

Elite Perceptions of Ethical Problems Facing the Western Oil Industry in Iran

Daniel Heradstveit

An analysis based on fieldwork in Teheran, spring 2000

Contents

Part One – Reform, Chaos or Religious Dictatorship?	5
1.1 Introduction	5
1.2 The Hijacking of the Revolution	5
1.3 The Succession	7
1.4 The Conservative Counter-offensive: Events of April 2000	8
1.5 The Conservative Counter-offensive: Mullahs on the March	10
1.5.1 The Council of Guardians’ attempt to overrule the elections	10
1.5.2 The courts and the Ministry of Justice	10
1.5.3 The assault on the free press	11
1.5.4 <i>Pasdaran, Bassij</i> and revolutionary justice	12
1.6 Conservative and Reformist Strategies	13
1.6.1 Legitimacy	13
1.6.2 Crisis-mongering and restraint	14
1.6.3 The uneasy diarchy	16
1.7 Civil Society	16
1.7.1 The demographic and educational explosions	16
1.7.2 The role of women	18
1.7.3 Freedom of speech	19
1.8 Khatami, the Iranian Gorbachev?	19
1.8.1 Khatami as the optimistic tinkerer	20
1.8.2 Losing control	21
1.8.3 Communism and islamism, similarities and differences	22
1.8.4 No secular state	24
Part Two – Reputation and Ethical Expectations of the Western Oil Industry	25
2.1 An Arbitrary Sample	25
2.2 Sampling of Perceptions not Facts	25
2.3 What do We mean by ‘the Opposition’?	26
2.4 Nation or ‘ <i>Umma</i> . The Respondents’ Own Identity	26
2.5 The Respondents on Forces for Change in Iran	27
2.6 Attribution of Causes of the Dictatorship	29
2.6.1 Cultural and structural arguments	29
2.6.2 The yoke of the Islamic Revolution	29
2.6.3 Meddling by the oil companies	29
2.7 Corruption and Oil in Iran	30
2.8 The Oil Companies, Democracy and Human Rights	31
2.9 Statoil’s Reputation in Iran	32
2.10 The Interviewees’ Prescriptive Analysis	33
2.10.1 Corruption	33
2.10.2 Democracy and human rights	34
Appendix 1 – List of Interviewees, Teheran	37
Appendix 2 – Interview Schedule for Field Research, Teheran	40
Appendix 3 – Bibliography	42

4 Daniel Heradstveit

Abstract 45
About the author 45

Part One – Reform, Chaos or Religious Dictatorship?

1.1 Introduction

The political struggle in Iran is not for and against the Islamic Revolution of 1979 *per se*, but over its future direction. A clerical faction led by the popularly elected President Seyyid Mohammed Khatami wishes to abandon Ruhollah Khomeini's theocracy and create a new synthesis of Islam and democracy, while the post-revolutionary generation wants jobs and greater freedom. Perhaps paradoxically, the last decades have seen an explosion in female education. At present these youngsters see Khatami's reformism as their best hope, but if frustrated – by the strength of both the ideologues and those with an economic stake in the dictatorship – may turn against him too. His rival, Ali Khamenei, Khomeini's successor as Supreme Leader, lacks both spiritual qualifications and revolutionary legitimacy. We will only discover how much actual control he has over the Army and the religious militias if and when the conflict becomes violent, which means that Khatami will have failed.

Iran is a large and complex country, and we are reluctantly obliged to indulge in simplifications such as 'the conservatives' versus the 'reformers', and 'the clergy' – even though many of the reformers are ayatollahs themselves. Even Khomeini was not quite as universally venerated as his adherents pretend. This article is based on fieldwork in Iran in April 2000, in which opposition politicians, presidential advisers and other intellectuals were interviewed, combined with newspapers and recent secondary material.

1.2 The Hijacking of the Revolution

The Iranian Constitution dates back to 1906, when imperial absolutism was ended and parliamentary government instituted by a combination of foreign pressure, domestic radicals and the mullahs. It is true that Parliament was rarely independent of the Shah, and that many of the modernising reforms were never completed, but the constitutional revolution nevertheless had a great intellectual and psychological effect; an urban elite was politically mobilised, national feeling flourished, new newspapers and parties appeared. However, rapid modernisation and secularisation were imposed from the top down, just as it had been in Turkey. Reza Shah Pahlavi (1925–41), an admirer of Atatürk, replaced kinship with citizenship and religion with nationalism. In 1924 there were 5,984 theology students, in 1940 only 784; but in 1925 there were 74,000 secular schools, in 1940 355,000. In the 1930s marriage was transferred to civil courts, the clergy lost control over religious foundations, religious celebrations were restricted and the veil was banned. His successor Muhammad Reza Shah (1941–79) introduced female suffrage.

The Iranian clergy were more powerful than the Turkish, but nevertheless stayed well out of politics. During the Mossadeq interlude of 1951, which represented a more radical phase of liberal nationalism, some middle-rank clerics supported him, while the leaders backed the Shah or remained neutral. It should be emphasised that while the rarified theological theory of the Shi'a recognises no secular authorities, the actual Iranian tradition was for an apolitical clergy. This did not begin to change until 1963, when a fraction of the clergy, led by Khomeini, reacted to a savage repression of a student revolt by going into opposition.

This development coincided with growing scepticism about enforced secularisation. 'Atheistic nationalism' began to lose ground, and was replaced by a debate about religious modernism. Islam began to mobilise the grass roots as the modern-state project never had. It is, of course, an oversimplification to regard the overthrow of the Shah as solely or even primarily a religious movement. Rather, the Shah succeeded in alienating a great number of different groupings simultaneously. Although revolutions often take off in directions not foreseen by those who hope and agitate for them, it was by no means obvious at the time, or a foregone conclusion, that the Iranian one would end up as a theocracy. That it did so may be ascribed as much to the political cunning of Ruhollah Khomeini as much as to any universal popular desire to be ruled by ayatollahs. Islam was useful as a weapon against the 'decadent West', but the negative consensus about getting rid of the Shah and his American puppet masters was not matched by a positive consensus about what should replace him. This provided an opportunity for a charismatic and uncompromising leader who knew exactly what he wanted and how to get it.

The subsequent dominance of Khomeini's theocracy makes it easy to forget that the first post-revolutionary government was secular. Prime Minister Bazargan, however, lost the struggle with Khomeini's Revolutionary Council, not least because a more or less spontaneous student occupation of the American Embassy in November 1979 was converted by Khomeini into a running sore of international politics lasting an astounding 444 days. The country's first president, Abolhassan Bani-Sadr, a moderate Islamist, was forced into exile in 1981, while his successor and many other leading politicians were murdered in the same year. Although Khomeini did not start the war with Iraq, he made it serve his purposes. Many of those who had helped overthrow the Shah, not only communists but also the clergy, felt that Khomeini had 'hijacked' their revolution.

In 1979 the secular Bazargan government proposed an amendment sharply restricting the (little practised) clause of the 1906 Constitution giving the clergy the right to vet legislation. Instead, a committee mostly composed of religious leaders turned it on its head and incorporated the principle of *velayat-e faqih*, 'the rule of the learned', or theocracy. This doctrine is based on a characteristic doctrine of Twelver Shi'i Islam, that the last Imam did not die but went into 'occultation'. Like the Messiah for a Jew, Christ for a Christian and the Mahdi for some Sunni Muslims, one day the Hidden Imam will return to inaugurate the perfect society. In the meantime, his throne must be kept warm by the 'doctors of the law'. Khomeini converted this essentially mystical doctrine into actual political authority, whereby the

legislative, executive and judicial powers were vested in the experts in *shari'a* – of whom he was naturally the foremost. This conversion is based on some fancy exegetical footwork and is regarded by many Muslim theologians of equal weight as rank heresy.

The pre-revolutionary constitutional framework was not abolished, but neutralised by a parallel religious system. Khomeini's power was supported by populist manipulation of the grass roots, and by some new institutions, for example the *Pasdaran* (the Revolutionary Guard) and the *Bassij* religious police. As the disintegration of the original revolutionary enthusiasm led to factionalism, the *Pasdaran* and *Bassij* were increasingly regulated and bureaucratized, naturally giving their personnel a stake in the system.

1.3 The Succession

The retirement of Khomeini in 1989 ended the revolution's 'charismatic' phase and allowed previously suppressed disagreements to emerge, as they always do. People begin to lose interest in the big words and the sweep of symbolism and ask how the metaphysical grandeur of the revolutionary vision relates to the price of fish. Under Ali Khamenei as Supreme Leader (1989–present) and Ali Akbar Hashemi Rafsanjani as President (1989–97), the revolution entered a more pragmatic era. Fears that Iran would break up proved unfounded, and from that point of view the Rafsanjani period was a success. However, Rafsanjani's economic policies, aimed at the fostering of a democratic middle class, were emasculated by the alliance of the clergy and the bazaaris. Among other things, Iranian theocracy has meant the control of large sectors of the economy by religious foundations.

As long as Khomeini was alive, there was no doubt who was the supreme political and religious leader, but his designation of Khamenei (President 1981–89) as his successor in the post of Supreme Leader ultimately damaged his own legacy. Khamenei did not meet the criteria for *velayat-e faqih*, he was not by any stretch of the imagination the most learned in Islamic law. Before his designation he did not even hold the title of ayatollah, but only *hojjateslam*, one grade lower; he was more of a politician than a scholar. Khomeini therefore decided that the theocratic principle would have to take a back seat to effective government based on the interests of the community. In 1989 a constitutional amendment retroactively justified the choice of successor by toning down the religious requirements for the Supreme Leader at the expense of his political qualifications.

This may have been a tactical mistake. However controversial Khomeini himself may have been, he legitimised his position primarily through his expertise in Islamic law, and his leading role in the Revolution. He left Khamenei, who was not even a proper ayatollah, as a supreme leader, with the last word in all disputed religious and political questions, demanding full obedience to theocratic laws but without sufficient religious authority to interpret them. This over-promotion of a mere *hojjateslam* sabotaged the legitimacy of the entire Revolution. Khamenei's theological inadequacy created potential for a split between the political and religious leaderships. Other senior clerics naturally enough felt that this was a misuse of religion for political ends, and feared that the end result would be an erosion of their

own prestige. The government would so to speak squander its religious capital, which could not so lightly be built up again. This growing scepticism of the theocracy among the real religious leaders means that defence of Khomeini's model is increasingly left to the opportunists who have used it to acquire power and economic privileges, or hope to do so.

The extent of Khamenei's failure to fill the Imam's shoes was seen clearly in the presidential election of 1997, when the people voted for Khatami and not for the candidate implicitly endorsed by the Supreme Leader. The same thing happened in the subsequent parliamentary elections of 2000. This expression of the popular will was more than a declaration of no confidence in Ali Khamenei as an individual, it was a direct challenge to the entire theocratic system.

1.4 The Conservative Counter-offensive: Events of April 2000

April 2000 turned out to be a particularly dramatic month, in which the conservative forces struck back in order to neutralise the overwhelming victory of the reformists in the parliamentary elections the previous February. In this attempt to redress the balance the conservatives made full use of all the levers of power available. A detailed review of these events will help to reveal the rules of the Iranian political game.

General, 1–30 April

The conservative Council of Guardians invalidates the first-round returns from 11 electoral districts, provoking riots in the cities of Khalkhal and Sarvestan. The Council of Guardians also challenges the election result in Teheran, where pro-Khatami candidates won 29 of 30 seats.

The sitting, conservative Majlis passes controversial laws to secure its own power and neutralise the new and reformist parliament. One bill tries to stop Parliament touching Khamenei-controlled organisations related to national security. (However, when opening the new parliament at the end of May, Khatami makes it clear that the directive will not be followed and that the Majlis can consider anything it wants.)

Blaming the free press for their defeat and citing a prohibition on criticising the Constitution, the conservatives enact a stricter media law, allowing for closure of newspapers and imprisonment of editors and journalists. It was practiced immediately.

Throughout the period Khatami tries to calm people down, particularly the students, the most likely to challenge the conservatives in the streets. The reformists think that provoking violence is the conservatives' strategy.

April also saw the trial for the attempted murder in March of Saeed Hajjarian, one of the leading lights of the reform newspaper *Sobh-e Emruz*.

13 April

The trial opens in Shiraz of 13 Jews accused of spying for Israel, widely interpreted as an attempt to destroy reform and block détente with the USA.

15 April

The German Greens hold a conference in Berlin, inviting both reformists and anti-revolutionaries from the Iranian diaspora without thinking about the invitees' backgrounds and personal security. It backfires, and is a gift to the conservatives, who broadcast edited versions. The footage of an Iranian woman dissident dancing is shown in *Muharram*, the period of mourning for the martyrdom of Hussein, and it was made to appear that the participants were supporting the *ancien régime*, Zionism and homosexuality. The Berlin conference poured fuel on the flames of paranoia about 'infiltration'.

16 April

Conservative factions within *Pasdarán* make sinister comments on the air, hinting at violence by the 'Hammer of the Revolution'.

18 April

The *Bassij* march in Teheran, chanting 'Death to mercenary writers'. This is aimed primarily at the journalist Ganji, who has long been investigating the murders of major reformists in 1999, including the veteran Daroush Foruhar and his wife.

20–23 April

Khamenei makes several frontal attacks on the free press, accusing it of undermining Islamic principles, creating social conflict and having the same agenda as 'the Great Satan'. He has never before spoken out so directly against the reformers. This strengthens the impression that the street demonstrations and violence of the *Bassij* are orchestrated from the top. There are rumours of a *coup d'état*, but the generals of *Pasdarán* publish an open letter repudiating the idea.

22 April

Pasdarán's accusations lead to the arrest of Ganji, who was also at the discredited Berlin conference. He is ill, and not expected to survive long imprisonment.

23 April

13 dailies and weeklies are shut down by court order, supported by Khamenei, and another six later, allegedly on the basis of conspiracy theories related to American infiltration, but in fact because they had contributed to the 'wrong' election result. All the important mouthpieces for Khatami and the reformers are now silenced. It is made clear that closed papers will no longer be permitted to re-open under new names, as before.

25 April

The Teheran authorities announce that publications that have continuously printed untruths prejudicial to 'the religious principles of the Islamic revolution' will be stopped. The allegations of foreign conspiracy and infiltration are repeated. The liberal-minded Ministry of Culture is accused of responsibility for the 'crisis'.

1.5 The Conservative Counter-offensive: Mullahs on the March

The conservatives are using all the instruments of power available to them. We shall look at some of these:

1.5.1 The Council of Guardians' attempt to overrule the elections

The Council of Guardians supervises elections and vets candidates, rejecting those whose attitudes to Islam make them 'unsuitable'. (However, Ayatollah Hossein Ali Montazeri, one of the architects of the Constitution, claims that this second function was unintended and that exclusion of candidates on ideological grounds threatens the legitimacy of the Islamic Republic.) The hardliners within the Council of Guardians wished to cancel the second round of elections altogether and prevent the new reformist parliament from meeting. Such a course would have completely derailed Khatami's cautious democratisation, polarised the country and led to even more violence. Khamenei, however, who possesses much greater realism, intervened and insisted that the rules be followed.

Former President Rafsanjani also played an interesting role, in coalition with the Council of Guardians and the Expediency Council (which can arbitrate between the Majlis and the Guardians); he attempted to profile himself as a bridge-builder and guarantor of stability, but in the light of the revelations in the free press about his role in the murder of leading reformers in 1998, the progressives remained unimpressed. Of the 30 seats in Teheran, 29 went to reformers, and Rafsanjani squeaked through in last place. Funnily enough, after the Guardians' 'recount', he was now further up on the list, and one of the liberals was rejected. Students and others mobilised so effectively against Rafsanjani that he was obliged to announce the resignation of his seat. Such a crushing humiliation illustrates the strength of Iran's civil society. However, he remained chairman of the Expediency Council, which he then managed to split by attempting to use it to reduce the powers of Parliament. Meanwhile, insight into his techniques of self-enrichment has discredited him completely. He is no longer the moderate pragmatist whom the people hoped would modernise society, liberalise the economy, ease up on public morality and improve relations with the West.

1.5.2 The courts

An Islamic state is one where legislation is based on *shari'a*, the Muslim religious law. If Allah is the supreme lawgiver, then clearly there must be conformity between His Revelation and the laws of human society. Like rabbinical and Christian canon law, *shari'a* was created by a long process of expert exegesis of Scripture; in the same way, it is not a neatly organised code but a mass of contradictory material that requires great expertise to disentangle. However, most Muslim countries also had and have a secular public law (*kanon*) as well, confining *shari'a* to religious and family issues. The Constitution of 1979 did not empower the Majlis to make laws by itself, for the Council of Guardians must scrutinise them for conformity with Islam. Moreover, the separation of the roles of investigator, prosecutor and judge that is a part of the rule of law as we understand it, has been abolished; an Islamic system, it is said, requires only one omniscient man of God.

If the ordinary courts and judges are bad enough, the jungle of special courts (the clerical courts, the military courts and the Islamic revolutionary courts) are worse. The revolutionary courts deal with all matters of national security, drugs, smuggling and subversion, which include not only working for a Pahlavi restoration but also ‘hindering the struggle of the Iranian people’; their regard for due process leaves much to be desired. Khamenei calls their activities ‘legal violence’, but outside observers would call them a violation of human rights.

The courts have become conservative bastions over which not even Khamenei, who controls their appointment, sometimes has much influence. While some judges are the obedient servants of the Supreme Leader, others are riding their own political hobby-horses. Attempts are being made to apply a single regulatory system, without much success. The courts are opposed to all reformist demands: liberalisation of the educational system, greater artistic and cultural freedom, the attempt to overcome international enmities and the hope of emerging from the self-imposed isolation that was one of the Revolution’s trademarks.

In April, the courts were so useful to the conservatives that we can speak of a jurisprudential *coup d’état*. No other source of support for the conservatives is so reliable; even *Pasdaran* played a moderating role, the generals opposing military intervention. For example, when the 13 Jews of Shiraz accused of espionage appeared in court, they had already been 14 months in prison, and as in other dictatorships, were shown ‘confessing’ on TV. This essentially political case served as a barometer of the power struggle between the reformists and the conservatives, and was staged as a spoiling operation for the thaw Khatami wants in relations with the USA and the West.

The attempted murder in March of presidential adviser Saeed Hajjarian was seen as a harbinger of things to come. Reformists regarded Hajjarian – who survived but was crippled – as a martyr, and Khatami not only condemned the crime but ordered a full investigation. However, the reformists regarded the trial of the gunman in April as a piece of theatre staged by the right-wing ‘political mafia’, with a mere ‘fall guy’ in the dock; the principals were, of course, in the *Pasdaran* and the security services, operating with Khamenei’s blessing. On the other hand, the fact that this crime and the murders of reformists in 1999 were investigated and brought to trial at all is encouraging.

1.5.3 The assault on the free press

The hardest blow struck by the conservatives against the reformers has been the attack on freedom of speech. Attracting larger readerships with their reports of violence and corruption, the newspapers were undermining the clergy’s political monopoly. As well as promoting critical debate, the press acted as a substitute for the political organisation that Khatami lacked. Without thinking of the effect on the country’s international reputation, the conservatives let their fury rain down on the heads of the liberal press, which was accused of offending religious feelings, promoting social unrest, showing little or no respect for revolutionary principles, rumour-mongering, encouraging the young to immorality, being in collusion with the decadent West and thus representing a threat to everything the Revolution stands for

and has achieved. Press questioning of *velayat-e faqih* was especially provocative, for if this doctrine falls, it can take other Islamic principles with it. Khatami is blamed for being a passive spectator of all this irreligious backsliding. Above all, however, the aggressiveness was due to the conservatives' feeling of humiliation in the elections.

Khamenei's militant speech of 20 April in which he accused the free press of being lackeys of the imperialists (US, UK and Israel) was taken as a shot from a starting pistol for a coordinated offensive. Two days later Khamenei spoke at Teheran University, naming certain papers as a threat to national security and thus preparing the psychological ground for closures and arrests. Next day 12 major newspapers and journals were closed, another two on 27 April, and arrests were made. The outgoing Majlis contributed by transferring responsibility for the press from one of the most liberal institutions – the Ministry of Culture and Islamic Guidance – to the police, the security services and the judiciary. The Minister of Culture, Atatollah Mohajerani, railed against this new press law as unconstitutional, but conceded that a law passed by Parliament and approved by the Guardians had to be respected. This was a typical reformist reaction. Khatami kept a low profile, confining himself to appeals for calm. Time has shown this to be a sound strategy, as the reformers cannot compete with the conservatives in the arena of violence, since the latter control the judiciary, the police and the security forces. The hope is that Khatami can get the new Majlis to repeal the reactionary press law.

1.5.4 *Pasdaran*, *Bassij* and revolutionary justice

In the attempt to stop the reformists, the conservative forces have not refrained from political murder. In 1998 there was a series of murders of reformers, which have subsequently been traced to the security services, and in March 2000 an attempt was made to assassinate presidential adviser Hajjarian. When the *Bassij* marched in Teheran, they turned their ire against Ganji, who had done more than anyone to track down the killers. Such mob rule has been actively encouraged by Khamenei, who is empowered to call out both *Pasdaran* and *Bassij*. He endeavours to keep their revolutionary zeal glowing, and tries to profile himself as the guarantor of the Revolution they serve. His TV channels are always showing his picture next to that of Khomeini, and he does his best to monopolise the religious festivals. For example, April 2000 cannot be fully understood except in the context of *Muharram*, the month of mourning over the martyrdom of Hussein, the son of 'Ali and grandson of the Prophet, at the battle of Kerbala.

Many would claim that democratisation cannot succeed unless these institutions are dissolved. *Pasdaran* was created by Khomeini as a counterweight to the Army, which he did not trust. Although it is structured as a military organisation and fought in the war against Iraq, its primary task – as its English name, Revolutionary Guard, suggests – is in domestic politics. It is recruited from religiously motivated soldiers who are then given further indoctrination, and used to terrorise the population with political murders. The *Bassij*, or religious police, are a subsidiary, and were particularly active in the April crisis.

However, while not being averse to beating up students in the street, the generals of *Pasdaran* have said that they would not be a party to the overthrow of the President, and Khamenei also said clearly that he opposed military interference in politics. The key to this apparent contradiction is the fear that the regular Army might mount a coup, which Khamenei would not be able to control. After all, one of the original missions of *Pasdaran* was to prevent such a coup. In this way the two armies have neutralised one another. It is also interesting to note that Khatami got votes, not only from the Army but even from *Pasdaran*; the conservatives are unable to rely whole-heartedly even on their own Revolutionary Guard.

1.6 Conservative and Reformist Strategies

1.6.1 Legitimacy

In the period before Khatami was elected president in 1997, the reformists were not taken seriously. The elections showed everybody that something very serious was afoot; Khatami received support from various quarters; the media, the universities, and not least women and the younger generation. The April counter-offensive, with the extreme use of the levers of power by the conservatives, points to sudden blind panic. However, the hysteria and violence of the conservative reaction did not have much effect on the second round of voting for the Majlis. The closure of newspapers, punishment of leading reformists and imprisonment and murder of demonstrating students turned out to be extremely counter-productive.

On the other hand, Iran is not Algeria. Not only is there no strategy of unlimited repression and violence from above, but there is no strategy of unlimited insurrection from below (insofar as we can talk about ‘below’ when the leader is the President). Both sides are exhibiting great restraint. We shall now look at the strange diarchy of the two leaders, Sayyed Mohammed Khatami and Ali Khamenei, their options and their choices.

Ruhollah Khomeini legitimised his political absolutism through his supreme religious position as the spiritual leader of Iranian Shi’i Muslims. He held the rare title *ayatollah al-uzma*, or Grand Ayatollah; this is not granted by any official body, but is generated by learning, personal charisma and popular admiration. (No one in Iran held this title after him.) Later he was hailed as Imam, with echoes of the Hidden Imam of Twelver mysticism. Khamenei, however, had not even ‘made ayatollah’ at the time of his appointment, he is no great theologian, enjoys no widespread support and has no personal charisma. He has attempted to compensate for his lack of religious scholarship and experience and thus his complete disqualification for being the spiritual leader of the Shi’a (*marja-e taqlid*) by demanding an absolute obedience to the laws and rules promulgated by his dictatorship. The original concept of the *velayat-e faqih* was that responsibility for day-to-day politics was to be vested in the President and the Majlis, while the Supreme Leader should exercise final supervision that nothing was done in contravention of Islam. Partly for this reason, Khomeini did not condescend to notice details. The infrequency of his pronouncements made them all the more respected as divinely inspired. In contrast, it is the general perception

that Khamenei is not only unqualified, but also lacks vision and meddles far too much with the details of policy. It is a widespread perception that his regime lacks the religious authority to interpret the shari'a and thereby apply it to practical politics. Partly for this reason, many of the clergy have become quite disillusioned with their political role, and would prefer to retreat to the traditional Shi'i passivity.

Khatami, on the other hand, has his legitimacy outside the theocracy altogether, namely by popular election. By emphasising the role of the democratically elected Presidency and the Majlis at the expense of the Supreme Leader, Khatami is creating a legitimising process new to Iran. The Shah, of course, was a dictator and the son of a coup-maker, while popular sovereignty had no place in the original revolutionary ideas – or rather (since the revolution was made by both Islamists and leftists) the revolutionary ideas that got the upper hand. The will of God cannot be subject to a head-count, but can only be discerned by the wisdom of the most learned of the clerics. If the doctrine of *velayat-e faqih* was controversial in 1979 it is even more so now. Most of Iranian society now agree that their government should derive its legitimacy not from Islam alone, but also from the confidence of the people as manifested in democratic elections. (Many Sunni Muslims would say that this is good Islamic doctrine, however little it is actually practiced by Sunni governments.) This consensus may be seen from the result of the 1997 election, because Khatami was running against the candidate explicitly backed by Khamenei, who is supposed to have the job of knowing the will of God. This was a massive vote of no confidence not only in Khamenei as an individual but in the cornerstone of Khomeini's whole revolutionary theory.

Popular sovereignty expressed through free elections is all the more important to the reformers because they do not have much else. Although the head of state and supposedly the head of the executive branch, Khatami does not have control of the religious-governmental institutions created in the wake of the Revolution. Moreover, popular legitimacy can be evanescent. Up to now Khatami has surfed the waves of political emotion and excitement. But he lacks not only control of the instruments of coercion but anything resembling a grass-roots organisation. Political parties in the Western sense are not allowed in theocracies. His most important support was the liberal press, but April showed its vulnerability, when the outgoing parliament passed a regressive press law and cracked down on dissident newspapers, editors and journalists.

1.6.2 Crisis-mongering and restraint

It should not be thought that Khamenei is waging all-out war on Khatami. On the contrary, his role is far more complex than that. On the one hand, he has been whipping up the conservative forces against the press and the students, defending the *Bassij*, *Pasdaran* and the role of the clergy. His state-controlled television dwells lovingly on street demonstrations with blood-thirsty calls for revolutionary justice. On the other hand, he has been opposing attempts to subvert the Constitution and make it even more undemocratic than it already is. For example, in April he opposed the proposal of Rafsanjani's Expediency Council to restrict the power of the Majlis and

forbid it to interfere with the institutions answering to the Supreme Leader. Similarly, he put the brakes on the Council of Guardians when it tried to annul the results of the election wholesale. Its first endeavours in this direction had led to rioting in a couple of provincial cities, and when it looked as if it would annul the results in Teheran itself, Khamenei intervened, limiting its interference to some minor adjustments here and there. If Khatami's best supporters had all been disqualified, and the president perhaps forced to resign, the country might have exploded in violence. Khamenei even went so far as to make declarations in support of democratic principles, press freedom and the rule of law.

The hard-liners have therefore every reason to be disappointed with Khamenei. An uncharitable interpretation is that he is running with the hares and hunting with the hounds; a more sympathetic view might be that he is trying to restrain the most hawkish of the theocrats. He cannot do this unless he tells them some of what they want to hear, and allows them to do some of the things they want to. His speech of 20 April was rhetorically extreme, but extreme rhetoric is nothing new in Iran, and it should be remembered that the nation has some very real wounds that it blames on the United States, as for instance the Shah's repression and the appalling casualties of the First Gulf War. Inflammatory rhetoric is one thing, but Khamenei has been trying to keep the actual violence within limits: we have seen no tanks on the streets, for example. In April there was real fear of a military coup, but the conservatives contented themselves with their 'jurisprudential' coup of newspaper closures and show trials. Khamenei is surely aware that repression on the Algerian scale would also have consequences on the Algerian scale. This is, of course, a very dangerous game, of which he can lose control at any moment.

For his part, Khatami is also painfully aware of the likely consequences of crisis-maximising. Chaos and violence would serve not his interests, but those of the hard-liners, and probably lead to the abolition of Iranian democracy, such as it is. He therefore confines himself to appeals for calm, patience and dialogue. Not even when the April crisis was at its hottest, for example, did he engage in polemics with his tormentor Khamenei. He possessed few levers of power to neutralise the conservative counter-offensive, and probably thought it best to wait until the new parliament convened. Watching the one liberal paper after the other be shut down must have been very hard for him, but if he was to stay within the Constitution there was little he could do; the closures were lawful, thanks to the Parthian shot of the outgoing Majlis. Time will tell whether the new deputies will help him redress the balance. Even though most of the new ones are reformists, he cannot take them for granted. His restrained line may well have lost him the support of the more hot-headed democrats, but he may be beating Khamenei at his own game, that of posing as the conciliator and holder of the balance between conservatives and liberals.

We might say that both sides are following a minimalist strategy. The conservatives are pulling their punches, in the last analysis they allowed Khatami to be president and most of his supporters to take their seats in the Majlis. This can only serve to strengthen democratic institutions. Khatami, by refraining from starting an outright insurrection, has succeeded in

creating an alternative centre of power. Although Khamenei is still Supreme Leader, he will have to put up with playing second violin. The Iranian Islamic Republic has thus become a peculiar hybrid of parliamentary democracy and theocratic dictatorship. Neither side has yet won, but neither side has yet lost either. However, Khatami is personally short of time: not only is he up for re-election in June 2001, but he suffers from heart trouble.

1.6.3 The uneasy diarchy

Other states have functioned as diarchies, with two rulers that have to work together or see total paralysis: Sparta had its two kings, and the Romans their two consuls. France has its 'cohabiting' president and prime minister. The same thing has come to pass in Iran. We do not know whether Khatami and Khamenei have some sort of 'hot line', but it is clear that the situation compels them to observe some sort of ground rules in order to prevent violence and civil war. Neither has anything to gain by allowing an escalation of the conflict that could destroy either or both of them, and each needs the other to restrain his hotheads. Khatami keeps his impatient students on a leash, and Khamenei squashes the most outrageously undemocratic initiatives from the Council of Guardians and Rafsanjani. While the new Majlis is more progressive than the old one, it is equally possible that we may see a centrist dominance that prevents either side from triumphing; 173 deputies form a blocking minority.

1.7 Civil Society

Although the Iranian Islamic Republic has many features of a dictatorship and a tyranny, the fact that its Supreme Leader could be publicly defeated and humiliated shows that the country nevertheless does possess a civil society and a strong democratic awareness. Iran's current Constitution contains both secular-democratic and theocratic elements. Khomeini was not a conventional totalitarian, in that at one and the same time he emphasised democratic elections and forbade political parties, proclaimed the controlling power of the *faqih*, himself, over all legislation but encouraged everyone to take part in social and political activities. The fact that the Revolution did not actually abolish democratic institutions, but rather erected new, religious ones next to them, is of great value in the present process of transformation. For these democratic institutions can be gradually given a new content, while the religious ones are gradually emptied of content, but allowed to continue with a symbolic function, in other words, the mirror image of the Revolution's own method. Such a 'dissolving view' serves to soften the polarisation of the struggle for power.

We will now discuss three structural factors that have been largely responsible for the development of civil society.

1.7.1 The demographic and educational explosions

The factor that more than any other guarantees that Iranian reformism will continue is demography. During the First Gulf War, Khomeini made it official policy to give all possible encouragement to parents to produce new children for the holy war against Iraq. These are now growing up, and will

be setting the agenda in a country in which the majority of the population is under 25. This kind of demographic bulge has produced revolutions and violence in other countries, not least in Algeria. However, there is evidence that the present generation of Iranian students possesses a degree of political self-discipline. While not all of them liked Khatami's gentle and conciliatory response to the conservative counter-offensive, it was clear that the students as a body were determined not to repeat the tactical mistake of 1998, when they took to the streets and thus got blamed for disorder. If the conservatives have a monopoly of violence, that means a monopoly of the moral odium too. On the other hand, the young have great expectations, and an acute need for an improved economy that can provide them with work.

A surplus of youngsters is always a force for change, but is not a sufficient condition for the development of civil society. Of greater relevance is the explosion in education under the Republic. The educational explosion in Iran means that the ideology on which the revolution was based, is doomed. Education cannot but cause people to ask questions about the top-down hierarchy of the *velayat-e faqih*. The more education a person has, the less inclined he is to let others do the reading and interpreting of the sacred texts on his behalf. The extension of the clerical monopoly of scriptural exegesis and religious law to political power becomes a greater and greater archaism. The Iranian middle class has been the standard-bearer of liberal and democratic ideas for many generations, back to Mossadeq and the Constitution of 1906; the tremendous increase in the educational establishment has served to make this enlightened middle class very much larger.

It is a paradox that the policy of popular mobilisation for the Revolution has backfired. The masses were mobilised, all right, but not necessarily for the purposes of the clergy. When you mobilise people, as Khomeini did, to both education and public participation, you cannot predict what that education will teach them or what they will wish to do in the public space once they have mastered it. He thus unleashed forces which his less cunning and charismatic successor has little chance of controlling.

The slogans of 1979, such as 'the Islamic system', 'the Islamic economy', 'Islamic banking' and so forth, sounded very exciting at the time, but a university-educated population facing unemployment is hard to convince for long that the solution to the problems of the modern economy is to be found in the Qur'an. This applies not only to the academics but also to the bazaaris – the older generation helped to make the Revolution, but their children are more likely to reject protectionism and see their future prosperity in a liberalised and globalised economy.

Both the failure of the Revolution to deliver living standards and the higher educational level have rendered more and more people unable to believe in the revolutionary nostrums – whether they did at the time, or were not even born then. In conversation, the leading reformer Sourush told us that the doctrine of *velayat-e faqih* is not openly challenged, because it is too dangerous to do so; but that does not mean anyone takes it seriously. It is a shibboleth, everyone must pay lip service to it but almost no one believes in it any longer.

1.7.2 The role of women

Concepts of the Islamic family are based on patterns of clan society, in which the family has many fundamental functions. Social morality is a reflection of family morality, and for this reason the role of women is highly politicised. The Muslim woman bears a heavy responsibility for marking a distance from Western culture, in which the family has well-nigh collapsed, and in which moral decay is attributed to women's liberation.

Although the female role is primarily related to the home, in most Muslim countries women have not been excluded from the workplace altogether. The flashpoints tend to be her subordination to the man (that is, a woman cannot have a job that involves giving men orders), the dress code and workplace relations between the sexes in general. More and more women have been taking higher education, so much so that a majority of Iranian university students are now female. A natural concomitant of this has been greater female involvement in business and politics. It may seem a paradox that it has been under the Islamic Republic that Iranian women have emerged in the greatest numbers from their traditional roles of wife, mother and grandmother. But Islamism is not the same thing as traditional Muslim society, and has legitimised female participation in public life; revolutionary Islamic mobilisation means that also women can and should join organisations, hold meetings and publish articles. It was, after all, the Prophet who called for everyone to take an active part in society. In this way the Islamists have moved faster than some Muslim secularists.

This development has had major political consequences. Women are no longer passive accessories, they are not subject to male authority in the same way; for instance, men can no longer tell their wives how to vote and the right of the husband to take family decisions alone is under attack.

Another paradox is that the *hijab*, 'Islamic dress' (of which the chador is the best-known variant), standing for modesty and control, has made it easier for women to move in the public space. In the Revolution, for example, women who were by no means Islamists wore the chador to stop the Shah's secret police from identifying them. By appeasing male anxieties with the chador, women can present female participation as less threatening. Another aspect of this issue is foreign policy and the escape from Iran's self-imposed isolation. There is a heated debate as to whether it is right to compel visiting foreigners to wear the chador too: one side thinks it is strangling the tourist trade, the other that conceding this point would lead to the unravelling of Muslim morality. Khomeini had a holistic view of his religion, that is, all elements were equally important, and legislated the chador as compulsory as soon as he came to power. Khatami, on the other hand, thinks some things are more important than others. He is prepared to interpret the Qur'an in the light of social developments, and can conceive of an Islam without veiling of women.

Moreover, the fact that the chador and other forms of veiling of women is controversial – both in Iran and in other countries, such as Turkey and France (the schoolgirls' headscarf issue) – has helped to put the identity of the Muslim woman on the map. Many modern Iranian women see benefits to the chador, but they wish to decide for themselves whether to wear it, and not be harassed by self-important religious police in the street. This is symp-

tomatic of the shift from the collective morality of the Revolution to the individual morality of the secular society. Paradoxically, therefore, the chador, which enabled women to sally out and occupy the public space, may end up abolishing itself.

1.7.3 Freedom of speech

The question of freedom of speech has always been controversial in Islam. The *'umma*, the community of believers, has a collective responsibility to ensure that the will of God is not opposed. Infidel or disrespectful speech about Islam, the Prophet, and the Qur'an is not tolerated.

In principle the Constitution of 1979 guaranteed the freedom of the press, with the exception of material prejudicial to religion and public morals. During the 'freedom spring', there were as many as 260 newspapers, both government-controlled and not. However, Khomeini soon did the same to the freedom of the press as the Pahlavi monarchs had. His government made it clear that no debate would be permitted on the form, content and legitimacy of the Republic. The number of papers was drastically reduced, to only 66 'legal' organs in 1982. Now, however, there are around 1,300 publications of various kinds. The Islamic Republic's News Agency is also a mouthpiece of reform. Moreover, this supposedly oppressed society is making some of the world's best films.

When Khatami was forced out as Minister of Culture in 1992, it was, *inter alia*, because he had protested against the restriction of press freedom, which he considered un-Islamic. Since his election to the presidency five years later, public debate has blossomed. Our impression is that the political and ideological debate is livelier than in Western countries, and that it is not limited to the urban elites but involves the masses too. In his term of office Khatami has succeeded in creating an alternative political discourse, a critical internal debate about the relationship of Islam to democracy. The whole liberal press is regarded by the conservatives as Khatami's long arm. They see a symbiosis; the liberal papers he supports helped bring him to power. The Supreme Leader also controls the radio and TV and uses them to transmit the dogmatic and absolutist thinking of the theocracy, in competition with the democracy and pluralism of the News Agency and the broadsheets.

On the one hand, what the reformers call a 'new interpretation' can be justified on the basis of the Revolution's idea that a country's ideology should be discussed and reinterpreted in the light of changed political conditions. On the other hand, this idea has been restricted by the concept of disrespect to Islam, and by the clergy's vested interest in secrecy. For example, the Council of Guardians, six of whose members are elected by the Majlis but the other six appointed by the Supreme Leader, always attempts to stay out of the limelight and control from the shadows. Freedom of speech is also a threat to those who have abused their position for personal enrichment, such as Rafsanjani, and to all unaccountable privilege in general.

1.8 Khatami, the Iranian Gorbachev?

The fact that President Khatami is part of the system and aims to retain what he considers its essence, while introducing new methods and new policies,

has caused a good deal of journalistic ink to be split on comparisons with Mikhail Gorbachev. Three more or less explicit ideas lurk in this parallel: first, that Khatami is trying to patch a sinking ship; second, that he may be rapidly overtaken and sidelined by more radical reformers, one of whom is the corresponding Iranian Boris Yeltsin, ready for his moment of destiny on top of a tank; and, third, that Islamism is like Communism, doomed to be swept away entirely.

1.8.1 Khatami as the optimistic tinkerer

The two most important facts about Gorbachev were that, one, he was a civilised man who had a genuine horror of state violence and repression, but, two, he never had the slightest idea what a market economy actually was or much desire to find out. *Perestroika* essentially meant tinkering with the system, weeding out some abuses here and fine-tuning some bureaucracies there. He believed to the end that a freer and more open political system could co-exist with collective property and the planned economy, and that he himself could manage the transition. Events appeared to prove him wrong. The system of which he was a part rotted away underneath him and took him with it.

In the same way as with *glasnost* and *perestroika*, it is unclear what the Iranian reforms actually mean. Many of the terms that Khatami uses are very vague. He adopts important parts of the democratic discourse but attempts to combine them with the discourse of Islamic revolution. He wishes to create a society that is democratic, but at the same time with an Iranian and/or Islamic twist that will make it unlike the democracies of the West. There is no question of excluding religion from the public space, or, like Atatürk, confining it to the private sphere. In contrast, what Khatami is attempting is to interpret the message of religious revolution in the light of the fundamental structural changes in Iran that have taken place over the last twenty years – as, for instance, the huge number of university-educated women and men who want both a better life and less moralistic policing.

Khatami is at his clearest when speaking on the freedom of the press and public debate, but also as regards social reform, civil society and the rule of law. His economic policy is by contrast much more diffuse: he is against corruption, and in favour of more aid to the poor, and takes a liberal line on wealth creation and foreign investment. These emphases are very reminiscent of Gorbachev at his most appealing. On the other hand, just as no one ever heard Gorbachev say that the overthrow of the tsar had been a bad thing, so too Khatami has never been heard to question Khomeini's leadership – neither his political legitimacy as the heir of Khomeini nor his role as *faqih* (even though Khatami is actually more qualified to be one). Nor is Khatami proposing to abolish the *velayat-e faqih*, only to prune it round the edges. He wants not only an open political debate, but to reform the legal system, and it is here his position becomes ambivalent. For just as the public ownership of property was the defining feature of Communism that Gorbachev never challenged, the religious control of the law and the courts is the defining feature of theocracy. If Khatami does not tackle this 'religious-jurisprudential complex', then he cannot bring about the rule of law, but if he does, then what is left of the Islamic revolution? In the same way, he

may argue that political questions should be solved within a rational political framework. This sounds like a hidden polemic against the mystical and metaphysical foundations of Islamism, but if so, what is separating him from a Western secularist who leaves his religious faith at home?

Another useful comparison with Gorbachev is the enthusiasm the Western media display for President Khatami without actually knowing very much about him. His humanism, such a pleasing contrast to the harsh and glowering Khomeini, has not only had great appeal inside Iran but has also created a positive image in the West, so much so as to break through the stereotype of ‘mad mullahs’ and induce Westerners to start thinking new thoughts about the country in general. However, Western media talk about ‘Khatami versus the ayatollahs’ without apparently remembering that he is one himself, and that the ideological split runs not between the clergy and everyone else, but down the middle of the clergy. Similarly, the media take it for granted that they know what Khatami means by democracy, civil society, minority rights and human rights. Even if his own idea of these things were clear, it would not necessarily be the same as the Western idea. It should inspire caution that the reformers’ preferred term is ‘the religious- democratic state’. This is the coinage of Abdul Karim Soroush, a previous chief ideologist but now deprived of his university post.

1.8.2 Losing control

Khatami is challenging entrenched institutions, including agencies of coercion, with the very fragile weapon of popular sentiment. He has great prestige, but as Stalin used to ask, How many divisions has the Pope? Riding a wave of popularity is all very well, but if that support evaporates, he has no other power base on which to fall back. The Iranian presidency is quite unlike those of other countries, in that it does not fully control the state apparatus, certainly not against the will of the Supreme Leader and the Council of Guardians. Nor does the President have his own party organisation in either the country or the Majlis, and his main vehicle, the free press, has been emasculated. If Khatami cannot convert his political mandate into real change on the ground, for example the creation of new institutions, the rule of law and (most difficult of all) better economic conditions for the man and the woman in the street, then his reformism may burst like a soap bubble.

The President may be swept aside either by the conservatives or by the radicals. As we have seen above, the conservatives have it in their power to suppress reform with even greater brutality, but have not used it. They have pulled their punches, apparently because the more realistic among them, such as Khamenei, know that this is the road to chaos and even civil war. Time is not on their side, so the longer they wait, the less chance they have of restoring the old system. The younger generation did not experience the tyranny of the shah and do not remember the revolution; there is no reason to think their younger brothers and sisters will be any fonder of the theocrats. Above all, aggression against those who have profited from power and position in an inefficient state apparatus will continue to grow. This applies not only to the clergy themselves, but the other pillar of the Revolution, the bazaaris. The allocation of bureaucratic office not on merit but on the basis of the number of pilgrimages to Mecca cannot but depress the condition of

the people, and if anyone doubted that the people had realised this, the 80% vote for Khatami should have opened their eyes. Khatami is not just leading from the top, he is being driven forward by profound structural changes in Iranian society that are happening independently of the political system and whether or not they are desired by whoever is in power.

Any more action by the conservatives will therefore be likely to provoke the very thing they fear, namely an even more radical reform movement. In this way they are, perhaps, not unlike the Soviet old guard that made fools of themselves with their coup against Gorbachev – they did indeed destroy him, but they destroyed themselves very effectively too. The conservatives no longer have the positive power to create an Iran in their image: their choice is between the two negative powers, either to precipitate a bloodbath, or to continue their ‘minimum’ strategy of disarming Khatami’s free press and delaying the reform process – but in the ultimate hope of what?

Khatami’s strategy of calling for calm is not, therefore, as weak as it looks; for the subtle implication is ‘Think what might happen if I stopped doing this’. The fact that the conservatives have held some of their fire may mean that they have read this message correctly. Iranian students, and the young in general, are very impatient. The terrible competition for jobs that comes with a population-boom demography can only be eased by very rapid and healthy economic growth, and that in turn means rapprochement with the West, for both trade and investment. If Khatami cannot deliver, they will find someone who will, or break out in despairing violence like the Algerians. Many revolutions are made by students, and the 1979 one was no exception. The future leader who jumps on a tank to harangue a huge crowd is as likely to be a frustrated graduate as anyone else. But the comparison with Moscow 1991 is weak, as Yeltsin was no student leader but the president of Russia.

1.8.3 Communism and Islamism, similarities and differences

If Khatami is somewhat reminiscent of Gorbachev, being a ‘nice guy’ trying to reform an entrenched system from within, and hoping not to be ousted by a coup or outbid by more radical elements (although we do not see any Iranian Yeltsin yet), what of the further implication that Islamism functions like Communism and may disappear in the same way?

There are, it is true, points of similarity. For example, one might compare Communism’s ‘classless society’, which was at once mankind’s idyllic past and its promised future, with the ‘Medinan society’, that is, the embryonic Muslim fellowship created by the Prophet in the city now known as Medina. This was a real historical period, although whether life under Mohammed’s rule was quite as paradisaical as the propaganda claims is another matter. Islamism has made Medina into a ‘myth of origin’ and glorified it to the point of unrecognisability, making it as utopian as the New Jerusalem or, indeed, the classless society.

Another point of similarity is the way both ideologies are holistic and dichotomous at the same time: holistic in the sense that they explain everything, and dichotomous in that they divide everyone into two camps – ‘Who is not with us, is against us’. Islam has always considered the world to be split into *dar al-islam*, the House of Islam (or submission – to the *shari’a*),

and *dar al-harb*, the House of War, but opinions as to how violent and relentless the *jihad* needs to be has varied widely, Islamism being historically the latest of a series of expansionistic movements. In the same way as Communism wanted proletarian (or Soviet) identity to supersede all ethnicity, language, culture and so on, the *'umma* is supposed to take precedence over all other human differences – with about the same degree of success. For Khomeini, national boundaries were fictitious, all national states, including the Muslim ones, were illegitimate, and destruction of these entities by violence and subversion was praiseworthy. Like the Leninists, he showed that he could deploy fifth columns in the heart of enemy territory.

It is a further point of comparison that the two presidents are operating from within this ideological system, though it should be remembered that Gorbachev was the first Soviet leader born after the Revolution, whereas Khatami was a player in his. Initially, Gorbachev was, like Khatami, an 'essentialist', who attempted to keep some things, reinterpret some things and throw away others. Khatami, for example, fully supports Khomeini's idea of the Islamic Renaissance, a restoration of the Medinan utopia.

It might be said that Khatami is in fact subverting the ideology in its own terms. The reformers' 'interpretations' and adjustments always stay within the framework of the revolutionary ideology, but they sometimes hoist the revolutionaries with their own petards, as for example when they deploy Khomeini's rhetoric of political liberation. By promoting the masses' influence and participation, Khatami is giving Khomeini's myth-making a real content, enabling him to claim that the conservatives have betrayed the revolution. He can, perhaps, do this more credibly than Gorbachev could claim that dismantling of Party rule and the state economy was what Lenin really had in mind.

Having said all this, however, there is a very large and serious difference. Whereas it might be claimed that Communism has its roots in Christian equality and millenarianism (Marx didn't invent it, he just replaced God by Hegelian abstractions), the two 'religions' were in practice bitterly opposed to one another. We have seen the remarkable comeback of the Russian Orthodox Church; suddenly Yeltsin was in church with the patriarchs and crossing himself.

There is, however, no such polar opposition of Islam as a religion and Islamism as a political doctrine. It is more of a continuous spectrum, whose various points represent different opinions regarding who is entitled to impose what religious sanctions on whom, and under what circumstances. The doctrine of *velayat-e faqih* may have been a new departure and an untraditional imposition, but Islam in Iran is 1400 years old, even older than Christianity in Russia. Anyone who imagines that the election of Khatami, the new reformist Majlis, or even the demonstrating students on the street, somehow adds up to a repudiation of Islam as such is making a big mistake. Iran will continue to be an Islamic state. That is what the people want, but they also want a less harsh and intrusive interpretation, and an end to political and economic control by unelected religious scholars. The devil is, as always, in the details.

Reform does not need a destructive head-on collision with all the symbols and institutions of the Revolution, but can retain them and give them a

more moderate and democratic content. One possibility is, for example, that the Supreme Leader can continue to exist as the religious head, but turn into something more like a figurehead monarch, or the Archbishop of Canterbury. Khatami might achieve this in a peaceful way by influencing the composition of the Expert Assembly that will choose the next Supreme Leader. The last time round, this body was packed by Khamenei, but this does not always have to be so.

1.8.4 No secular state

The growing strength of Iranian civil society and the reaction against theocracy does not mean that Islam as such is any weaker or that the country is headed for the kind of secularism launched by the French Revolution (*laïcité*). In the same way, the revolutionary symbols are not likely to disappear altogether. What we are seeing is the retention of the symbolism but their assignation of new referents. Exactly what Sourush's 'religious-democratic state' will look like is most unclear, but the formulation serves to send the message: 'Do not imagine that we have made the Islamic Revolution for nothing.' The reformers do not want to make Iran into a carbon copy of the West, they want to preserve something of the specifically Islamic. After all, Khatami himself is an ayatollah, and a better religious scholar than Khamenei.

The practical result of the reforms may be something very like a Western democracy, but Iranians are and always have been a highly religious people. Their uprising against the theocracy is not a revolt against Islam, and secularisation of politics is not the same as secularisation of social, cultural and private life.

An illuminating comparison may be the United States, with an avowedly secular constitution but a population most of whom claim a personal relationship with God. Iranian religiosity will continue to strike secular Europeans as extreme; but there again, American fundamentalists strike them as bizarre too. Iran will continue to have its tugs of war between secular and religious principles; but the US has its struggle over public prayers and the teaching of evolution in schools. Religion only ceases to be a political issue when no one believes in it very strongly.

Part Two – Reputation and Ethical Expectations of the Western Oil Industry

2.1 An Arbitrary Sample

The survey data are from fieldwork carried out in Iran in April 2000. We conducted in-depth interviews with 14 members of the Iranian political elite belonging to the country's current political opposition (see list of interviewees in Appendix 1).

Let us first make it clear that the survey does not rest on a sample in the statistical sense. Political science knows no inter-subjective definition of 'elite' that is subject to any kind of consensus, and so the statistical universe cannot be defined as 'members of the elite'. This means in turn that it is not possible to extract a representative sample in the statistical sense, and for our purposes that would not even be desirable.

We have made an arbitrary selection of political elites that represent policies and political ideologies in competition with the Establishment, and which may become important for future political development. This is not a question of 'snapshots' of political attitudes as in opinion polls; our selection of respondents includes a dynamic aspect, that is, it tries to look forwards.

The sample is restricted to the Iranian political opposition. After advance consultation with experts, we drew up a list of the most important individuals in the political opposition. We obtained access to 14 of these. As we mentioned, the interviews are 'in-depth' interviews that lasted on average 1 1/2 hour, a few questions had closed reply categories, but most were open. This methodology involves a time-consuming subsequent coding of the replies, but was nonetheless necessary, as for obvious reasons we did not know the reply universe. The questionnaire was nevertheless standardised, that is, all the interviewees received exactly the same questions.

2.2 Sampling of Perceptions not Facts

Since our survey is restricted to the political opposition in the country, what is said is clearly affected by political rhetoric. That is, we must assume that the interviewees' statements are a political strategy designed to discredit the sitting government with a view to taking power themselves. The fact that we were foreigners helped to soften this aspect, because conversations with foreigners emphasise the informative at the expense of the agitation and demagoguery that dominate the domestic power struggle. However, it can easily be the case that what is said in oral interviews fails to match the facts. Our survey makes no attempt to measure the 'truth quotient'. On the contrary, our aim is to chart not facts but perceptions. These are perceptions of the Iranian

political scene that, even if they are based on myths, are just as relevant as those based on facts. We are constantly seeing how myth-making is a powerful rhetorical instrument in mobilisation for an alternative political order. In politics the important thing is not to be right, but to be believed. The oil industry must therefore deal with these descriptions, whether they are true or not, because they are relevant to its image in Iran.

2.3 What do We mean by ‘the Opposition’?

Before we embark on the analysis, it is necessary to define what we mean by ‘the political opposition’ in this context. Iran is a strange case, in that the political opposition occupies positions of power. This may seem like a contradiction in terms, but the situation is explained in Part One: Iran is a hybrid of democratic and theocratic institutions, in which the latter have the whip hand. Uniquely, the ultimate authority is neither the President, nor the Prime Minister, but the supreme religious leader – it is as if the Pope not only held a veto on legislation but also controlled the Italian courts and deployed his own militia.

For the purposes of this analysis, therefore, we are defining the ‘Iranian political opposition’ entirely regardless of formal relationship to the theoretical structure of government, but in ideological terms. *The ‘political opposition’ is deemed to be those forces that support reforms tending to strengthen democratic processes and institutions, and thereby weakening the autocratic politics of the velayat-e faqih.* Although he is of the established clergy, was part of the Revolution, does not polemicise against *velayat-e faqih*, and accepts Ayatollah Khamenei’s supremacy, President Khatami derives his legitimacy from popular election and is the primus motor of the reform process that, if it is allowed to continue, will neutralise the theocracy. The ultimate paradox of our method is therefore that we count the Head of State as part of the political opposition – although he is not on our list of interviewees.

2.4 Nation or ‘*umma*. The Respondents’ Own Identity

<i>Table 1 – Iranian elite identities</i>	
(N is the number of respondents)	
Cosmopolitan	1
Citizen of Iran	5
Iranian first, then Muslim	4
Iranian and Muslim	3
Muslim first, then Iranian	1
	N = 14

In the light of the ideology underpinning the Revolution – or the ideology by which it was hijacked – the results of the survey of elite self-identification are interesting. The revolutionary ideology as formulated by Khomeini was directed against the national state, which was seen as a Western and anti-Islamic invention. The primary identity should not be the national state but the ‘*umma*, the community of believers.

On the basis of their ideology – breaking with the theocratic system imposed by Khomeini and still dominating Iranian politics – we have classified the respondents as belonging to the political opposition. By opposing theocracy, they are also opposing the idea that they are primarily Muslims and everything else should be subordinate to this. The majority of the respondents define the Iranian national state as their primary identity. Pragmatically and narrowly defined, this means orienting themselves away from a politics based on religion and religious duties to a politics based on the rights of individuals and the interests of the nation. For the political opposition, the theocratic system is bankrupt; the revolutionary rhetoric has lost its power, people no longer identify with it. Once potent symbols from the revolutionary period have lost their meaning. No one is talking about ‘Islamic economic systems’ and ‘Islamic banking’, they have understood that these are just castles in the air with no relevance to the complex challenges of the modern economy. The same goes for the ‘Islamic university’. There is also a great majority opposed to the *velayat-e faqih*, but here no one is saying it aloud, because the consequences of attacking this cornerstone can be literally fatal. The interviewees desire a new interpretation of Islam, especially the role of Islam in politics. This does not necessarily mean supporting a secular state, but the incorporation of an Islamic ethical system into the politics of the national state.

All the above notwithstanding, it seems that Iranian nationalism is closely tied to Islam. Even if the interviewees call ‘Iranian’ their first identity, this does not mean that Islam is not an important component of their identity too. They made this quite clear to us. For this reason some chose our ‘both-and’ rubric, they reckoned it was not possible to say that the one was more important than the other, they were two sides of the same coin.

Judging by our respondents, the term ‘Iranian’ actually *means* being both a citizen of the Iranian national state and being a Muslim. It is not, therefore, at all like the French national concept based on the rights and duties of citizenship and strictly confining religion to the private sphere. The interviewees are not advocating a secular state, nor yet the multicultural society with different religions and ethnic groups. In its suppression of ethnicity at least, Iran is undeniably akin to France. For example, the interviewees consider the perception of the Azeri minority as a special ethnic group within the state and aspiring to a certain autonomy to be ludicrous and a fantasy; the Azeris are as one with the Iranian nation, we were told. Individuals of Azeri background played an important role in the formulation of the Iranian constitution. Unlike the Azeris of Azerbaijan, who are not sure whether they are Azerbaijanis or Turks, the Iranian Azeris have no affiliation with Turkey or pan-Turkism. Not even the fact that they speak more or less the same language as the Turks can alter this. All hints about suppression of ethnicity and religion were dismissed.

2.5 The Respondents on Forces for Change in Iran

The current struggle between the national-democratic forces and the upholders of the religious dictatorship means that Iran in effect has two competing governments, the ‘open’ and the ‘hidden’. In the ‘open government’

Khatami is in charge; it is with representatives of this government that foreigners have dealings, especially oil companies negotiating contracts. The 'hidden' government under Khamenei rests on the institutional power structure as enshrined in the revolutionary constitution. The political conflicts in Iranian society take the form of 'competition' between these two governments.

The respondents presented Iran as a society in transformation. Iran has undergone profound structural and political changes, so that the present situation is quite different from 1979. It is true that the theocracy is still formally in power, and in real terms partially so; but it is under challenge. If Khamenei pulls out all the stops in his opposition to the democratic movement, it will destabilise the country and lead to chaos, but the forces for change will not be stopped by that. The most Khamenei can do is postpone and slow the trend.

The driving forces in all the change most often mentioned are the educational explosion, greater equality of opportunity for women and press freedom. These three factors together have created a qualitatively new society with a very different public space. Public debate has cleared the way for innovative thinking and reinterpretation of the role of Islam in the current political system. Critical debate and pluralistic thinking are the solvent of the mind-set of totalitarianism. The respondents also thought that increasing industrialisation and urbanisation helped to create a larger middle class and thereby the preconditions for a more modern and pluralistic outlook. Traditionally the Iranian middle class has been oriented towards democracy and pluralism, and all the revolutionary propaganda has not much changed this. In this way the middle class is a natural enemy of the dictatorship. The interviewees claimed that the Qur'an cannot provide answers to everything, such as the problems of the modern economy.

A surprising number mentioned international influence as an important factor in stimulating change. Globalisation was a word we heard often, usually in the sense that globalisation forces democratic development and respect for human rights.

The fact that President Khatami has formulated an ideology that justifies change within the framework of Islam was emphasised as important, as was his decision to proceed by only moderate measures, avoiding drastic confrontations that can only lead to bloodshed. Khatami's popular legitimacy has strengthened the principle of free elections and thus given the people greater power at the expense of the clergy. Political legitimacy in modern Iran is created by both religious learning and the will of the people.

However, the respondents added that Khatami has not yet passed the test as the great reformer. Success or failure will depend entirely on his ability to deploy the new Majlis as an instrument of change. It was also mentioned that many of the deputies that Western media associate with the president in reality have their enthusiasm for civil society and democracy well under control. They use the concepts without really understanding what they mean, or without much caring.

2.6 Attribution of Causes of the Dictatorship

Cultural	2
Structural	2
The Islamic Revolution of 1979	7
Foreign interference	8
	N = 19

2.6.1 Cultural and structural arguments

Some of the explanations of the current despotism emphasised Iranian culture. It was said that Iran had always had an autocratic government. This negative tradition is visible in current political culture, in that people do not see the need for an alternative. One interviewee asserted that the authoritarian mentality is reflected in ordinary Farsi speech, where there are clear, but at the same time complex, rules for addressing people from different social strata. It is not to be wondered at that such a culture is readily adapted to autocracy. Profound cultural changes are therefore necessary before Iran can become a democracy.

Structural arguments are also deployed, for example, the complete dependence on a single external resource (oil) makes it easier for an autocrat to maintain his despotism. The first striking feature of the results generated by this question is the dearth of structural explanations provided by the respondents. However, this does accord with the predictions of social psychology's cognitive attribution models, whereby the roles of persons are magnified and structural causal variables minimised – especially where this offers a chance to 'blame' external agents.

2.6.2 The yoke of the Islamic Revolution

The lack of democracy was attributed to a greater degree to the ideological legacy of the Revolution, namely a glorification of religious dictatorship. Many of the interviewees explained this in terms of the revolution they themselves had helped to make being hijacked both politically and religiously (see Chapter 1.1) and ending up at a quite different destination than they had in mind when they joined it. They had advocated the modernisation of Iran, and the 'destructive' aspect of the Revolution, the overthrow of the Shah, was a success, but then it lacked a 'constructive' aspect, there was no vision of what was to be done after the departure of the Shah. In this ideological vacuum, the revolution was taken over by the clergy and the bazaaris and a new ideology was created, this time hostile to democratic development.

2.6.3 Meddling by the oil companies

The second striking result generated by this question is the category 'Foreign interference'. This should be noted by the oil industry, because it means much the same as 'Western oil company interference'. In other words, when the political opposition is asked to explain the reasons for the religious dictatorship in Iran, the single biggest cause cited is foreign meddling, and

when we look at the arguments in greater detail, we find the Western oil industry to be the arch-villain. The events of 1953, when Prime Minister Mossadeq, regarded as the foremost exponent of freedom and democracy in Iranian history, was overthrown in a *coup d'état* carried out by the Shah and orchestrated by the CIA, made an indelible impression.

The Iranian perception is that Pahlavi would never have managed it without the aid of the CIA, and that the reason for the coup was the American wish to continue controlling Iranian oil. In 1951 Mossadeq nationalised the considerable British oil interests. The idea that Iran could control its own oil resources in this way was anathema to Western oil companies and Western governments, which regarded it as a serious contravention of the principles of 'world order' and global trade. Such a theory was hardly weakened by the fact that the USA was represented in the international consortium formed after the coup to make contracts with the new regime. The West did not care that the coup also strangled Iranian democracy in its cradle, better to get one's oil from a tame dictatorship than have to bargain for it with a ram-bunctious democracy.

The dramatic overthrow of Iran's first democratic leader has defined Iran's attitude to Western oil companies ever since. It is therefore no coincidence that when the American ambassador in the spring of 2000 made a *démarche* for reconciliation between the two countries, he apologised for the USA's actions in 1953. Our interviewees describe the coup as merely the tip of the iceberg of Western interference in Iran since the discovery of the oil. BP, which before Mossadeq nationalised the oil industry had (as Anglo-Iranian Oil) a virtual monopoly, was described in particularly virulent terms. This monopoly was used, in alliance with the Shah, to safeguard its own interests at the expense of democratic institutions. When Mossadeq formulated his slogan, 'We must cut off the foreign hand', it was BP he had in mind. Our interviewees maintained that BP had operated in classical colonialist style by:

1. Meddling in domestic policy
2. Appointing its own candidates to lead the Iranian oil administration
3. Exploiting its position to influence parliamentary elections
4. Paying for positive media articles about BP
5. Operating with fake invoices to avoid paying the Iranian government its dues
6. Promoting corruption within the Iranian government
7. Preventing Iran influencing the pricing of oil. What Iran received was minimal.

2.7 Corruption and Oil in Iran

<i>Table III – Western oil companies' impact on corruption</i> (N is the number of respondents)	
No impact	3
Reduce corruption	3
Both reduce and increase	0
Increase corruption	8
	N = 14

The most striking thing here is that corruption caused by foreign investment in the oil sector is not seen as a major problem. It was claimed that compared with other countries – and particularly the neighbours in the Persian Gulf – Iran is not very corrupt. Moreover, it is argued that in addition to an ongoing public debate on corruption, there is effective surveillance, and corrupt individuals risk losing their jobs. The respondents reminded us that the Islamic Revolution was an ethical and cultural affair, not just an economic one. This is not to say that the problem does not exist, on the contrary it was said that the culture of corruption is in the process of spreading, even if those on the top are not normally corrupt. The Revolution's ethical programme has not yet been victorious; the continued existence of the culture of bribery is a defeat for the revolutionary goals of Islamism.

The respondents had, however, no illusions about the oil industry. They reminded us that this industry by and large operates in countries where regimes and cultures alike are permeated by corruption. To win contracts it is practically essential for the Western oil companies to participate in the culture of corruption and become a part of it. A company that becomes involved in Iran risks this, and it is up to the company itself whether it wants to run this risk. But it was also said that investments by the Western oil companies could reduce corruption: such investments would stimulate the development of private companies that would be independent of the public sector. It was clear from this that the respondents regard the private sector as less corrupt than the public; although this naturally does not apply to those companies that are currently private in name, but which in reality are part of the long arm of the State.

The sharpest distinction drawn by the interviewees, however, was that between American and other oil companies; American companies were praised as the standard-bearers of ethical values. European companies, on the other hand, were lumped with the Arab and Japanese, where there is little reluctance to become drawn into the culture of corruption. The big contract with Total was frequently cited as an example of what *not* to do when signing oil deals; there were persistent rumours of corruption, and if true, it means that the little clique that made the contract on the Iranian side will be getting very rich. There was no question here of public access to information, whereas American companies make it very clear to their Iranian partners that transparency is a condition of the contract. It is claimed that the USA's clear line is accepted in Iran.

The responses sometimes appeared contradictory. The interviewees spoke of the absence of corruption at the top, but at the same time, when harping on the contract with Total, they complained of corruption in high places.

2.8 The Oil Companies, Democracy and Human Rights

<i>Table IV – Western oil companies' impact on democracy and human rights</i> (N is the number of respondents)	
No impact	2
Positive impact	4
Both positive and negative	0
Negative impact	8
	N = 14

Here it was emphasised that Western oil companies, in order to safeguard their economic privileges, used actively to oppose democracy and human rights. The greatest symbol of this murky past is the overthrow of Mossadeq. When some Western oil companies talk about democracy and human rights, therefore, it is because they are forced to do so – this is not a change of heart, not an ethical standpoint, but merely lip service. They are happy to build a hospital here and organise a human-rights conference there, but there is nothing serious about this. One respondent said it sounded like a joke when the oil companies were supporting democracy and human rights. Another commented: ‘Your description of the oil companies’ new thinking isn’t true. There has been no change. We have heard some talk about a new ethics, but we haven’t seen any of it. Countries like Saudi Arabia, Kuwait and the UAE demonstrate that the companies are operating in the way they always have. The policies of the British and American companies have undergone minimal change. And it is disgusting to see that the money from the oil industry is spent largely on weapons even today. The companies must contribute to channelling the revenues into more positive projects such as bringing water to a region. There are, it is true, signs that the oil companies are no longer as willing to support the dictatorship, but the change, of course, can only be seen with a microscope.’ The oil companies trim to the prevailing winds, it is said: the globalisation agenda has its ethical items and the companies cannot simply ignore this, but if anything will come of it is an open question.

As the table shows, the respondents were not unanimous. Some thought that Western oil investment in Iran could indirectly promote democracy and human rights. Western investment – which means mostly oil investment – is essential to improve the economy, and a better economy would create better conditions for democracy and human rights.

2.9 Statoil’s Reputation in Iran

<i>Table V – Does Statoil stand out among the Western oil companies?</i>	
(N is the number of respondents)	
Statoil is like all the others	1
Statoil is different	3
Statoil is very different	0
We don’t know Statoil	10
	N = 14

We can see from the table that Statoil is not well known to our respondents, but the few who knew about it described the company in positive terms. It is a widespread perception that Scandinavians in general are less corrupt than ‘others’, and this rubs off on Statoil. The fact that Statoil is not in alliance with British and American companies is a point in its favour. On the other hand, one of the respondents said that it was not to Statoil’s credit that it acted as BP’s lackey in Azerbaijan. Statoil ought to have played an independent role and started operations in the Persian Gulf instead of Azerbaijan. A collaboration with Iranian companies would reinforce the positive image.

Norway as a country was praised for sincerity and integrity, but interviewees also mentioned what they called its ‘prejudiced’ policy *vis-à-vis* Iran.

The respondents clearly felt their lack of knowledge of Statoil as embarrassing, but excused themselves by saying that most of its operations were in the North Sea and for that reason it can hardly be called an international company.

It is an obvious advantage that Statoil, unlike most other oil companies, has no skeletons in its cupboard. The fact that the company is already active in the region, namely in Azerbaijan, leads to increased interest among Iranians, but a condition must be that the company has capital and can compete with others. Iran will be the future energy centre of the Gulf, and if Statoil wants to be an international player it must act quickly. As soon as sanctions are lifted, competition from American companies will be strong – we were told that exploratory talks with companies like Exxon-Mobil and Conoco were already under way.

It was also said that Statoil has little reason to fear terrorism in Iran, because Norway is not associated with states which have committed crimes in Iran, such as the UK and the USA. It was the general opinion that the danger of terrorist action against the Western oil industry in Iran was minimal, but that if it does happen, it will come from the far right. Up to now, the severe economic consequences of any such action against Western companies have prevented it happening.

2.10 The Interviewees’ Prescriptive Analysis

2.10.1 Corruption

The oil companies must avoid being corrupt themselves	3
The oil companies must combat Iranian corruption indirectly, through education	4
The oil companies must deliberately strengthen the Iranian private sector	5
The oil companies must themselves find out which Iranians are corrupt	5
Both government and oil companies must practice transparency	19
Other statements	7
	N = 43

From this table it can be seen that the respondents’ main concern is the lack of transparency of the oil industry. They complain that no other industry, domestically or globally, is so unwilling to provide information as the oil industry. Moreover, corrupt despotisms in the countries where the oil industry operates also have an interest in keeping oil matters secret, which makes for a natural alliance, and such a climate in turn fosters the culture of corruption. The recently signed contract with Total was seen as an example of these

negative trends in both Total itself and in the Iranian government. They told us that Total has no contact with the Iranian civil society, the company insulates itself completely, and it is impossible to extract information about the company's operations. There was no public debate about the Total contract, which was made between a narrow clique of bureaucrats in the Energy Ministry and a few top politicians including the president. The way in which this was done was subsequently heavily criticised and it was stated that in future the Iranian civil society would demand much more transparency. Some found it reprehensible that the contract was made with ulterior political motives, it was not the market alone that decided.

It was also emphasised that attempts by the oil industry to tackle the corruption problem by propaganda and pressure, such as sponsoring seminars in Iran, will be counter-productive. One interviewee stated that if the oil companies tried to administer anti-corruption pills to the government, the latter would just spit them out again. All attempts at direct influence will be seen as meddling in domestic Iranian affairs, and this will make life more difficult for the forces within Iran which are actively working against corruption. The oil companies must instead work indirectly, for example by encouraging privatisation by placing their orders with private companies.

The theme most frequently taken up by the respondents was support for education. There was great faith that education would make people less corrupt. People in cultures with lower levels of education do not perceive corruption in the same way. One interviewee said that in France, for example, if a minister earned 20,000 dollars in an irregular manner he would be sacked on the spot, but that in Iran this would hardly be seen as a problem. Another respondent said that an indirect way of combating corruption was giving student grants.

It was also stated that if the Western oil industry is to operate effectively as regards Iranian corruption, the companies must stand together and agree on a joint strategy; but there was little faith that this would happen. Western companies' activities in the Persian Gulf clearly show that most companies have no scruples about making corrupt contracts.

2.10.2 Democracy and human rights

<i>Table VII – What should the companies do (or not do) to promote democracy and human rights in Iran?</i>	
(N is the number of statements)	
No special contact with opposition	5
Support education	7
Help get the Iranian economy going	11
No interference in Iran's domestic affairs	29
	N = 52

The most striking aspect of the results is that the respondents talk much more about what the oil companies should avoid doing than what they ought to do. Their arguments are based on what they see as the companies' historically poor record in Iran. Thanks to their previous direct meddling in Iranian politics, the companies have no credibility. Campaigns, conferences and demon-

strations for democracy and human rights that have the oil companies behind them will be negatively perceived and seen as interference in Iran's internal affairs. Were an oil company to protest against some breach of human rights in Iran, we were told, it would simply be asked to leave the country.

Poor reputation is only one reason why Western oil companies ought not to try to promote democracy and human rights in a direct manner. Another is that this would be counter-productive, weakening the forces in Iran themselves working for democracy and human rights. Were both the Iranian opposition and the oil companies to make a common protest against human-rights violations, this would be a gift to the conservatives, who would then accuse the opposition of collaborating with the country's enemies. It follows from this that it would be extremely undesirable for the oil companies to cultivate the political opposition; this would be the kiss of death for the reformers.

For these two weighty reasons, the oil companies should never make public comments about democracy and human rights, this would hurt both themselves and the reformist movement. If they ever raise questions of human rights, this must be done discreetly and unofficially. Perhaps it will do no harm, there might indeed be a positive response. It was emphasised that the oil companies could only operate in both the Iranian minefields – corruption and democracy/human rights – in a very indirect manner.

The best indirect approach was to invest in Iran. Were the economy to pick up, it would strengthen the Iranian middle class, which has always been the biggest advocate of democracy and human rights. A gradual improvement of the economy would also expand contact with the West and open the door to globalisation, which some of the respondents thought would be conducive to democracy and human rights. Support for education was the best weapon against corruption. In the interviewees' opinion, such support – awarding of scholarships, publication subsidies and so forth – would not be perceived as 'interference in Iran's internal affairs' in the same way, but would be seen positively by everyone.

Appendix 1 – List of Interviewees, Teheran

1. Dr Shahriar Rohani

Political activist and adviser to President Seyyed Mohammad Khatami. Shahriar Rohani served as the spokesman for the committee that, after the Islamic Revolution, took over all Iran diplomatic and consular functions in the US, including at the UN. Rohani held this position for about 13 months, after which he moved back home to become the editor in chief of *Keyhan* (Universe). At the time of the Revolution, *Keyhan* was the most popular daily with a circulation of about 400,000, which is still a record. Just before the Islamic Revolution, the paper was bought by a revolutionary businessman, and it became a supporter of the revolution and the Freedom Movement (*Nehzate Azadi*). The Freedom Movement was a party founded after Mohammad Mossadeq's fall in 1953 by Mehdi Bazargan and other veteran members of the National Front (*Jebheie Melli*), Mossadeq's party. After the Revolution, disagreements with the clergy pushed them into opposition, where they still are, 20 years later.

2. Dr Hamid Zaheri

An oil expert. General Manager for International Affairs of the National Petrochemical Company (*Sherkate Mellie Petroshimi*). OPEC spokesman from 1974 to 1983.

3. Dr Alireza Tabibian

Associate Professor at Tehran University and member of 'The Institute for Research in Development and Planning', a semi-governmental organisation. The architect of the second five-year economic plan under Ali Akbar Hashemi Bahremani (better known as Rafsanjani, which refers to the city he comes from, Rafsanjan).

4. Dr Morteza Mardiha

An intellectual and writer. Political journalist on the daily *Asre Azadegan* (The Time of Liberals). This paper, which was shut down by the conservatives in April 2000, was the successor of two dailies shut down one after the other, *Jame-e* (Society) and *Neshat* (Happiness). All three dailies, with the same editorial board, advocated the establishment and development of public, non-governmental media as the forth pillar of democratic society. Dr Mardiha is known for a pragmatic rather than an idealistic approach.

5. Dr Abdelkarim Soroush

Formerly a Professor of Philosophy at Tehran University, and a member of the Iranian Philosophical Society (*Anjomane Hekmat va Falsafeie Iran*). Regarded by many as the leading intellectual and theorist of the reformist movement. He is now suspended from his professorship. His doctrine of compatibility between democracy and Islam, and his intellectual struggle against vulgar/ritualistic interpretations of the Muslim religion, have made him the bugbear of the conservative clergy.

Time Magazine has offered the following description of him: ‘Abdelkarim Soroush, the 52-year-old philosopher who has emerged, reluctantly, as the Islamic republic’s most dangerous dissident. Soroush poses such a challenge to Iran’s powerful religious establishment that his situation is unlikely to be eased by the recent election as President of Mohammed Khatami, who promised more openness and freedom. Soroush’s sin, in the eyes of the mullahs, is to question the central tenet of the late Ayatollah Khomeini’s notion of Islamic government: that Iran’s holy men have a God-given right to rule. That appears to go too far even for Khatami.’ (*Time*, June 23, 1997, Vol. 149, No. 25.)

Though he is not himself a politician, his writings are inevitably interpreted in a highly political way in Iran.

6. **Dr Alireza Rajaiee**

Newly elected member for the 6th parliament. In a very controversial decision the Council of Guardians (*Shoraie Negahban*) declared his election invalid. Head of the political writers of the pro-democracy daily *Asre Azadegan* (The Time of Liberals). Although not officially a member of any party, his candidacy for parliament was supported by a wide range of pro-democracy groups including student organisations.

7. **Mr Mohammad Torkaman**

A political historian, writer and journalist interested particularly in oil-related events. Pro democracy and human rights. Close to the Freedom Movement (*Nehzate Azadi*).

8. **Mr Ali Akbar Moeenfar**

Former minister of oil during the Bazargan government. Now an oil consultant. A political activist since Mossadeq’s time as a member of the National Front (Jebheie Melli). After the fall of Mossadeq he joined the Freedom Movement (*Nehzate Azadi*) of which he is currently one of the leaders. He also joined the Islamic Society of Engineers (*Anjomane Eslamie Mohandesin*). He was elected from Tehran to the first post-revolutionary parliament, where he became a member of the group opposing clerical rule.

9. **Dr Ghassem Salekhoo**

International financial consultant, pro democracy and human rights. Iran’s ambassador to Japan, Tunisia, Algeria, Morocco and Afghanistan and its representative to the IMF.

10. **Dr Morteza Nasiri**

Lawyer, expert on international contract law, now with an office in both Teheran and the USA, politically close to the Freedom Movement (*Nehzate Azadi*). He has represented some Iranian national companies such as IranKhodro (the biggest automobile factory in Iran) as well as private industries in international contexts. Acted as an adviser to the Bazargan government.

11. Dr Mohsen Sazegara

Consultant to the President. Political activist and writer (journalist). One of the founders of the Revolutionary Guards (*Sepahe Pasdaran*), now a radical reformist. A member of the committee established by Khomeini during his exile in France. It is interesting to note that almost all the members of that committee are now either executed, like Sadegh Ghotbzadeh (the former minister of foreign affairs), or exiled, like Abolhassan Banisadr (the former president, now living in Paris), or belonging to the present opposition in Iran (Sazegara himself). The function of the Paris-based committee was to translate Khomeini's speeches and thoughts for Western media and more generally to the entire world. In addition the committee designed many revolutionary policies and approaches. Dr Sazegara was later one of the founders of the now closed daily *Jame-e* (Society) and is still very active in pro-democracy activities like managing meetings and writing critical articles in the daily press.

12. Dr Parviz Varjavand

Leader of the National Front (*Jebheie Melli*) and minister of culture in the Bazargan government. The party goes back to Dr Mossadeq, who was famous for his struggle with the oil companies, particularly BP. He is also a political writer and professor at universities such as Islamic Azad University.

13. Dr Hossein Zaiem

Oil industry management and marketing expert, member of the National Front (*Jebheie Melli*), the party established by Dr Mossadeq as an umbrella organisation for all modernisers. The main item on the agenda was to nationalise Iran's oil industry. The National Front's days of glory ended with the coup of 1953, and it now lives mostly on its history and its heroes.

14. Dr Mohammad Hosein Bani-Asadi

Engineer. Consultant at Iran Industrial Foundation Co. Member of the central committee of the Freedom Movement (*Nehzate Azadi*). The Freedom Movement is the only overt opposition group in Iran that dates back to Khomeini's day. The Movement was against the continuation of the war with Iraq and the totalitarianism of the clergy (*Rohaniiat*). (*Rohaniiat* is used as the proper name for the conservative body of clergy belonging to the establishment as opposed to *Rohaniioon* which has the same dictionary meaning as *Rohaniiat* but in political usage stands for the more reformist part of that establishment. Khatami, for example, belongs to the *Rohaniioon* but Rafsanjani to the *Rohaniiat*.)

Dr Bani-Asadi is the son-in-law of ex-prime minister Bazargan and was his special adviser. He is also the founder of the *Bassij* militia, founded at the beginning of the Revolution. (*Bassij* is the name of the organisation and *Bassiji* refers to a member.)

Appendix 2 – Interview Schedule for Field Research, Teheran

Name of interviewee:

Part I: Questions about the Western oil industry

- 1 What do you think are the most important aspects of the Western oil industry for Iran?
Please list only three aspects and in order of importance.
- 2 What might lead to a *worsening* and what to *improvement* of relations between the Western oil industry and the political opposition?
- 3 If the Western oil industry were to develop more intimate and friendlier relations with the opposition, then what do you think would happen?

Part II: Questions about Norway

- 1 What do you think about the Norwegian oil company Statoil compared to the other Western oil companies?
Is it *Much the same* *Different* *Very different*
If you think it is different, could you describe in greater detail how it is different?
- 2 How do you think the Western oil industry affects the struggle for democratic development and human rights in Iran?
Has it had *No Effect* *Negative Effect* *Positive Effect*
If there has been an effect, could you describe this effect in more detail?
Could you cite some examples?
If the Western oil industry wants to be more helpful in your struggle for democratic development and human rights, do you have any suggestions for what it could do?
- 3 How do you think the Western oil industry affects the serious corruption problem in Iran?
Has it had *No effect* *Negative effect* *Positive effect*
If there has been an effect, could you describe this effect in more detail?
Could you cite some examples?
If the Western oil industry wants to be more helpful in reducing the level of corruption, do you have any suggestions for what it could do?

Part III: Questions about Iranian identity

How would you rank these ‘competing’ labels to describe your own identity?
That is, in what order would you apply these labels to yourself?
Iranian citizen
Persian, Kurd, Talish, Guilani, Mazandarani, Bakhtiar, Lor, Baluchi, Azeri,
Turkmen, Arab
Muslim

Part IV: Recent developments

- Political Islam in Iran
- Destabilisation of Iran

- Terrorism and the Western oil industry in Iran

NB: In Part IV of the interview schedule we only present themes for discussion, with no standardised questions.

Appendix 3 – Bibliography

- Abdo, Geneive, 'Days of Rage in Tehran', *Middle East Policy*, Vol. VII, No. 1: 78–85 (1999).
- Albert, Mathias, 'Complex Governance and Morality in World Society', *Global Society*, Vol. 13, No. 1: 77–93 (1999).
- Ansari, Ali, 'La révolution iranienne, vingt ans après', *Politique étrangère*, No. 1: 81–93 (2000).
- 'Berlin beobachtet die Ereignisse in Iran und vermeidet deutliche Worte', *Frankfurter Allgemeine Zeitung* (26 April 2000).
- Boroujerdi, Mehrzad, 'Can Islam Be Secularized?' in M.R. Ghanoonparvar & Faridoun Farrokh (ed.), *In Transition: Essays on Culture and Identity in the Middle Eastern Society*, Laredo, TX: Texas A&M International University, pp. 55–64 (1994).
- Boroujerdi, Mehrzad, 'Triumphs and Travails of Authoritarian Modernisation in Iran', Paper presented at the School of Oriental and African Studies, London University (25 June 1999).
- Boroujerdi, Mehrzad, *The Paradoxes of Politics in Post-Revolutionary Iran*. Unpublished manuscript, Syracuse University, New York (March 2000).
- Bowring, Philip, 'Tehran Maps Path To a Free Market', *International Herald Tribune* (21 March 2000).
- Cubin, Shahram, 'Iran's Strategic Predicament', *Middle East Journal*, Vol. 54, No. 1: 10–24 (Winter 2000).
- Dickey, Christopher & Matt Rees, 'Who's Really on Trial', *Newsweek* (15 May 2000).
- Djalili, Mohammad-Reza, 'L'Armée et la Politique: Le Cas de L'Iran', *Cahiers d'études sur la Méditerranée orientale et le monde turco-iranien*, No. 27: 96–113 (1999).
- Heradstveit, Daniel & G. Matthew Bonham, 'The fundamental attribution error and Arab images of the the Gulf war', *Political Psychology*, Vol. 17, No. 2: 271–292 (1996).
- Hoffmann, Christiane, 'Der Ajatollah', *Frankfurter Allgemeine Zeitung* (26 April 2000).
- Hollis, Rosemary, Edmund Herzig & Brigitte Granville, 'Bumpy Road', *The World Today* (June 2000).
- 'Iran and America', leader in *The New York Times* (19 April 2000).
- Jacobsen, Michael & Stephanie Lawson, 'Between Globalization and Localization: A Case Study Of Human Rights versus State Sovereignty', *Global Governance*, No. 5: 203–219 (1999).
- Khosrokhavar, Farhad, 'Le Nouvel Individu en Iran', *Cahiers d'études sur la Méditerranée orientale et le monde turco-iranien*, No. 26: 127–188 (1998).
- Killander, Magnus 'Vägval för Iran', *Världspolitikens Dagsfrågor*, No. 11, Utrikespolitiska Institutet, Stockholm (1999).
- Lancaster, John, 'U.S. Easing Curbs In Overture to Iran', *International Herald Tribune* (18 March 2000).
- Maloney, Suzanne, 'Elections in Iran: A New Majlis and a Mandate for Reform', *Middle East Policy*, Vol. VII, No. 3 (June 2000).

- Mozaffari, Mehdi, 'Revolutionary, Thermidorian and Enigmatic Foreign Policy: President Khatami and the "Fear of the Wave"', *International Relations*, Vol. XIV, No. 5: 9–28 (August 1999).
- Noyes, James H. 'Fallacies, Smoke and Pipe Dreams: Forcing Change in Iran and Iraq', *Middle East Policy*, Vol. VII, No. 3: 28–58 (June 2000).
- Rajavi, Massoud, *On the Brink of Change. Iran 20 Years after the Revolution*, Pamphlet published by The Foreign Affairs Committee of the National Council of Resistance of Iran. France: Auvers-sur-Oise (1999).
- Siddiqi, Moin A, 'Economic report: Iran', *The Middle East* (June 2000), pp. 31–34.
- Smith, Patrick, 'The Indigenous and the Imported: Khatami's Iran', *The Washington Quarterly* (Spring 2000), pp. 35–53.
- Tohidi, Nayereh, 'Student Movement: The Harbinger of a New Era in Iran', *ISIM Newsletter*, No. 4 (1999).
- Vikør, Knut S., *Ei verd bygd på islam*, Samlaget, Oslo (1993).
- Vogt, Kari, *Reise i Iran*, Cappelen Forlag, Oslo (1997).
- Yavardi-D'Hellencourt, Nouchine, 'Islam et Démocratie: De la Nécessité d'une Contextualisation. L'Exemple Iranien', *Cahiers d'études sur la Méditerranée orientale et le monde turco-iranien*, No. 27: 42–67 (1999).
- Zanoyan, Vahan, 'Iran: Situation Report on a Country in Transition', The Petroleum Finance Company (PCF) (23 May 2000).
- Zonis, Marvin & Salman Farmanfarmaian, 'All in the Timing. Renewing U.S.– Iran Relations', *World Policy Journal* (Winter 1999/2000), pp. 33–49.

Iranian newspapers:

Kayhan

Iran News

Iran Daily

Teheran Times

Abstract

The hybrid of democratic and theocratic institutions of revolutionary Iran is now over twenty years old, and is undergoing challenge. An elected president with popular legitimacy but no control of the means of coercion is endeavouring to open up and liberalise, but is being opposed by the conservatives with theocratic vetoes, newspaper closures and street violence.

Part One of this report looks at the diarchy of President Khatami and Supreme Leader Khamenei, their legitimacies, their 'minimalist' strategies, and their common interest in restraining their wilder supporters from provoking chaos or civil war.

The report then considers the elements of 'civil society' resulting from deep structural change in Iran: demography and education, the role of women and the free press. Finally, this part considers the journalistic comparison of Khatami with Gorbachev, and finds that although both are/were attempting limited reform of a faltering system of which they were themselves a part, no Iranian Yeltsin has yet emerged.

Part Two of the report is the results of in-depth interviews with 14 prominent reformers. They are optimistic about the prospects for long-term change; all the conservatives can do is postpone change or perpetrate a bloodbath, they cannot put the clock back.

Our sample tended to consider the oil companies a bad influence. However, they made a sharp distinction between American companies, which they thought more ethical and transparent, and the secretive European, Arab and Japanese companies.

Asked what the oil companies should do to promote democratic development, the interviewees emphasised transparency above all.

About the author

Professor Daniel Heradstveit at the Norwegian Institute of International Affairs earned his doctorate from the University of Oslo. He has held positions as Professor of International Relations at Johns Hopkins University and Professor of Comparative Politics at the University of Bergen. He is the author or co-author of nine books on the Middle East, the Caucasus and Central Asia, semiotics and political psychology, including his most recent work, *Democracy and Oil. The Case of Azerbaijan*, forthcoming at Wilhelm Reichert Verlag, Germany.