolished a city of 80,000 people located in a sparsely populated area at the southwestern edge of the Lut Desert. Almost all public and commercial buildings were destroyed, lifelines were cut, and government quickly appealed to foreign governments (friends and foes) to supply help, equipment, food, medicine, and financial support. Sadly, the only two hospitals in Bam were collapsed and consequently, injured people were sent to far hospitals in provincial capitals, approximately hundreds of km away from the devastated city of Bam. This tragedy is unacceptable in the 21st century and one should search for its liability rather than foreign help.

Major earthquakes in Iran have motivated Iranian earth scientists and engineers to map and study the seismogenic faults, estimate the seismic-fault hazard, and prepare building codes. It is more than three decades that we know the city of Bam is located next to the Bam seismogenic fault, and unfortunately the hospitals in this city were not reinforced. Essential buildings, in particular hospitals and health care facilities, are supposed to survive major earthquakes to provide service to injured people. Although the Iranian seismic code has addressed this basic concept, the policies have been enforced by the different governments and to take effective measures for preparedness for earthquakes. Foreign help cannot be useful in the Third World countries; it is the government's responsibility to work seriously on earthquake hazard minimization.

For more than forty years, editorials have been written, speeches delivered, reports and books published, funds granted, rules, regulations and laws promulgated on the subject of earthquakes and their risks, and foreign helps were funneled into the country after occurrences of large-magnitude earthquakes in Iran. Despite these, we still cannot minimize the death tolls and financial losses of earthquakes in Iran.

During the June 20, 1990 Rudbar-Tarom earthquake ($M_w=7.3$) in northwest Iran, more than 40,000 people lost their lives, more than 500,000 became homeless, nearly 100,000 buildings were destroyed, three cities and 700 villages were razed to the ground. Such great disaster occurred not only because of a large magnitude earthquake but also because of poor construction and preparation in vulnerable areas. Reconstruction of the region was estimated to cost at least 2.8 billion dollars [economic losses inflicted by this earthquake were estimated \$ 7.2 billion, with 7.2% in GNP loss]. The long-term effects of this catastrophic event included the disruption of the economies of at least three large provinces, and the human resettlement of at least three large cities and 700 villages; reconstruction to modern standards has taken decades to accomplish and absorbed a considerable part of the country's budget.

Comparison of recent records on the impact of earthquake hazards of similar magnitude in countries of varying levels of development is astonishing. During the $M_s=7.1$ Loma Prieta, California earthquake of 1989.10.17, only 62 people were killed, which is a very low casualty figure for an earthquake of such magnitude. Compare this with the 12,200 deaths during the 1962.09.01 ($M_s=7.2$) Bo'in (Buyin) Zahra earthquake in Iran. The difference in casualty numbers between these two events is directly related to differences in disaster preparedness and disaster mitigation in the United States of America and Iran. Strict adherence to building codes during the past three decades in the San Francisco region undoubtedly saved many lives and kept thousands of buildings from collapsing in the Loma Prieta earthquake; no similar step was seriously undertaken in Iran. In California, building codes and geologic site investigations were increasingly accepted; Iran has no comparable public commitment, and many houses are built with unreinforced masonry. Despite the frequency of earthquakes in western United States, the number of deaths due to earthquakes has been very low in the past fifty years as compared with losses in Iranian earthquakes. In this century, earthquakes in North America alone have resulted in more than a 1,000 deaths, while at least 126,000 people have lost their lives during earthquakes in Iran.

These losses cannot be justified in the light of existing scientific knowledge and expertise in disaster management. It is particularly painful that more than 60 million Iranians are trapped in a "vicious circle" of earthquake vulnerability. Unfortunately, little has been done to reduce the risk of earthquakes in urban areas of developing countries.

Factors such as: (i) rapid urban growth, (ii) weak economy, (iii) lack of government funds to support earthquake hazard mitigation programs in cities, towns and villages, (iv) lack of seismic rehabilitation programs for upgrading all highly vulnerable public buildings and multiple family residential buildings, (v) inexpensive and poorly constructed private dwellings that often fail even in the absence of earthquakes, (vi) a

tendency in government and general population to ignore the earthquake hazard due to more immediate and basic needs, (vii) lack of, or low awareness about the earthquake hazard, and (viii) lack of enforcement of existing building codes, could definitely affect earthquake risk management in developing countries.

Iran has been host to a long series of large damaging earthquakes, many of them occurring within the 20th century. There have been roughly 126,000 deaths attributed to 14 earthquakes of magnitude ~ 7.0 (one 7.0 earthquake/7-yr), and 51 earthquakes of 6.0-6.9 (one/2-yr) that have occurred in Iran since 1900. During this period nine (9) cities were devastated (one city/10-yr). These earthquakes represent a mix of urban and rural events, with levels of documentation varying from one earthquake to another. Unfortunately, actual human and financial loss estimates are not available for the most Iranian earthquakes.

Like many urban areas in developing countries, Iranian cities have earthquake risks that have increased significantly since the last major earthquake in each area. Until possibly the early 60's, the rate of investment in large urban and industrial developments in Iran was rather small and in some of its provinces, insignificant. Consequently there have essentially been no significant economic losses from the large number of damaging earthquakes that have occurred in this part of the world. Although during the first 60 years the 20th century earthquakes damage in economic terms has remained relatively small, with the massive investments of the last four decades in new urban and industrial centers, future earthquakes in Iran are likely to cause serious economic losses.

The GeoHazards International workshop at Almaty, Kazakhstan (1996) concluded that half of the six million people in the capital cities of the five central Asian republics occupy buildings are extremely vulnerable to collapse during earthquakes with death tolls up to 135,000 people and at least 500,000 injuries. Similar study at Katmandu, Nepal (EERI Newsletter, 1998) showed that the next major earthquake could kill 40,000 people, seriously injure 100,000 and leave even more homeless. The vulnerability of the capital city of Tehran (with $\sim 12,000,000$ population), and other provincial cities such as Mashhad ($\sim 3,000,000$), and Tabriz ($\sim 2,000,000$), all located next to several mapped seismogenic faults with documented history of several large-magnitude earthquakes, is scary. The losses would have been much more severe if the earthquake had been centered in these mega cities. Major urban areas across the country are at high risk of being devastated by earthquakes and other natural hazards. Unfortunately, foreign helps (except the humanitarian relief/emergency portion), technical reports, conferences, and workshops have never been able to break the disaster cycle in the Third World Countries. A critical element in good governance is, possibly, missing. Retrofitting the critical structures, exploring disaster mitigation, planning, preparedness, response and recovery are responsibilities of the governments.

THE FATE OF LOCAL DEMOCRACY IN THE ISLAMIC REPUBLIC : DECENTRALIZATION, LOCAL ELECTIONS AND REFORM IN IRAN

Kian Tajbakhsh

Research Fellow, Cultural Research Bureau, Tehran, Iran

The potential for evolutionary change towards greater liberal democracy within the political systems of Middle East countries can be assessed, in part, with reference to the recent Iranian experience with local council elections - arguably the most significant in the region. Given that the second round of elections in early 2003 was widely seen as a stunning reversal and defeat for the reformist camp symbolized by President Khatami, the experience holds out important, and perhaps sobering, lessons for other countries about the potential contribution of (local) elections can have under basically undemocratic conditions. In general, the Iran case shows the difficulties of maintaining genuine local democratic institutions when democracy and liberal rights are poorly organized within the broader societal structure and polity. With important elections for parliament and the presidency coming up in 2004—which some observers anticipate to be a moment of truth for the reformers—the recent local elections might be an indicator of things to come. After providing some brief background on the state of decentralization and local policy making under the Islamic Republic, I offer the outlines of an analysis. (There is not space to discuss the details of the case at length here, which I have done elsewhere .(

After the Islamic Revolution of 1979 three factors led the country towards greater centralization. First, the disruption to the economy and to key investors and personnel led the new government to nationalize many industries and sectors of the economy. Second, the eight-year long war with Iraq and concerns about the possibility of regional separatism in ethnic minority regions forced the government to centralize military and administrative functions to safeguard the new state. Third, the desire to create a new state system along novel ideological lines accentuated the need for greater centralized authority in all spheres of society.

However, the end of the war with Iraq in 1988, the need for reconstruction and renewed economic growth to meet the needs of rapidly growing population, brought to the fore several proposals for the decentralization of economic, fiscal, administrative and political functions. The decade of the 1990s saw the beginnings of proposals for privatizing economic sectors; the Third National Development Plan (2000-2004) calls for the administrative decentralization of the central government's ministries and service delivery functions to provincial, urban and rural levels; and in 1999, the country established an extensive new system of elected local councils at the urban and village levels (about 5,000 councilors in 900 cities and about 105,000 councilors in 35,000 villages). As part of urban fiscal decentralization reform, in 1984 the government passed the "Municipal Fiscal Self-Sufficiency Act" with the goal of phasing out all central government assistance to urban municipalities (*shahrdari*) within three years. (The rationale for this rather draconian measure can be interpreted either positively, as a way to encourage cities to pursue local economic development or more cynically as the desire of the central state to unburden itself at a time of high military expense (.

However, this program has had mixed results. Many smaller urban areas have been left struggling to make ends meet, leaving the central government no choice but to maintain a high level of transfers to the majority of municipalities. This is exacerbated by the rapid growth in the number of newly established urban centers which are in effect large villages rather than cities, with very meager economic resource bases. Larger cities (especially Tehran) face another set of serious problems. In the absence of a meaningful local revenue system based on property tax, and in conjunction with the central governments tight control and veto power over local councils creating new sources of revenue, these cities have become dependent on one-time impact charges on private real-estate development—a very problematic policy in the Iranian context for three major reasons: it is a form of revenue which is highly sensitive to fluctuations in the broader economic environment, it is an obstacle to sound management and planning practice which requires some ability to predict future revenues, and skews urban policy priorities (for example permitting greater building density beyond local infrastructure capacities).

The establishment of elected local councils was felt by some to be an institutional innovation with the potential to contribute to the solution of the governance of localities. But the first four years of experience and the results of the second round of elections in February 2003 have put many of these hopes in question. Indeed, the local government sector faces an uncertain future, for several reasons. The electoral turnout in major cities was very low; the anticipated re-writing of the Local Council Law to increase authority and autonomy has only partly materialized; and most significantly, the new Tax Amalgamation Law of 2003 promises to reduce even more local government's fiscal autonomy and authority relative to the central government.

In 1999 local council elections (at the city and village levels) were held in Iran establishing a local political or governmental system for the first time (practically speaking) in modern Iranian history. By any measure, this reform for political decentralization was large: about 600,000 candidates competed for about 200,000 council seats (comprising about 110,000 main seats and 90,000 back up reservists) in about 35,000 villages and in over 900 city councils. Overnight this changed the shape of the state, at least formally. This reform finally put into effect the provisions for locally elected institutions that were first introduced in the 1905 Constitution but that had remained a dead letter, more or less, since 1911.

The Khatami reformists (the sponsors of the reform) publicized it widely as an important plank in their reform agenda. They argued that the reform would help de-concentrate power for two main reasons. First, by multiplying the number of representative institutions into the provinces and especially outside of Tehran, it would reduce the entrenched power of the regime in the center through the creation of more reformist-oriented institutions throughout the country. Second, given that these elections would be the only elections in Iran whose candidates would not be vetted by the Guardian Council, more sectors of the society would be drawn in to participate in the political system. There was enormous popular enthusiasm for the council elections and new groups entered the competition: young people, women, professionals, and

"independents", i.e. those not explicitly affiliated with either dominant political faction represented in the national institutions (such as the parliament .(

Turn-out for voting was just under 65% nationwide and in the major cities a respectable figure of about between 30 and 50% and participation in rural areas running much higher. Although detailed breakdowns are not available nationwide, the fact that the major cities and especially Tehran were dominated by well known reformers created the general impression that the reformers had won a sweeping victory, following Khatami's landslide election victory three years before. The significance of the victory and the stakes around these new institutions in the overall struggle for power were dramatically highlighted by the attempt by conservatives to disqualify several key Tehran reform candidates; and when this failed, by the almost successful assassination attempt on the life of one of the Tehran city council members on the steps of the Tehran city council building .

Four years later, however, the second round of elections in early 2003 painted a very different picture. It was apparent in the run-up to the elections that the enthusiasm accompanying the first round had declined markedly, even more than could be expected in the routinization of popular enthusiasm. Old friends of local democracy (media, politicians, professionals) no longer seemed upbeat, and new friends were not forthcoming. This was reflected most strikingly in the turnout on election day in Tehran, Esfahan, Shiraz and Mashad, which dropped to between 12-20% of eligible voters. In these cities the reformers were routed and individuals associated with the conservative faction were elected. In Tehran, not one reformer gained a seat. Interpreters, especially outside Iran, generalized these results to the entire country and read it to mean, plausibly, a vote of no confidence in the reformists. (It is noteworthy that 12-15% of the vote is the amount of support conservatives regularly receive in national elections. This suggests that only their supporters voted, voluntarily or otherwise, and everybody else stayed home. Perhaps this was a boycott, perhaps it just reflected hopelessness or indifference (.

Nonetheless, it appears that this reading masks the general trends in the country, which show a more mixed picture. First, turnout in the country as a whole was just over 50%, certainly a drop but well within international norms for these kinds of elections. Although turnout in Tehran was low, the differences between the two rounds was less than most imagined. In Tehran province, participation dropped from 39% to 24%; in the absence of official data we can speculate that turnout in the capital city was probably no more than 30% in the first round .

In fact, based on figures given by the country's leading reformist faction, reformers are a majority in over 50% of city councils; at the level of the council of provinces (ostan) the reformers and conservatives are balanced; and out of the 28 members of the supreme council of provincial councils (one from each province) reformers make up 21 members. The head of the Tehran city council, who would normally be elected as chair of the executive committee of this body, came third with only 7 votes. In Esfahan province, apart from Esfahan city, out of 463 elected councilors, 201 (43%) were reformists, 150 (32%) conservatives and 112 (25%) independents. In

Golestan province, 18 cities were carried by reformists, 2 by conservatives. This is apparently the pattern elsewhere. (I have not been able to independently verify these figures but have no real reason to question them.) And in the three big cities of Tabriz, Karaj and Ahvaz reformists are in a majority. Further putting in question the interpretation of the low turnout as a no-confidence vote in the reformists, is the fact that even cities such as Esfahan (which was a relatively effective city council and which enjoyed relatively high ratings from citizens) and Qom which was dominated by conservatives in the first round, also experienced big drops in turnout .

These results suggest two observations. First, the second round of local elections cannot so directly be interpreted as a defeat for the reformists. Second, trends and events in Tehran are not necessarily representative of the country as a whole. This leaves unanswered the question of what does explain the drop in participation. This is a more complicated issue, but in brief I would point to two factors, one concerning the local councils themselves and the other relating to the movement for political reform at the national level .

It has become apparent that the high hopes and expectations associated with the creation of elected local councils in 1999 were, and remain, out of all proportion to the very narrow legal and administrative responsibilities defined for them. Efforts to improve on the current law to increase the autonomy and authority of the councils as representative local decision makers with some clout have not as yet borne substantial fruit, especially in the all-important financial dimension. (We will have to see the extent to which some new powers given to local councils in the 2003 Amended Council Law will be effective.) To the contrary, the 2003 Tax Amalgamation Act – one of the most important legislations of recent years and passed by the reformist parliament – removes what little financial autonomy the local councils did have and re-centralizes financial responsibilities. Without the sense that these new institutions can make meaningful decisions on local problems they will probably lose more credibility and support.

Yet perhaps the most important factor accounting for the low turnout is the loss of energy of the reformist movement at the national level. It can be plausibly argued that the movement for substantial political reform started in 1996 in Iran has been defeated for the short term. The real popular energy expressed in the local council elections arose undoubtedly from the association of these new institutions with the Khatami-led reform movement which viewed them as an important element of the national reform agenda. Indeed Khatami counts the establishment of the councils as one of his most important achievements. But as the fortunes of reform have waned and hopes have faded, people feel a general disappointment. As several people told me, what can we expect from an elected local councilor, when even the President of the country is stymied from pursuing his agenda?

REVOLUTIONARY REFORM:
THE CASE OF SOCIO-POLITICAL CHANGE UNDER MOHAMMAD MOSADDEQ

Mojtaba Mahdavi

Ph.D. Candidate, University of Western Ontario

Introduction

Iran's encounter with modernity and eagerness for democracy has produced "four waves of democratization" within a single country. There were two major revolutions: 1905 Constitutional Revolution and 1979 Islamic Revolution; and two reform movements: Mosaddeq's oil nationalization movement and the current democratic movement. Neither of the revolutions brought about democracy. To return to the original revolutionary goals therefore two reform movements took place.

In this paper, I will attempt to examine the nature and scope of socio-political change under Mosaddeq. Given the currency of reform/revolution dichotomy, I would argue neither revolution nor reform could possibly explain the spirit of that change and therefore I utilize a third conceptual category called 'revolutionary reform'. To clarify my theoretical framework, I apply Hanna Arendt's critic of revolutionary violence (Arendt 1976), Charles Tilly's distinction between revolutionary situations and revolutionary outcomes (Tilly 1993), and finally Timothy Garton Ash's conception of 'refolution' (Garton Ash 1990) to the specific case of Mosaddeq's structural reform. I would also briefly examine the significance of Mosaddeq's revolutionary reform and its relevance, lessons, and legacy for the current democratic reform in Iran.

Reform and revolution are two ways of social changes. They are not, however, two contradictory concepts essentially in collision. Their legitimacy is subject to a proper socio-historical context within which they are applied. More specifically, their relevance rests on two factors: one is societal conditions within which social change takes place and the other is the nature of political system. Hence, the nature of society and state are two decisive factors, which determine the context of reform or revolution. When revolutionary (either subjective or objective) conditions are absent, revolutionary outcomes may yield in the form of structural or qualitative reforms. In his analysis of social revolutions, Charles Tilly makes a clear distinction between revolutionary conditions and revolutionary results. Tilly suggests that it becomes possible to distinguish between more and less revolutionary situations and revolutionary outcomes (Tilly 1993). In other words, forms of social change may not necessarily correspond to the outcome of a revolutionary situation. Hence, quite contrary to what conventional arguments suggest there is not much difference between a genuine reform and a true revolution. A real difference, however, exists between a genuine and a pseudo reform. A pseudo reformer does not go beyond formalities and therefore maintains the status quo. Similarly, there is a distinction between a real revolutionary who realizes the limits of socio-political structures and a dogmatic revolutionary whose aim is to enforce his own deliberative will and to impose his radical, dogmatic project on the logic of reality. A legitimate

dichotomy therefore exists not between reform and revolution but between reformism and dogmatism. Reform and revolution are interrelated, complementary and reinforcing each other. For this reason a third conceptual frame is warranted. This concept may be called 'structural reform', 'revolutionary reform', or 'refoluion', a new phrase coined by Timothy Garton Ash, referring to the peaceful and non-violent revolutions in which the political change results from a set of actions that hold a combination of both revolutionary and reformation elements (Garton Ash, 1990).

In Hanna Arndt's view, "the word 'revolutionary' can be applied only to revolutions whose aim is freedom." Revolutions may be the condition of freedom but by no means lead automatically to it. Only "where the liberation from oppression aims at least at the constitution of freedom can we speak of revolution." Revolution, Arndt argues, "is considerably more than a mass hysteria", more than a successful insurrection and more than violence (Arendt, 1963). If Revolutions start violently storming Bastilles they may end up building new Bastilles. According to Charles Tilly, although some collective violence under the French Revolution and the Iranian regime of 1979 "consisted of revolutionary attacks on old authorities and struggle among revolutionary factions, the most intense domestic violence pitted revolutionaries and their military forces against reluctant citizens (Tilly, 2003).

Crucial, then, to any understanding of revolution or reform is the idea of freedom and a democratic approach to achieve it. We cannot separate ends from means. The methods we adopt determine the outcome we will achieve. We cannot lie our way through to the truth. Revolutionary reform clearly refuses revolutionary violence as it replaces one form of violence to another one. Theoretically speaking, therefore, the concept of revolutionary reform aims at qualitative changes in structures and quantitative changes in forms.

Empirically, as the case of a few Scandinavian countries indicates, this concept suggests that these countries experienced radical structural changes while their old forms and frameworks remained unchanged. The nature and scope of such structural changes forced old institutions such as monarchy and church to modify their functions; they indeed became dysfunctional. In the case of Iran under Mosaddeq, the institution of monarchy could have been dysfunctional and yet maintaining its legitimacy if the Shah had joined Mosaddeq in his two major revolutionary reforms, both in domestic and foreign policy.

Mohammad Mosaddeq's government came to power with two agenda in hand: first, to implement the oil nationalization law approved by the parliament and utilize all the respective incomes to improve living conditions of the people. Second, to amend the electoral laws applied in the parliament and the country's local councils. Mosaddeq's reform agenda was intentionally less-controversial in form but deeply revolutionary in character; it was a revolutionary reform: a 'refolution' both in domestic and foreign policy. In his own words, Mosaddeq makes this clear: "After fifty years of contemplation and experience, I have come to the conclusion that it is only the attainment of freedom

and full independence which will enable the Iranian nation to overcome numerous obstacles in the path of its prosperity and greatness.” (Buzurgmehr, 1985)

I have identified four elements in Mosaddeq’s domestic policy and another four elements in his foreign policy to apply the concept of revolutionary reform to the nature of socio-political change under his leadership.

Four features of revolutionary reform in Mosaddeq’s domestic policy

1) Nationalism for a parliamentary democracy: Mosaddeq’s nationalism was not used as instrument of oppression or communal prejudices at home in the name of achieving independence, nor an excuse to ignore the danger of domestic authoritarianism. In his view, dismantling authoritarianism did not simply require the termination of the British influence in Iran, but the establishment of a parliamentary democratic polity. Hence, “Mosaddeq’s nationalism embodied firm beliefs in both independence and democracy; it aimed not only at creating a genuinely Iranian state to rule the nation, but also an autonomous and credible democratic polity. It entailed a firm conviction that the Shah should, in the spirit of the Constitution, reign and not rule” (Azimi, 1988, 61). Mosaddeq made this quite clear: “in a constitutional country, in order to safeguard the crown from criticism, the King is not responsible. It is for this reason that I maintain the King must reign and not rule” (Diba, 1986, 171).

Mosaddeq never ceased to insist that the realization of freedom and independence required a government independence of the Court. In so doing, he attempted to clarify the ambiguities of the Constitution in regard to the nature of royal authority. He demanded that the Majles approve the report of an eight-man parliamentary committee set up to investigate the relations between the Shah and the prime minister, which emphasized the ceremonial nature of royal authority. “It had become customary for Cabinets to meet in the royal presence; Mosaddeq terminated this practice by holding Cabinet sessions in his own house,” carrying out his duties from his own home, “often lying on his metal bed, clad in his so-called ‘pyjamas’” (Azimi, 1988, 63).

Furthermore, the control of army was sought by the Shah, according to the tradition established by his father. Mosaddeq challenged this tradition adhering strictly to the implementation and intention of the Constitution. He claimed that the army was not the Shah’s personal militia, but the country’s shield; and, therefore, it should be administrated on behalf of the people. Mosaddeq’s strong response and reaction to the Shah’s resistance is clearly showed in his words:

“since from the experience of the past government, it has become evident that, for the work to progress, it is necessary for me to also assume the post of minister of war, and since the Shah does not agree to this point, therefore it is better that the next government be formed by someone who enjoys his full confidence, and carry out the Shah’s orders” (Diba, 1986, 153).

Indeed, “no politician in the constitutional era of Iranian history succeeded to such a degree in marginalizing the Shah and containing the Court” (Azimi, 1988, 61). He had realized that monarchy in its existing form could not be successfully reconciled with the working form of parliamentary government. He had come to the conclusion that the

situation has to change. His solution was a peaceful transition to a parliamentary democracy. His demand for plenary powers and parliamentary approval of the report of the eight-man committee make sense only within this context.

Democratic Constitutionalism was beyond Mosaddeq's political behavior, it was part of his personal character: this is why in the course of his trial he boldly asserted: "even if I am hanged I will not accept that in a constitutional country the king has the right to dismiss the prime minister" (Buzurgmer, 1985, 597).

2) Reviving the Spirit of Constitutionalism: Mosaddeq was in principle committed to "the fundamental democratic ideals and values which he believed enriched and sustained the spirit of constitutionalism." But in the prevailing critical situation, when the royal Court used the Majles to launch a legislative blockade, he could not respect all the existing constitutional rules, particularly those which were evidently manipulated to the clear loss of "the basic prerequisites of a democratic political arrangement" (Azimi, 1988, 59). He therefore appealed to the people. In his words: "Laws, parliaments and governments are made for the people, not the people for them. When the people do not want any of them, they may express their opinion about it. In democratic and constitutional countries, there is no law higher than the people's will." Similarly, resorting to a referendum, Mosaddeq announced that "in democratic countries no law is above the will of the people" (Diba, 1986, 174). In October 1951 Mosaddeq went to the Majles in order to address the question of the dismissal of British personnel from Abadan; opposing Mosaddeq's plan, a small group of deputies abstained from attendance. "Mosaddeq therefore proceeded to the front gates of the Majles and delivered his speech to the masses crowds gathered outside in the Baharestan square. His opening words went to the core of his political philosophy: 'Wherever the people are, the Majles is at the same place'" (Diba, 1986, 130).

Mosaddeq effectively used 'populism' in light of the people's freedom and the nation's independence; he never used his 'magic appeal' as an instrument of oppression against his personal opponents. "When he appealed to the people it was to inform them on issues and seek their informed judgment. He believed that the will of the people was a sufficient legitimization source for the change of laws which contravened his ideals or could easily be manipulated by his opponents. He believed in the intrinsic goodness of ordinary Iranians" (Azimi, 1989, 335).

3) Moral politics without being a moralizer: Mosaddeq's genuine attempt to combine political activity with consistent adherence to moral standards does distinguish him from many other statesmen of his kind. More important, what perhaps above all distinguishes Mosaddeq's politics of morality from a traditional version of moral politics was his desire to elevate adherence to ethical values and civic standards in the Iranian political culture without being a moralizer. "His main vision was to establish a polity which would be impervious to corruption and would, therefore, enhance the credibility of the government and ultimately give substance and meaning to citizenship and political participation" (Azimi, 1989, 334).

Mosaddeq boldly challenged the hegemonic patrimonial and clientalist culture in the Iranian polity. He showed no desire for self-sanctification; he banned the ceremonial titles, he made no use of office for personal ends, he refused to collect a salary, he personally met many expenses he incurred in an official capacity, and he carried out his duties from his own home. In 1951, he issued an order to the police, specifically allowing anything to be said or written about him 'without making difficulties for the people'. Similarly, he immediately issued an angry statement once he heard that a group of people had collected money for a statue of him to be placed in a public square; he accused them of idolatry. Mosaddeq put an end to a long-living tradition in Iran's formal political culture, i.e., the practice of sycophancy (Diba, 1986, 116).

Mosaddeq's main leadership strategy was to rely on unmediated and frank communication with the people. Fighting the elitist, aristocratic approach in politics, a democrat charismatic Mosaddeq appealed to the people whose will gives legitimacy to political power. "People," said Mosaddeq, "were perfectly capable of recognizing and, in congenial circumstances, rewarding their genuine servants" (Azimi, 1988, 63).

Mosaddeq "seldom inspired the people without himself being inspired by them" (Azimi, 1989, 335). He was not a demagogue. In the bloody fiasco known as Siyeh-e Tir (July 21) Mosaddeq's main principle and policy in inspiring the public and being inspired by them worked very well. In the same vein, people showed their confidence to Mosaddeq when he made a broadcast speech, asking them to buy the government bonds. They in response bought the total amount of one billion Rials offered within fifteen days (Diba, 1986, 139).

Mosaddeq's "assumption of power had proved to be incongruent with the tenets of clan politics, which during his term of office had been overshadowed by nationalism." Clientalism and patrimonialism were challenged "by Mosaddeq's own standing, by mobilized public opinion, the effective politicization of the urban population and the politics of the street" (Azimi, 1989, 335).

4) Gradual but structural reforms: The 'nine-point program' under Mosaddeq leadership was a comprehensive plan including the amendment of the electoral laws, legal system, press laws, land reform, employment law, tax policy; improvement of education, health and communication, and establishment of local government and village councils. Mosaddeq's Agrarian Reform was a method of lessening foreign dependence and resolving socio-economic problems. His land reform law provided for the country's more than 40,000 villages to the have partly-elected councils, an income, and their own bank account. He forced the Shah to return the Court lands to the state to be distributed to the peasants. As part of Educational Reform he made Tehran University financially independent. He sought free and compulsory education throughout the country. By giving independence to the Iranian Bar, Mosaddeq sought for an independent judicial system, which guarantees for the rights of defense. He renamed the Ministry of War the Ministry of National Defence, for the army was considered only a Defensive Force. Knowing that the Shah's real aim of controlling army was to consolidate his own power, he reduced the government spending on the army (Diba, 1986, 158-163). Mosaddeq was the first Iranian

prim minister to order that “the debates of the Majles be made public by way of broadcasting, years before many Western democracies did so” (Diba, 1986, 169). Moreover, “during 1953 a total of 273 publications were appearing in Iran, of which about 70 in Tehran alone were opposed to the government” (Diba, 1986, 168).

And finally, Mosaddeq’s ‘oil-less Economy’ itself was a structural reform with both economic and political effects. In his speech in the Majles in March 1953, Mosaddeq clearly argued the economy must be independent of oil, stressing that the oil revenues have to be utilized not in buying arms but in developing project. Economically, the ‘oil-less economy’ was to achieve a healthy state of self-sufficiency as a means of national sovereignty and therefore a plan for a fundamental change in Iran’s economic foundations.

Reorganizing the economy without oil revenues, Mosaddeq succeeded in increasing Iran’s export products of 13 percent whereas imports were reduced by 50 per cent for the same period. This combination was a good start to achieve the desired goal. Moreover, this meant that “Iran could be independent and stand on its own feet economically, without the oil revenues. This added to the national pride in exports, created an enviable balance of trade, never to be achieved again in the years after Mosaddeq” (Diba, 1986, 162).

Politically, Mosaddeq’s ‘oil-less economy’ significantly challenged the development of ‘rentier state’ as a major structural obstacle to Iran’s political development. Rentier state is an allocation state in which a substantial portion of state’s revenue is derived from the rents received from the outside world (Beblawi and Luciani, 1987). Rentier state’s dependence on a single commodity such as oil tends to become autonomous from society, unaccountable to its citizens, and therefore sustaining autocratic polity. “Rentier states are those countries that receive on a regular basis substantial amounts of external rents. External rents are in turn defined as rental paid by foreign individuals, concerns or governments to a given country ... The oil revenues received by the governments of the oil exporting countries have very little to do with the production processes of their economies. The inputs from the local economies – other than the raw materials – are insignificant (Hossein Mahdavy, 1970, 428-29).

“An important characteristic of a rentier state is its ability to reduce its dependence on internal sources of revenues and subsequently on internal social classes” (Sussan Siavoshi 1990, 11). The rentier state generates “the capacity to take initiatives and formulates policies that were not necessarily reflective of the aspiration and interests of any group within civil society” (Siavoshi, 1990, 11). The ‘oil-less economy’ was a significant step in challenging the politics of rentierism in Iran.

II. Four features of revolutionary reform in Mosaddeq’s foreign policy

1) Nationalism for national dignity and true independence: “Life is entirely worthless,” says Mosaddeq, “if not combined with liberty and independence. In achieving such noble aims, the history of great nations has witnessed struggles, endeavors, sacrifices and devotion” (Bakhtare Emrouz, 1953). He stressed that, “if we are to be deprived of freedom of action in our own home and to be subjugated by foreigners, death is preferable to such an existence” (Mozakerate Majlis, 1951). In Mosaddeq’s view,

therefore, the oil issue was a tangible instrument symbolizing a post-colonial nationalist movement. In the words of Hussein Fatemi, the architecture of the oil nationalization industry, the oil issue was “as significant for Iran as was independence for Indonesia, India, Syria, and Lebanon” (Bakhtare Emrouz, 1950).

“Mosaddeq and his colleagues were explicit that the most important reason for the oil nationalization was political rather than economic” (Katouzian, 1990, 137). Mosaddeq was “prepared to settle the Anglo-Iranian oil dispute at almost any economic price, but was equally determined not to grant another concession at any cost” (Katouzian, 1990, 138). For him any talk of democracy, freedom and the rule of law was no more than indulgence in romantic self-deception unless foreign concessionaires was removed at all economic costs. That is why the very principle of nationalization of oil industry was undebatable. In his words: “anyone who aims to disparage the holy struggle of our nation by assessing the achievements of the Iranian movement in economic terms and by comparing the independence of our country with a few million pounds, has no certainly perpetrated a blunder” (Mozakerate Majlis, 1952).

“Nationalism was the last thing Britain wanted to see emerging in the Middle East, and its perpetrators were to be suppressed.” Mosaddeq’s visit to Cairo was therefore a defeat for British’s Middle Eastern policy. On his return journey from New York to Tehran, Mosaddeq stopped over in Egypt and was received as a hero, as shown by photographs in the international press of the time. Naha Pasha welcomed him as ‘the guiding light of the Middle East’ (Diba, 1986, 135).

2) ‘Negative equilibrium’: a radical paradigm shift for Iranian foreign policy: In Mosaddeq’s view dismantling authoritarianism did not simply mean the termination of the British colonial influence in Iran but also meant the consolidation of a policy in which the great powers were equally deprived of unjustifiable influence over Iranian affairs. This belief constituted the essence of his advocacy of ‘negative equilibrium’ as the best paradigm for Iranian foreign policy (Azimi, 1988, 51).

Mosaddeq’s principle of ‘Negative Equilibrium’ eventually became an initial important step towards making a third block in the bipolar international politics during the cold war era. The ‘non-alignment movement’ and its active neutrality were very much influenced by Mosaddeq’s radical plan of Iran’s foreign policy paradigm. A significant case for Mosaddeq’s policy of ‘negative equilibrium’ towards non-western powers was that of the ‘caviar concession’ and the fishing rights in the Caspian Sea. This concession conceded by Reza Shah, expired in October 1927. Mosaddeq, however, refused to renew the concession, despite Russian efforts through their ambassador, Sadchikoff. Mosaddeq himself gives a telling story of this episode:

Sadchikoff, the Russian ambassador, came to my house on two occasions to discuss the Caspian fisheries, whose concession was ending in Bahman 1331. He requested that the fisheries be left in the hands of the Russians, as heretofore, until a new concession was drawn up. I said that a government which had nationalized the oil company before the end of concession and expelled the

British oil workers from Iran, how can it now leave an expired concession in the hands of the Russians? The Russian ambassador replied: you are correct, we should not have made such a demand of you. He apologized and left (Diba, 1986, 168).

3) Working within the International legal and political system: Mosaddeq masterfully defended the Iranian actions in the face of international legal concepts and treaties at The Hague and the United Nations. He was skeptical of British readiness to come to an agreement with him; he was, however, adherent to the rule of law, given his own legal background. Whilst Britain was practicing seizures, imposing financial blockades, and “flexing its muscles in a show of ‘strong-arm’ tactics, Mosaddeq’s Government was countering with the pen and written legal arguments” (Diba, 1986, 1231).

Mosaddeq was aware of the logic of Realpolitik. He welcomed American mediation efforts and was ready to accept a reasonable solution. In October-November 1951, for instance, he agreed on a solution provided by Gorge McGhee, the US Assistant Secretary of State; however, the plan was rejected by Anthony Eden, the British Foreign Secretary (McGhee, 1983).

The long history of interference finally led to the UN. Britain took its campaign to the UN Security Council. Mosaddeq made documentation of the direct interferences of the British consulates in Iranian domestic affairs into two portfolios and represented to the United Nations in New York and to the International Court at The Hague. To British surprise, Mosaddeq himself attended the United Nation session, arrived in New York on 15 October 1951. Accompanying by a delegation of oil exports, Mosaddeq masterfully defended the Iran’s rights to self determination and national resurgence. He put the Iran’s nationalization of oil industry in a wider context of the anti-colonial movement by referring to the legitimate act of the American people in the defense of their rights against British colonialism in the case of the 1773 Boston Tea Party. In the same vein, in June 1952, Mosaddeq went to The Hague and presented 181 documents against the British interference. In his powerful speech to the International Court, he stated:

There is no political or moral yardstick by which the Court can measure its judgment in the case of nationalization of the oil industry in Iran. In spite of my physical weakness, I have come to The Court in order to talk about these very same political and moral problems within the oil industry, and to point out that under no condition we will accept the jurisdictions of the Court on this subject. We cannot put ourselves in the dangerous situation that might arise out of the Court’s decision (Modafeate Mosaddeq, 1978).

4) Anti-imperialism but not inflaming anti-Western feeling: Mosaddeq did not “harbor instinctive anti-British sentiments.” He expressed admiration for the “British people and their democratic traditions.” He consistently maintained that Iran was neither in dispute with the British people nor even with the government but with the AIOC (Azimi, 1988, 56).

“For Mosaddeq colonialism – whether formal or informal – was not only an instrument of economic and political backwardness and dependence, but also brought spiritual and cultural decay.” Anti-imperialism, however, did not in his eyes mean rigid anti-westernism, impulsive xenophobia or a return to outdated ‘authentic’ local traditions. In his speech in the Majles on 20 June 1950 he admired western cultural values and showed how deeply he was sensitive to the charge of anti-westernism (Azimi, 1988, 60).

III. Lessons and Legacy for the current Reform Movement

Mosaddeq’s main aim was to “lay the foundations of a polity which was qualitatively different from and superior to what had existed before” (Azimi, 1988, 64). He left a very strong mark on the Iranian politics; contemporary Iran therefore still lives with his political legacy and his spiritual heritage. He provided indispensable guidelines by systematically restraining the authoritarian politics, by attempting to consolidate the powers of the elected democratic executive, by reforming the parliamentary electoral laws and procedures, by appealing to the public and encouraging their participation, by relying not on the word but the spirit of constitutionalism, by elevating moral politics without being a moralizer, by fighting patrimonial and corrupt clientelist culture, by showing that foreign powers could easily harm a society if its national polity is authoritarian, by being anti-imperialist without inflaming anti-westernism, by working within the world’s legal and political system without sacrificing national sovereignty and dignity, by attempting to implement gradual but fundamental social changes and in particular elaborating the notion of the ‘oil-less economy’: a notion that forcefully challenged the argument that Iran will not stand on its feet without its oil revenues; a notion, which also provided an alternative path to establish a polity without all ill-effects of rentier state or ‘petrolic despotism’, for it has been acknowledged as a negative character of modern state in Iran.

Nevertheless, it is also true that “he succeeded neither in creating his envisaged autonomous parliamentary democracy, nor in bringing about a true independence through a desirable and lasting settlement of the oil dispute” (Azimi, 1988, 64). Any explanation of his immediate political failure, however, should be attempted in part in terms of circumstances which were beyond his control and in part in terms of his personality and politics (Azimi, 1988, 64). He did little mental or practical preparation that is to say theoretical and organizational frameworks for the realization of an effective parliamentary system and a modern polity. Mosaddeq’s populism was an alternative to the absence of an effective party politics. Indeed, at one level he understood the usefulness of political parties but at a deeper level he did not fully appreciate the need for proper organization. Given the structural and cultural obstacles, Mosaddeq was deeply pessimistic about the possibility of having a successful party system. “This was one of the main unresolved contradictions of Mosaddeq’s political thinking and practice” (Azimi, 1989, 37).

It is now evidence that the easy-made 1953 coup was effective in part due to the “absence of an effective large-scale party organization behind Mosaddeq, and also his failure to appreciate the need for such an organization, which hampered the consolidation of public support for his government” (Azimi, 1988, 62). Despite his revolutionary attempts to go beyond the constitutional constraints, Mosaddeq’s “residue

of old-fashioned liberal beliefs” and partly a “legalistic frame of mind”, as Khalil Maleki truly observed, together with the “repeated failure of previous efforts to create parties in Iran”, all contributed to his failure to organize a party of his own (Azimi, 1988, 62). In September 1962, however, he himself made the following significant confession: “the backwardness of we Iranians is due to the absence of political and social organizations and it was because of this defeat that our beloved Iran lost its freedom and independence without anyone being able to make the slightest protest” (Mokatebate Mosaddeq, 1975).

The current democratic movement in Iran, the reformers in power and President Khatami himself, need to take this historical lesson and confession more seriously. In the absence of strong and organized democratic opposition, the reformers in power have better access to all resources in making strong, open and inclusive socio-political organizations. The fact, however, is they have not yet succeeded.

Mosaddeq owed his privileged position equally to his strong leadership of the movement and his successful grasp and articulation of its underlying objectives (Azimi, 1988, 54). The current reformers in power are clearly short of these privileges, suffering from Khatami’s weak leadership and his politics of oxymoron. A politics that is a marriage of opposite: a paradox of democracy under the velayat-e faqih; civil society coexisting with the totalitarian government; the rule of law under the absolute rule of the faqih; and constitutionalism while the valiy-e faqih is beyond the constitution. Mosaddeq’s constitutionalism was quite ‘revolutionary’, for it did not respect all the existing constitutional procedures once they went against minimal democratic arrangements. Khatami’s constitutional politics, in contrast, is clearly a conservative politics in challenging the statue quo.

Mosaddeq maintained that, with the hegemony of royal authoritarianism, not only would real political development cease but foreign domination would be facilitated because by dominating the despot, foreigners could subjugate the entire nation (Azimi, 1988, 61). Authoritarianism and imperialism are not polar opposites. They reinforce each other. Mosaddeq did not passively prefer royal authoritarianism once there was a real treat of imperialism. He boldly fought in two fronts. Similarly, in today’s Iranian politics, the reformers in power need to take the meaningful and practical steps against clerical authoritarianism otherwise not only would democracy cease but foreign domination would be facilitated. It is a false dichotomy to put clerical authoritarianism in contrast to new imperialism. The former is not better than the latter. In maintaining Iran’s national sovereignty and dignity the reformers in power should appeal not to the autocratic clerics but to the people. The lessons of Mosaddeq’s experience suggest that when the Man and the people came together neither a domestic despot nor foreign powers were able to harm the movement. When Mosaddeq, for whatever reasons, failed to appeal to the public the movement suffered. The reformers in power need to take this lesson more than any time in the Iranian history. Theoretically speaking, in politics of democratization both top-down and bottom-up approaches remain significant. The elite factional politics and social movements are equally effective in transition to democracy (John Markoff, 1996). In the weakness of socio-political democratic institutions in Iran, factional politics can play a significant part in crafting democracy.

Mosaddeq's emergence, as Fakhreddin Azimi properly put it, was largely a result of a complex set of "structural preconditions"; however, Mosaddeq for his part "entangled himself in a struggle which, in a world dominated by realpolitik was more likely to end in defeat than victory. Yet fear of defeat had not discouraged him from embarking on such a struggle. In the words of Fatemi, Mosaddeq was committed to combating 'spiritual defeatism'; he had stepped forward to assume office motivated primarily by hope and a sense of mission" (Azimi, 1989, 338). In today's Iran, the reformists in power must step forward and actively participate in transition to democracy. Complaining that they have faced one crisis every nine days that they were in office is a fact but never explain why they failed in handling these crises with anything bordering on competence; it does not tell us why they are forging shields instead of swords. Their resignation, therefore, neither is politically wise nor morally acceptable. Resignation of the elected segment of a semi-democratic government in favor of its non-elected segment will not craft democratization in Iran; it rather, will privilege clerical authoritarianism more than any thing else in the current political atmosphere. Like Mosaddeq, to paraphrase Gramsci, the reformers in power have to challenge the pessimism of the intellect in favor of the optimism of the will.

My final words are those of the French Ambassador in Tehran in describing Mosaddeq. He said: Mosaddeq was "a cross between Gandhi and Rousseau" (Azimi, 1989, 338): a man who was distinguished by commitment to non-violence and adherence to freedom and democracy; a man of revolutionary reform. A man for today's and tomorrow's Iran.

References

Arendt, Hanna. On Revolution (New York: Penguin Books, 1973)

Azimi, Fakhreddin. Iran: The Crisis of Democracy, 1941-1953 (London: I.B. Tauris & Co. Ltd., 1989)

Azimi, Fakhreddin, "The Reconciliation of Politics and Ethics, Nationalism and Democracy: an Overview of the Political Career of Dr. Muhammad Musaddiq," Musaddiq, Iranian Nationalism, and Oil, eds. James A. Bill and WM. Roger Louis (London: I.B. Tauris & Co Ltd., 1988)

Beblawi, Hazen and Giacomo Luciani. Eds. The Rentier State (London: Croom Helm, 1987)

Buzurgmehr, Jalil. Ed. Mosaddeq dar Mahkameye Nezami, Vol.1 &2 (Tehran: 1985).

Diba, Farhad. Mossadeqh: A Political Biography (London: Croom Helm, 1986)

Fatemi, Hossein. Makhtare Emrouz, December 13, 1950

Garton Ash, Timothy. The Magic Lantern: The Revolutions of 89' Witnessed in Warsaw, Budapest, Berlin, and Prague (New York: Random House, 1990)

Katouzian, Homa. Musaddiq and the Struggle for Power in Iran (New York: I.B. Tauris & Co Ltd., 1990)

Mahdavy, Hossein. "The Patterns and Problems of Economic Development in rentier States: The Case of Iran," Studies in the Economic History of the Middle East, M.A. Cook (London: Oxford University Press, 1970)

Markoff, John. Waves of Democracy: Social Movements and Political Change (California: Pine Forge Press, 1996)

McGhee, George. Envoy to the Middle World: Adventures in Diplomacy (New York: 1983)

Modafeate Mosaddeq va Rollin dar Divane Binolmelaliye Lahe (Tehran, 1357-1978)

Mokatebate Mosaddeq: Talash barae Tashkile Jebheye Melliye Sevom (n. p., 1975)

Mosaddeq's Message to the Nation, Bakhtare Emrouz, July 22, 1953

Mosaddeq's Speech in the Majlis, Mozakerate Majlis, July 12, 1951

Mosaddeq's Speech in the Majlis, Mozakerate Majlis, December 14, 1952

Siavoshi, Sussan. Liberal Nationalism in Iran: The Failure of a Movement (Boulder: Westview Press, 1990)

Tilly, Charles. European Revolutions, 1492-1992 (Oxford: Blackwell, 1993).

Tilly, Charles, The Politics of Collective Violence (Cambridge: Cambridge University Press, 2003)

The Impacts of U.S. Sanctions on the Iranian Civil Society: Consequences for Democratization

Ali Mostashari

Ph.D. Candidate, Massachusetts Institute of Technology

Economic Sanctions as a Tool of Political Pressure

One of the tools of exerting political pressure on other countries by powerful economies has been the use of sanctions. As defined by Jentleson, sanctions are ““the actual or threatened denial of economic relations by one or more states (sender(s)) intended to influence the behavior of another state (target) on non-economic issues or to limit its military capabilities””. There are however few practical objective criteria for measuring whether or not sanctions are effective, and there is great controversy on their efficacy (Jentleson 2000). It has been argued that that sanctions, if not designed carefully can lead to the solidification of power in the target country, impacting the population, while not achieving any change in behavior on behalf of the state (Drezner 1999). Many policy analysts have therefore argued for “smart” or targeted sanctioning (Rogers 1996, Cortright and Lopez 2002).

According to the Congressional Research Service, by the end of 1997 there were 191 different sanctions being imposed by the United States. A 1997 study by the Institute for International Economics found that since 1970, unilateral U.S. sanctions had achieved foreign policy goals only 13 percent of the time. The study also concluded that sanctions are costing the United States \$15 billion to \$19 billion annually in potential exports

Short History of U.S. Sanctions on Iran

The first U.S. sanctions against Iran were formalized in November of 1979, and during the hostage crisis, many sanctions were leveled against the Iranian government. By 1987 the import of Iranian goods into the United States had been banned. In 1995, President Clinton issued Executive Order 12957, banning U.S. investment in Iran's energy sector, followed a few weeks later by Executive Order 12959 of May 6, 2000, eliminating all trade and investment and virtually all interaction between the United States and Iran.

Effect of Sanctions

According to the Institute for International Economics (IIE) sanctions rarely work in the way they are intended. Many argue that sanctions, particularly unilateral sanctions such as those targeted at Iran, are less and less effective in a global economy, where governments have the opportunity to procure their strategic needs from other countries. Instead sanctions are likely to impose further hardship on the poor, while seldom adversely affecting the regime and government officials.

If the intent of the sanctions was to limit the Iranian government's military or nuclear procurements, or limit investments in oil and gas exploration, the sanctions have been a total failure. European companies have taken the lead in investing in Iranian oil and gas fields in the Persian Gulf. According to EU statistics, Iran exported 6.7 billion Euros in Oil and other goods to the EU, while importing 6.6 billion Euros worth of European goods. Iran's cooperation with Russia, Pakistan and other countries on procuring equipment for its nuclear power plants have also not been affected by the sanctions. In terms of military equipment, in a recent Security equipment exhibition in Tehran, US security products such as closed-circuit televisions produced by Pelco, face-recognition systems by Visionics, access control by Apollo Security, satellite pictures by Space Imaging, printers by Hewlett-Packard and communications equipment by Motorola were on display.

However, if the intent of the sanctions was to punish the Iranian population, sanctions can be deemed quite effective. Iranian state-owned airlines are flying dilapidated planes that put passengers at risk, and the consumers purchase U.S. products at double or triple their original price. Iranian students intending to study at U.S. academic institutions cannot take standardized tests such as TOEFL and GRE, and Iranian academics are barred from publishing papers in U.S. based scientific journals, since the U.S. Treasury considers editing an article a financial service. The sanctions have also strengthened the grip of economic Mafia close to conservative hardliners in Iran to control most of Iran's economy. With trade channels limited, only those with control over assets and networks can dominate economic activity. Iran's private sector has been hit the hardest, being at the mercy of semi-state owned foundations such as the Mostaz'afan Foundation and other units dominating the Iranian economy. Iranian government officials have also used sanctions extensively as an excuse for many domestic mismanagements and shifts the blame away from its source (Haass, 1999). In summary, it could be argued that the sanctions are undermining the growth of a civil society that could serve as a vehicle for democratization in the country.

Many proponents of U.S. sanctions against Iran have argued that sanctions can serve to increase dissatisfaction with the Iranian government and increase the likelihood of an internal regime change (Gordon, 2001). This apparently did not work in the case of Iraq, where far harsher, multilateral sanctions were in effect, and it is far less likely to happen in Iran. In fact, at any time the Iranian government has felt less isolated, it has been more responsive to the international community. The fact that European pressures on Iran are far more effective than pressures applied by the U.S. may be explained by the large investment of European firms in the Iranian oil and gas industries, as well as extensive trade. It has been argued that rather than instead of promoting democratization and moderation, sanctions may in fact play into the hands of hardliners who have used the potential of American aggression to justify repressive and isolationist policies (Iran Today, 2001).

Change on the Horizon?

The decision of the Bush administration to suspend the sanctions against Iran for 90 days, in light of the Bam earthquake, has signaled willingness from the U.S. government to consider easing pressure on the Iranian population. More than \$1.2 million have been raised in the first two weeks by Iranian-Americans and sent to earthquake victims, mostly through international organizations and Iranian non-governmental organizations (NGO). The activism of the NGOs in delivering timely aid to the disaster areas showed the importance of the Iranian civil society in organizing for change in the country. While the Bush administration has noted that the move was humanitarian in nature, and not a change in policies, it would be very much to the advantage of the Bush administration in the election year to win over the Iranian people, and the Iranian-American voters by focusing sanctions in a way that does not harm the Iranian population. A historic move towards opening up trade and strengthening the Iranian private sector and civil society could prove more fruitful than the isolationist policies of the past 25 years, which have not had any significant effect on social and political changes in Iran. Still, it is too soon to predict whether this administration will be the one breaking the impasse.

References

Drezner, D. 1999. *The Sanctions Paradox: Economic Statecraft and International Relations.* Cambridge: Cambridge University Press.

Gordon, B., “The Role and Influence of Interest Groups on US Sanctions Against Iran” in *The U.S. Congress and Iran: Twenty Years After the Revolution*, the Middle East Institute, 2001

Haass, R., Statement before the Subcommittee on Trade, Committee on Ways and Means, U.S. House of Representatives, May 27, 1999

Institute for International Economics, Case Studies in Sanctions and Terrorism Case 84-1 US v. Iran, 2001

Iran Today, “U.S. Sanctions against Iran: Time for Reassessment”, Opinion Editorial, January 2001

Jentleson, B. 2000. “Economic Sanctions and Post-Cold War Conflict.” in *International Conflict Resolution after the Cold War*, ed. Paul Stern and Daniel Druckman. Washington, DC: National Academy Press.

Pelletreau, R. H., “What Direction for U.S. Sanctions on Iran?”, *Gulfwire Perspectives*,

CONTRIBUTOR BIOGRAPHIES

Photo Not Available

Manual Berberian, (Ph.D., Cambridge University, UK) is a project manager with 22 years of academic/field experience in Geophysics, Seismology and Applied Geology, and 8 years of experience in Environmental Science and Engineering (site investigations & remediation at ISRA, RCRA, UST, CERCLA, or Brown Field sites involving solid waste, soil, & groundwater). He has been working with scientists from University of Cambridge (UK), University of Oxford (UK), Oregon State University (Corvallis, OR, USA), Jet Propulsion Laboratory of Caltech/NASA (CA, USA), and UNESCO/IDNDR (Paris, France) on different international research projects in geology and geophysics.



Kian Tajbakhsh, Ph.D. (Ph.D. 1993, Columbia University) is based in Tehran, Iran where he is a Research Fellow, Cultural Research Bureau. He teaches as a visiting Professor at the School of Social Sciences, Tehran University. He is a member of a network of researchers and practitioners on development for the Middle East Region based in Beirut, Lebanon. He is also Senior Research Fellow at the Milano Graduate School, New School University, New York City, where from 1994 until 2001, he was Assistant Professor of Urban Policy and Politics.



Mojtaba Mahdavi is currently a Ph.D. Candidate in Political Science at University of Western Ontario-Canada where he also teaches. His BA and MA are in political Science from Iran and India, respectively. He has also an MA in Political Science from University of Western Ontario. He has published on the nature and varieties of Islamic radicalism as well as on a critical examination of liberalism, liberal democracy and democratization in the context of the Muslim world. At present he is working on the problems and prospects of democratization in post-revolutionary Iran



Ali Mostashari is a Ph.D. Candidate in Engineering Systems/Technology Management and Policy at the Massachusetts Institute of Technology. He is currently the President of the Iranian Studies Group at MIT. He received his B.S. in Chemical Engineering from Sharif University of Technology, a M.S. in Chemical Engineering from the University of Nebraska, an M.S. in Engineering Systems/Technology and Policy from MIT and a M.S. in Civil and Environmental Engineering/Transportation from MIT. His main area of research interest is the sustainable technological development of developing countries.