Regime Resilience and Pragmatic Governance: The 2013 Iranian Presidential Elections

Güneş Murat Tezcür*

This article offers an overview of the domestic and foreign policies of the Islamic Republic of Iran (IRI) with a particular focus on the presidential elections in June 2013. Elections in the IRI are characterized by uncertainties allowing for surprising results and considerable shifts in the balance of power. They primarily serve to regulate factional conflict and contribute to the resiliency of the regime. In this regard, the election of Hassan Rouhani as president signifies a return to pragmatism and moderation after the tumultuous years of the Ahmedinejad administration. As the IRI found itself in an economic bottleneck in the face of intensifying international sanctions and mismanagement, Rouhani engaged in foreign policy initiatives resulting in a preliminary agreement with world powers regarding Iran's nuclear program. At the same time, he faced entrenched power centers limiting his ability to pursue a program of political liberalization similar to the initial years of the Khatami presidency in the late 1990s.

* Güneş Murat Tezcür, Associate Professor of Political Science Loyola University Chicago, U.S.

The Islamic Republic of Iran (IRI), the only Middle Eastern regime established by a popular revolt until the Arab uprisings in 2011, had its tenth presidential elections on June 14, 2013. Hassan Rouhani, the candidate with the strongest reformist credentials, surprisingly emerged victorious, winning more than 50 percent of the vote in the first round. The election of Rouhani signaled the end of the authoritarian backlash that had characterized Iranian politics since 2004 and heralded a new era in Iran's external relations. In fact, Rouhani's first months in office witnessed a major breakthrough in nuclear negotiations with global powers. This article examines the rise of Rouhani. The first of four sections analyzes the role of elections in the politics of the IRI. The next section summarizes the economic situation at the time of the June elections. The third provides an overview of the candidates, campaigning and voting. This final section discusses the implications of the June 2013 elections for Iran's foreign relations and domestic politics.

The election of Rouhani signaled the end of the authoritarian backlash that had characterized Iranian politics since 2004 and heralded a new era in Iran's external relations.

Factional Rivalry and the Elections in Iran

One of the distinguishing features of Iranian politics is the high level of electoral uncertainty, which allows for opposition victories.[1] In 1997, Mohammad Khatami, a cleric and former Minister of Culture, defeated the establishment candidate and won the presidential elections. In 2005, Mahmoud Ahmedinejad, the mayor of Tehran, won a landslide victory over Akbar Hashemi Rafsanjani, a former president, in the second round of the presidential elections. In 2009, Ahmedinejad's disputed reelection resulted in massive protests that posed the greatest challenge to the Islamic Republic since the early 1980s. Parliamentary elections similarly led to shifts in power.

One of the distinguishing features of Iranian politics is the high level of electoral uncertainty, which allows for opposition victories.

While the popularly elected institutions, the presidency and parliament, remain weak compared to unelected institutions, (in particular, the office of the leader and the Guardian Council) they still exert substantial power. The president is the main executive in charge of the daily governance of the country and determines the priorities and tone of Iran's foreign policy. For instance, while

1 In this regard, the IRI is similar to competitive authoritarian regimes. Steven Levitsky, Competitive Authoritarianism: Hybrid Regimes after the Cold War, Cambridge University Press, 2010. For an analysis that classifies the IRI as a competitive authoritarian regime, see Güneş Murat Tezcür, "Democratic Struggles and Authoritarian Responses in Iran in Comparative Perspective," in Middle East Authoritarianisms: Governance, Contestation, and Regime Resilience in Syria and Iran, Steven Heydemann & Reinoud Leenders eds. Palo Alto: Stanford University Press, 2013, pp. 200-221.

Khatami's "dialogue of civilizations" contributed to Iran's global image, Ahmedinejad's questioning of the Holocaust strained Iran's international relations. Besides, the parliament acts as the main legislative body and has considerable supervisory powers over the executive, including the approval of the annual budget and impeachment of ministers.

In this institutional context, a defining characteristic of Iranian politics is factionalism. Since the demise of the Islamic Republican Party – which unified all political forces loyal to the leader of the revolution, Ruhollah Khomeini - in May 1987, factions have been organized as separate organizations and engaged in fierce electoral competition for the control of the presidency and the parliament. As these factional organizations remain weak and lack strong corporate identities, elite differences and rivalries are characterized by shifting alliances and evolving loyalties. For instance, Mir-Hossein Mousavi and Mehdi Karroubi, who ran as reformist candidates challenging Ahmedinejad in 2009, were known for their radical views on exporting the Islamic revolution throughout the 1980s and in the early 1990s. Similarly, Rafsanjani, who was fiercely criticized and demonized by the reformists during the 2000 parliamentary elections, was their favorite candidate both in 2005 and 2013.

There are three perspectives on the elections in the Islamic Republic. According to the first view, which became especially popular after the disputed 2009 elections, elections are mechanisms of control by the leader, Ali Khamenei and the Revolutionary Guards, an autonomous military force, whose aim is to prevent the success of opposition forces. The Islamic Republic has become a sultanistic or militaristic regime with no tolerance for dissent. While it is true that Khamenei has more power than any other figure in the system and that the Revolutionary Guards has amassed significant political autonomy in recent years, the 2013 presidential elections clearly demonstrated that no single group or individual has a monopoly on power.

While it is true that Khamenei has more power than any other figure in the system and that the Revolutionary Guards has amassed significant political autonomy in recent years, the 2013 presidential elections clearly demonstrated that no single group or individual has a monopoly on power.

An alternative view offers a much more positive picture, arguing that elections, despite their flaws, represent the best possibility for the democratization of the regime.[2]

2 For a view resembling the Islamic Republic to sultanistic regime where power is monopolized by Khamenei, see Akbar Ganji, "The Latter-Day Sultan," *Foreign Affairs* 87 (2008): 45-66. For a view conceptualizing the Islamic Republic as a militaristic regime, see Elliott Hen-Tov and Nathan Gonzalez, "The Militarization of Post-Khomeini Iran: Praetorianism 2.0," *Washington Quarterly* 34 (2010): 46-59.

In contrast to the first view, this view associates electoral competition with political change and espouses mass participation in the elections. This view is embraced by the Iranian reformist movement that was emboldened by Khatami's election as president and the subsequent reformist takeover of the parliament in 2000. These electoral victories rolled back the authoritarian forces and provided institutional channels for representation of popular demands. However, the reformist strategy of electoral participation to democratize the regime ultimately proved to be a failure. Although the reformists achieved popular support in the period following the 1997 elections, they remained vulnerable in the face of the hardline assault. The Guardian Council disqualified reformist candidates, including many sitting members of the parliament, from running in the 2004 elections. Furthermore, the 2005 elections showed the limits of the reformist appeal as Ahmedinejad, the most hardline candidate, gained popular support. The reformists were also excluded from the 2008 and 2012 parliamentary elections when the Guardian Council barred their candidates from running. These developments hampered the belief in elections as a mechanism of progressive change in the Islamic Republic.

The reformists were also excluded from the 2008 and 2012 parliamentary elections when the Guardian Council barred their candidates from running.

A final view offers a more nuanced understanding of the elections as a means of regulating the balance of power among factions. Under this view, the elections contribute to the regime's resilience, as they minimize elite defections and regulate elite conflict. On the one hand, electorally victorious factions gain control of vast patronage networks and achieve a popular mandate to pursue their ideological preferences. On the other hand, the uncertainty of election outcomes provides strong incentives to defeated elites to stay within the system, on the grounds that they may have an opportunity for an electoral comeback in the near future. For instance, the election of Ahmedinejad in 2005 paved the way for the rise of a new generation of hardliners who felt marginalized during the Rafsanjani and Khatami eras. In turn, the surprise victory of Rouhani in 2013 enabled the reintegration of the reformist and centrist cadres that had been excluded from positions of power during the Ahmedinejad years. Moreover, election outcomes have substantial implications for the internal situation in Iran. Restrictions on social and political activities and human rights violations sharply increased under Ahmedinejad after years of limited political liberalization and civil liberties in the Khatami era. In particular, the 2009 elections generated a wave of

In particular, the 2009 elections generated a wave of repression resulting in mass arrests and exodus of many Iranian intellectuals and activists from the country.

repression resulting in mass arrests and exodus of many Iranian intellectuals and activists from the country.

This third view provides the most compelling interpretation of the Iranian elections. In contrast to many authoritarian regimes where the winners of the elections are predetermined, Khamenei, the leader of the Islamic Republic, and his close allies are not generally positioned to unilaterally shape election outcomes. Even if Khamenei indirectly decides on who can run in the elections, his priority has been to ensure high turnout and prevent an open factional conflict that would threaten the stability of the regime. In many of the speeches that he has delivered over the years, Khamenei has argued that popular electoral participation is a central indicator of the legitimacy of the Islamic Republic. As regulations that completely restrict competition would reduce turnout, the regime allows for limited pluralism in the elections.[3]

At the same time, electoral support for reformist candidates presents a dilemma for the regime as demonstrated during the 2009 elections. Many Iranian citizens supporting Mousavi lost confidence in the fairness of elections with the declaration of Ahmedinejad as the winner. Electoral mobilization facilitated massive street demonstrations that fueled Khamenei's worst fears: a Western supported popular uprising advocating for regime change. While it ultimately weathered the storm, the regime's heavy-handed interference in the electoral process was exposed as a very dangerous practice.

The Iranian Economy in 2013

As Ahmedinejad was reaching the end of his second term, the economic situation was rapidly deteriorating. As a result of both international sanctions and Ahmedinejad's populist policies, Iran's GDP shrank by 1.9 percent in 2012. The primary reason for Iran's economic problems is the significant decline in revenues from oil exports. According to the Organization for the Petroleum Exporting Countries (OPEC) and the International Energy Agency (IEA), Iran's oil exports declined from 2.4 million barrels per day in 2011 to 1.1 million in 2013. Given that petrol and petroleum products make up more than 80 percent of Iran's entire export revenues,

According to the IMF, Iran's inflation rate (consumer prices) was 10.4 percent in 2005 when Ahmedinejad was elected president. While it dropped to 10.1 percent in 2010, it skyrocketed in the next two years, 20.6 percent in 2011 and 27.3 in percent in 2012.

3 In the Islamic Republic, participation in the parliamentary and presidential elections has never been less than 50 percent. In the 1997 and 2009 presidential elections characterized by intense competition, turnout was over 80 percent.

the sharp decline in oil exports constituted a major blow.[4] Meanwhile, Iran's national currency, the rial, started to lose its foreign exchange value. In September 2012 alone, the rial lost around 40 percent of its value against the dollar. Furthermore, populist policies and sanctions fueled inflation. According to the IMF, Iran's inflation rate (consumer prices) was 10.4 percent in 2005 when Ahmedinejad was elected president. While it dropped to 10.1 percent in 2010, it skyrocketed in the next two years, 20.6 percent in 2011 and 27.3 in percent in 2012. According to the Statistical Centre of Iran, the inflation rate reached 31.5 percent in March 2013. Some analysts claim that the real inflation rate is significantly higher than the official numbers, which are kept artificially low. [5]

Ahmedinejad, who came to power with anti-corruption messages and the promise of sharing oil revenues with people, pursued populist policies that ultimately contributed to inflation. State banks provided cheap home loans to poorer sections of the society and cheap credit to citizens from underdeveloped regions. The Ahmedinejad administration also favored small and medium enterprises. For instance, a new stimulus program providing around 40 billion USD in credit to these enterprises was initiated in 2006. While these policies received substantial public support for a time, the intensification of sanctions aggravated popular grievances, especially among the urban middle classes, who were the backbone of the 2009 protests. Furthermore, Ahmedinejad was unable to reduce unemployment despite increases in public spending. The unemployment rate was 12.3 percent in 2011, similar to the rate in 2005. According to the IMF, unemployment would reach 15 percent in 2014.[6]

Ahmedinejad sought to enact structural reforms to increase Iran's economic performance. One of his key reforms was to replace energy subsidies with monthly cash transfers.

At the same time, Ahmedinejad sought to enact structural reforms to increase Iran's economic performance. One of his key reforms was to replace energy subsidies with monthly cash transfers. The reduction in fuel subsidies resulted in sharp increases in gas prices in December 2010. With few exceptions, this change did not result in major disturbances. While the government started to

4 Rick Gladstone, *Iranian Oil Minister Concedes Sanctions Have Hurt Exports*, New York Times, 7 January 2013, available at http://www.nytimes.com/2013/01/08/world/middleeast/irans-oil-exports-and-sales-down-40-percent-official-admits.html?_r=0

5 Rick Gladstone, *Double-Digit Inflation Worsens in Iran*, New York Times, 1 April 2013, available at http://www.nytimes.com/2013/04/02/world/middleeast/irans-double-digit-inflation-worsens.html

6 World Economic Outlook: Hopes, Realities, Risks, IMF Report, April 2013, available at http://www.imf.org/external/pubs/ft/weo/2013/01/pdf/text.pdf

make monthly payments to citizens' bank accounts to compensate for the loss in purchasing power, increasing inflation mostly neutralized the effect of cash transfers. The value of monthly payments per person declined from 45 USD in May 2011 to half of that amount in May 2013.

Ahmedinejad also continued the privatization programs that were begun under Rafsanjani and Khatami, and had received widespread support from competing factions. He generated a program involving "justice shares" with the goal of making ordinary citizens the beneficiaries of privatization. At the same time, companies embedded within the Revolutionary Guards and the paramilitary Basij networks, such as Khatam al-Anbia, enjoyed special access to and greatly benefited from privatization under Ahmedinejad.[7] Khatam al-Anbia won public bids in many different sectors including natural gas and oil. [8] As individuals affiliated with the Revolutionary Guards and Basij had increasing political clout during the Ahmedinejad years, privatization did not result in the formation of more dynamics and productive enterprises, but contributed to enrichment of favored political groups and semi-official charitable trusts (*bonyad*).[9]

The 2013 Presidential Elections

While the election of Khatami in 1997 heralded the dawn of a reformist era in the IRI, the victory of the hardliners in the 2004 parliamentary elections signified the beginning of an authoritarian backlash.

While the election of Khatami in 1997 heralded the dawn of a reformist era in the IRI, the victory of the hardliners in the 2004 parliamentary elections signified the beginning of an authoritarian backlash. In addition to the asymmetrical distribution of power disadvantaging the elected institutions in relation to the bureaucratic ones, geopolitical developments were not conducive to the reformist project. The Iranian hardliners, who came to control all major state institutions by 2005, were fearful that the U.S. was aiming to overthrow the Islamic Republic by sponsoring a popular disobedience campaign similar to the uprisings that took place in some post-communist countries such as Serbia, Georgia,

7 Nader Habibi, "The Economic Legacy of Mahmoud Ahmedinejad," *Middle East Brief* 74 (2013) Crown Center for Middle East Studies, Brandeis University, available at http://www.brandeis.edu/crown/publications/meb/meb74.html.

8 William Yong, "NIOC and the State: Commercialization, Contestation and Consolidation in the Islamic Republic of Iran," *The Oxford Institute for Energy Studies*, MEP 5, May 2013, available at http://www.oxfordenergy.org/2013/05/nioc-and-the-state-commercialization-contestation-and-consolidation-in-the-islamic-republic-of-iran. Khatam al-Anbia became the subject of the UN Security Council sanctions in June 2010.

9 For an informed study of privatization in Iran, see Kevan Harris, "The Rise of the Subcontractor State Politics of Pseudo-Privatization in the Islamic Republic of Iran," *International Journal of Middle East Studies* 45 (February 2013): 45-70.

The Iranian hardliners, who came to control all major state institutions by 2005, were fearful that the U.S. was aiming to overthrow the Islamic Republic by sponsoring a popular disobedience campaign similar to the uprisings that took place in some post-communist countries such as Serbia, Georgia, and Ukraine between 2000 and 2005.

and Ukraine between 2000 and 2005. They became increasingly suspicious of any kind of civil society activism and increased the pressures on journalists, human rights activists, and civil society workers who were linked with "external forces" intent to destabilize and undermine the Islamic Republic. The 2009 protests aggravated the threat perception of the hardliners and generated a wave of repression.[10]

Iranian citizens chose a new president and local council members on 14 June, 2013 in this political atmosphere. The council elections, originally supposed to be held in June 2010, were postponed to June 2013 after the parliament extended the term of the councils from 4 to 7 years. The 2013 elections took place under the shadow of the popular protests and wave of repression following the disputed 2009 elections. Fearful of an attempt by Ahmedinejad to manipulate the election outcome, members of the parliament passed a law reducing the power of the Ministry of Interior over the electoral process in January 2013. Only eight out of 686 applicants were approved by the Guardians Council to run in the elections. The council's decision to veto the candidacy of Rafsanjani (president between 1989 and 1997 and with broad support from the reformists) dampened the expectations about the elections as a mechanism for political change. The widespread assumption was that a hardliner candidate favored by Khamenei would win the elections. In addition to Rafsanjani, another prominent politician, Esfandiar Rahim Mashaei - closely affiliated with Ahmedinejad - was also barred from running.

The 2013 elections took place under the shadow of the popular protests and wave of repression following the disputed 2009 elections.

After two candidates withdrew from the elections, six candidates ran against each other. The candidates receiving the most attention were Saeed Jalili, Secretary of the Supreme National Security Council and chief nuclear negotiator, Hassan Rouhani, former chief nuclear negotiator, and Mohammad Bagher Ghalibaf, mayor of Tehran. Jalili, who lost the lower portion of his right leg during the Iran-Iraq war, earning him the title of "living martyr", aimed to replicate Ahmedinejad's success in the 2005 elections with his modest and pious lifestyle.[11] Jalili also

10 For an analysis along these lines, see Güneş Murat Tezcür, "Democracy Promotion, Authoritarian Resiliency, and Political Unrest in Iran," *Democratization* 19 (2012): 120-140.

11 For an interview with him, see http://www.csmonitor.com/World/Middle-East/2013/0521/Exclusive-Iran-s-frontrunner-for-president-speaks-of-his-life-battling-US-power?nav=87-frontpage-entryLeadStory.

portrayed himself as the candidate of the political order (*nezam*) and tried to mobilize the support of the Revolutionary Guards alongside with Ghalibaf. Many observers assumed that Jalili, who generally refrained from openly criticizing the Ahmedinejad administration unlike other candidates, had secured the support of Khamenei, Revolutionary Guards and Basij forces and was the frontrunner.[12] In contrast, Ghalibaf located himself in the political center and aimed to garner support from a variety of social groups.

Khamenei declared that he was not supporting any candidate in a speech delivered on 7 June in the face of rumors about his support to Jalili. Khomeini's behavior can be defined as strategic ambiguity. While Khamenei obviously preferred candidates with hardliner views over the reformists, it was risky for him to openly declare his support for a candidate. In the event that such a candidate lost the elections, Khamenei's own legitimacy and power would be undermined. As his explicit backing of Ahmedinejad in 2009 tarnished his image, Khamenei acted with more prudence in 2013.

While the reformists experienced disillusionment with the disqualification of Rafsanjani, calls for a boycott did not receive widespread support.[13] They mobilized for the elections in response following the calls of both Khatami and Rafsanjani. Ironically, the disqualification of Rafsanjani and the absence of a powerful reformist candidate reduced the motivations of the hardliners to unite behind a single candidate. Meanwhile, Mohammad Aref, a vice-president during the Khatami's presidency, withdrew from the elections on behalf of Rouhani just few days before the elections, on June 11. As a result, Rouhani suddenly had momentum-defying expectations that Jalili's presidency was a foregone conclusion.

The presidential candidates participated in three debates live broadcasted by public TV. In these debates, the Ahmedinejad's nuclear policy attracted harsh criticisms. Jalili, who was in charge of nuclear negotiations, became target of attacks by other candidates, especially Ali Akbar Velayati, Khamenei's foreign policy advisor and

The presidential candidates participated in three debates live broadcasted by public TV. In these debates, the Ahmedinejad's nuclear policy attracted harsh criticisms. Jalili, who was in charge of nuclear negotiations, became target of attacks by other candidates, especially Ali Akbar Velayati, Khamenei's foreign policy advisor and a former foreign minister, and Rouhani.

12 For instance, an article appearing in the first page of *The New York Times* declared Jaleli as the candidate supported by the political establishment. See http://www.nytimes.com/2013/05/29/world/middleeast/saeed-jalili-emerges-as-establishment-favorite-in-irans-presidential-race.html.

13 Mostafa Tajzadeh, former advisor of Khatami who was imprisoned after the 2009 protests, and Mousavi Khoeiniha, a leading reformist figures, called for boycott that did not receive general support.

a former foreign minister, and Rouhani. Velayati and Rouhani argued that Jalili's uncompromising style was harming Iranian national interests. In response, Jalili, whose campaign motto was "no compromise, no submission," indicated that he would continue Ahmedinejad's provocative and bellicose foreign policies. While he claimed that he would establish a "resistance economy," he did not offer a specific economic action program. Besides, he argued that women's fundamental duty was to take care of children, and advocated restrictions on cultural and social freedoms.

In sharp contrast to Jalili, Rouhani had a positive view of gender equality and criticized the Basij's harassment of ordinary citizens. He also declared that he would work for the liberation of the reformist candidates in the 2009 elections, Mir Hossein Mousavi (prime minister between 1981 and 1989) and Mehdi Karroubi (speaker of the parliament from 1989 to 1992, and from 2000 and 2004), under house arrest from February 2011. Rouhani sought to claim the political center and emphasized that he did not support extremist policies. He reasoned that the 2009 unrest was an outcome of extremism and promised to have representation from different factions in his cabinet.

Ironically, the most reformist candidate, Rouhani was also only the cleric and prominent, high-ranking politician among the candidates. In fact, Rouhani was the ultimate political insider in the IRI.

Jalili, who was perceived as the frontrunner, received only 11 percent of the vote. At the same time, pre-election online surveys by a public opinion company correctly identified Rouhani as the winner.[14] According to the official results, 35,458,747 out of 50,483,192 voters went to the polls. The turnout was 72.7 percent. Rouhani received 50.7 percent of the votes and was elected as the seventh President of the IRI.[15] His performance was particularly strong in Iran's peripheral regions with large ethnic minorities such as Sistan-Baluchestan, Kordestan, and Western Azerbaijan.[16]

In contrast to 2009 when Ahmedinejad's victory was declared the night of the elections, the regime acted cautiously and gradually released the results to restore public confidence in the electoral process. In the end, no major post-electoral protests were recorded in 2013.

---

14 http://ipos.me.

15 Regional distribution of electoral results is available at the Minister of Interior. Available at http://result-p.moi.ir/Portal/Home/default.aspx.

16 For a regional distribution of the vote shares, see http://iran2013.org/.

Ironically, the most reformist candidate, Rouhani was also only the cleric and prominent, high-ranking politician among the candidates. In fact, Rouhani was the ultimate political insider in the IRI. He was born in Semnan province located in mid-north part of Iran in 1948. After completing his madrasa education in Qom, he gained a place at the prestigious Tehran University in 1969 and was awarded a law degree in 1972. He continued his studies after the revolution and received a Ph.D. from Glasgow Caledonian University in 1999. His involvement in the Islamist movement and connections with Khomeini in the 1970s facilitated his rise in the post-revolutionary politics. He was elected to the parliament five times between 1980 and 2000. As a member of parliament, he served as the deputy speaker and head of the national security and foreign policy committee. During the war with Iraq, he was deputy commander of the armed forces, a member of the Supreme Defense Council, and the commander of the Air Defense Force. He has been a member of the Supreme National Security Council since 1989, the Expediency Council since 1991 and the Assembly of Experts since 1991. He has been the head of the Center for Strategic Research Center, one of the leading think-tanks in Iran, since 1992. He also served as the National Security Advisor for President Rafsanjani from 1989 to 1997. Most recently, he was Iran's chief nuclear negotiator between 2003 and 2005. Given his illustrious career, Rouhani's emergence as the candidate favored by the opposition reveals how Ahmedinejad alienated many prominent figures of the IRI.

The Initial Days of the Rouhani Era

One of the central questions about Iranian foreign policy concerns its ideological versus pragmatic character.[17] Changes in Iranian foreign policy from an ideological orientation to pragmatism and vice versa reflect both changes in the factional balance of power and geopolitical developments. The U.S. invasion of Afghanistan in 2001 and Iraq in 2003 completely altered the geopolitical environment for Iran and contributed to the rise of hardliners espousing a more ideological foreign policy characterized by "Third-Worldism," and "Islamism" during the Ahmedinejad years. Rouhani's election indicated that Iran would pursue a more conciliatory and pragmatic foreign policy, the early

Rouhani's election indicated that Iran would pursue a more conciliatory and pragmatic foreign policy, the early signs of which were visible in the composition of his cabinet.

17 For an informed and nuanced discussion of the characteristics of Iranian foreign policy see, Walter Posch, "The Third World, Global Islam and Pragmatism," *SWP Research Paper* 2013/RP 03, April 2013, available at http://www.swp-berlin.org/fileadmin/contents/products/research_papers/2013_RP03_poc.pdf.

signs of which were visible in the composition of his cabinet. The parliament approved 15 out of 18 Rouhani's nominations on 15 August. Many of these ministers were high-ranking bureaucrats during the Rafsanjani presidency and were marginalized by Ahmedinejad. Foreign Minister Javad Zarif, who obtained a Ph.D. from Denver University in 1988 and Iran's representative at the UN between 2002 and 2007, was known for diplomatic skills and moderation. Zarif played a key role in the intense nuclear negotiations that followed Rouhani's inauguration and resulted in preliminary records suspending Iran's nuclear program in exchange for limited sanctions relief on 24 November.[18]

The nuclear issue has dominated Iran's foreign relations since 2003, when the International Atomic Energy Agency (IAEA) announced that Iran was secretly pursuing a nuclear program. Iran has been engaged in negotiations with the five permanent members of the UN Security Council and Germany (P5+1) since 2006. While the P5+1 demanded that Iran stop its uranium enrichment and allow more intrusive IAEA inspections, Iran demanded the recognition of its right to enrichment and the easing of sanctions. As Iran rejected the UN Security Council's call to suspend all enrichment-related and reprocessing activities in July 2006, it gradually faced sanctions crippling its access to global economic system. Most recently, the U.S. administration has issued a new set of sanctions against Iran targeting the automobile industry and severely restricting rial transactions in the global financial system.[19]

Rouhani's past gave clear signals that he would aim to break the deadlock in nuclear negotiations. During his tenure as Iran's chief nuclear negotiator, Rouhani signed the Paris Treaty with France, Britain and Germany, temporarily suspending Iran's uranium enrichment in 2004.[20] According to Rouhani, this treaty prevented the U.S. from taking action against Iran in the UN Security Council and reduced the possibility of an U.S. military operation against Iran.[21] In a letter he sent to the *Time* magazine

---

18 In fact, secret talks between the U.S. and Iran started in early August. See, http://backchannel.al-monitor.com/index.php/2013/11/7115/exclusive-burns-led-secret-us-back-channel-to-iran/. For a graphical representation of the deal between P5+1 and Iran, see http://www.nytimes.com/interactive/2013/11/24/world/middleeast/Understanding-the-Deal-With-Iran.html?ref=middleeast.

19 The origins of the U.S. sanctions against Iran go back to the hostage crisis of 1979. The scope of sanctions was significantly broadened in 1995 and 1996 during the presidency of Bill Clinton.

20 http://www.cnn.com/2004/WORLD/meast/11/14/iran.nuclear.

21 Rouhani authored a book reflecting on his experiences as the chief nuclear negotiator. For an analysis of this book, http://www.lobelog.com/irans-national-security-and-nuclear-diplomacy-an-insiders-take.

in 2006, Rouhani argued that an Iran armed with nuclear weapons would destabilize the region, result in an arms race, and would not give a strategic advantage to Iran against Israel supported by the U.S. Instead, he advocated confidence-step building steps and cooperation with the IAEA.[22] In a television program before the 2013 elections, he also criticized the Ahmedinejad government for not having direct meetings with the U.S. In a press conference on 17 June, a few days after his election, he promised that he would improve Iran's foreign relations and reduce the sanctions.[23] He also expressed his desire to have less antagonistic relations with the Sunni Gulf monarchies and to end Iran's relative isolation in the region.[24]

In the first 100 days of his presidency, Rouhani achieved considerable success. He had secured a six-month deal with the P5+1 regarding Iran's nuclear program, and eased the tensions with the Sunni states that were particularly concerned with the Syrian civil war. In this regard, the deal reached between the U.S. and Russia regarding the destruction of Syria's chemical weapons on September 14 was a major development, paving the way for the nuclear breakthrough in late November.[25] The deal preempted a U.S. military strike against Syria that would escalate regional tensions and make an agreement with Iran and P5+1 very difficult to achieve. While the deal between the U.S. and Russia did not result in any major decline in the level of violence in Syria, it at least revitalized hopes for a negotiated settlement to the civil war.

Rouhani faced also a daunting task regarding the domestic political situation. While he promised to reverse the excesses of the Ahmedinejad administration, his room for maneuver was significantly limited by the existence of multiple centers of power beyond his control. Not surprisingly, Rouhani achieved only very limited progress in improving the human rights conditions in the initial months of his term. His election was followed by the release of some prominent political prisoners such as Nasrin Sotoudeh, Isa Saharkhiz, and Ahmad Zeidabadi and the easing of

22 Hassan Rouhani, "Iran's Nuclear Program: The Way Out," *Time,* 9 May 2006, available at http://www.time.com/time/world/article/0,8599,1192435,00.html.

23 http://www.bbc.co.uk/news/world-middle-east-22940220.

24 In an attempt to establish better ties with small Gulf monarchies, Foreign Minister Zarif visited Kuwait, Oman, Qatar, and UAE in early December, available at http://www.bbc.co.uk/news/world-middle-east-25239869.

25 For the text of the agreement, see http://www.state.gov/r/pa/prs/ps/2013/09/214247.htm.

The election of Rouhani did not seem to change the trend in executions. While the journalists operate in a less intimidating environment and the official redlines have been relaxed since June 2013, newspapers still face direct intervention by the authorities.

some of the most draconian restrictions on press.[26] At the same time, the reformist leaders, Mousavi and Karroubi continued to be kept incommunicado since February 2011. Many other political prisoners remain behind bars. According to one estimate, close to 600 people were executed in the first 11 months of 2013.[27] The election of Rouhani did not seem to change the trend in executions. While the journalists operate in a less intimidating environment and the official redlines have been relaxed since June 2013, newspapers still face direct intervention by the authorities. *Bahar*, a reformist newspaper was closed down in late October 2013.[28]

Overall, it would be unrealistic to expect a sudden shift to political liberalization given Rouhani's pragmatic and cautious style, the distribution of institutional power, and uncertainties characterizing Iran's external environment. In fact, Rouhani's ability to achieve continuous progress in nuclear negotiations would be one of the key dynamics contributing to sustainable political liberalization in the Islamic Republic.

26 Sotoudeh was arrested in September 2010, sentenced to 6 years in prison, and prohibited from practicing law for 10 years. She initiated a hunger strike to protest restrictions on her family in September 2012. Her strike ended after 49 days when her daughter was allowed to travel outside of Iran. Shirin Ebadi, who received the Nobel Peace Price in 2003, had to leave Iran in face of pressures in 2009.

27 See the Amnesty International statement available at http://www.amnesty.org/en/library/asset/MDE13/048/2013/en/5583ebd7-8cc9-4354-a358-edc0759bf79c/mde130482013en.html.

28 For a detailed analysis of the press in the first months of the Rouhani presidency, see http://www.theguardian.com/world/2013/nov/30/iran-new-press-freedoms.