

Background

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More International Pressure Needed to Advance Freedom in Iran

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Abstract: *Iran will remain a hostile power that poses threats to its neighbors, the United States, and its own people as long as the current regime remains in power. International sanctions have weakened the Iranian economy, but sanctions alone will not halt Iran's nuclear weapons program or topple the regime. The Obama Administration should abandon any further attempts to curry favor with the regime in Tehran and instead engage directly with the Iranian people. Specifically, the U.S. should loudly and unceasingly condemn the regime's human rights abuses, support free and fair elections, and press other states to impose unilateral and multilateral sanctions against the regime for its violations of human rights, support for terrorism, and breaches of its nuclear nonproliferation commitments.*

Iran's Islamist dictatorship is under growing pressure at home and abroad as a result of its harsh repression, human rights abuses, support for terrorism, and violations of its nuclear nonproliferation obligations. Domestic political opposition continues to bubble up, threatening the regime's long-term survival. International sanctions have exacerbated Iran's economic problems and increasingly isolated its unpopular leaders.

Not only has popular dissatisfaction with the regime's policies eroded its base of support, but intensifying factional infighting has weakened the regime. President Mahmoud Ahmadinejad and his faction

Talking Points

- The Iranian regime's repression escalated to unprecedented levels after the sham presidential election in 2009 with the imprisonment and torture of hundreds of political activists. Iran's execution of political prisoners ranks second only to China's.
- Supreme Leader Ali Khamenei is constitutionally empowered as the ultimate power in Iran, and he remains implacably hostile to the United States.
- International sanctions and the regime's mismanagement have left Iran's economy in shambles. However, unless the international community enforces an array of tighter sanctions targeting Iran's nuclear proliferation activities and human rights abuses, the high price of oil will give Iran's regime breathing room.
- The Iranian regime operates behind a pseudo-democratic façade, which should no longer be tolerated. Washington must strongly call for free and fair elections in Iran and support democratic change without throwing its support behind any specific expatriate opposition group.

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have been undermined by public criticism, political scandals, corruption investigations, and policy reversals inflicted by rival hard-liners, who have often acted with the blessing of Supreme Leader Ayatollah Ali Khamenei. For example, after promising in September that he would immediately free two American hikers who had become political hostages, Ahmadinejad suffered a humiliating rebuff when Iran's judiciary delayed their release. This incident underscores Ahmadinejad's declining political power.

Ahmadinejad is very much a lame duck. He is constitutionally prohibited from running for a third term when his current term expires in 2013, and there is a growing power struggle to succeed him. Yet the Supreme Leader, not the president, wields the ultimate political power under Iran's revolutionary constitution. There is little chance for genuine reform as long as Khamenei retains his stranglehold on Iran's politics. The recently foiled plot by Iranian Revolutionary Guards to assassinate the Saudi ambassador to the United States is a stark reminder that the regime, which relies on terrorism to intimidate its own people, has few misgivings about unleashing terrorism against Americans.

Iran's Islamist regime has been one of the world's foremost human rights abusers ever since the 1979 revolution. It has systematically repressed political dissent, freedom of expression, freedom of the press, religious freedom, and the rights of women and minorities. Repression escalated to unprecedented levels when the regime brutally crushed the massive public protests against the sham presidential election in June 2009. Hundreds of political activists, including many leaders of the opposition Green Movement, remain in jail where they are threatened with torture to extract false confessions. Iran also has accelerated the executions of political prisoners and now ranks second only to China as the world's most prolific executioner.

To help Iranians gain freedom, the United States should:

- Recognize that Iran's regime remains implacably hostile;
- Recognize that the Supreme Leader, not the Iranian president, leads Iran;
- Publicly support free elections in Iran;
- Engage with Iran's people, not the regime;
- Refrain from endorsing specific expatriate opposition groups; and
- Ratchet up targeted international sanctions against the regime.

Iran's Growing Internal Strains

Many Iran analysts considered the massive demonstrations after the June 2009 presidential election to be the biggest existential challenge to the 30-year rule of the Islamic Republic of Iran. When Supreme Leader Khamenei broke his silence after six days of demonstrations, he not only threw the full weight of his power behind Ahmadinejad, but also unleashed the brutal repression of the demonstrators, who were dubbed "the Green Movement." Two years after Ahmadinejad's contested reelection, his relationship with the Supreme Leader has severely deteriorated, and the dynamics inside the circles of the ruling elite have changed.

Many Iran analysts considered the massive demonstrations after the June 2009 presidential election to be the biggest existential challenge to the 30-year rule of the Islamic Republic of Iran.

Emboldened by the public support from the Supreme Leader and many hard-liners in 2009, Ahmadinejad sought to expand his power by attempting to place trusted advisers in key positions.

Ahmadinejad had maintained that his relationship with the Supreme Leader, Ali Khamenei, was like that between a father and son.¹ However, according to the constitution of the Islamic Republic of Iran, the Supreme Leader has the final say in all cabinet foreign policy and defense appointments.

That the Supreme Leader, the militant clergy, and the Basij militia had pulled out all the stops to elect Ahmadinejad to a second term seems to have emboldened him enough to believe that he could freely choose his advisers and cabinet ministers. Early in his second term and as the demonstrations over his contested presidency were still going on, Ahmadinejad began centering his coterie of advisers around Esfandiar Rahim Mashaei, his closest and most controversial ally.

Mashaei first drew criticism from traditionalist hard-liners when he mentioned in a speech in 2008 that Iranians are “friends of all people in the world—even Israelis.”² Mashaei’s prominence in the president’s inner circle was underscored by his appointment in June 2009 as First Vice President, the highest ranking presidential aide. Following this appointment, the Supreme Leader sent a note to Ahmadinejad criticizing the appointment. In an unprecedented move, the note was read on the Iranian public television channel. This extraordinary move prompted Mashaei to tender his resignation as First Vice President, which Ahmadinejad accepted reluctantly, later installing him as chief of staff.

While the statement about Israel was unusual for a member of the Iranian elite, his statement later that year to a group of Iranian expatriates claiming that “without Iran, Islam would be lost”³ was

even more irritating to the mullahs. Mashaei, whose daughter is married to Ahmadinejad’s son, has been known to celebrate Persian/Iranian holidays, such as Nowrouz, the pre-Islamic Persian New Year.

Ayatollah Ruhollah Khomeini, the father of Iran’s Islamic revolution, sought to diminish Iran’s Persian customs and ceremonies in favor of purely Muslim and Islamic rituals. This served Khomeini’s goals not just of establishing an Islamic Republic, but also of inserting Iran into a larger Muslim *umma* (society). After all, Yaser Arafat was the first international public figure to visit Iran after the revolution. At that historic event, Khomeini declared Iran’s solidarity with the Palestinian cause—a cause that is still near and dear to the Islamic Republican regime. Hence, Mashaei’s speeches glorifying Iran’s non-Islamic past flew in the face of that goal. After this incident, Ahmadinejad kept pushing the envelope, seemingly believing in his own popularity—despite public demonstrations to the contrary—and in his special bond with the Supreme Leader.

In September 2010, Ahmadinejad proposed placing “presidential envoys” inside the Iranian Foreign Ministry, which prompted Khamenei to warn about the perils of conducting “parallel work in foreign policy.”⁴ A letter from 122 members of the Majles-e-Shura-ye-Eslami, or Majles (the Iranian legislature), objected to these appointments on constitutional grounds. Ahmadinejad’s nomination of six special envoys to the Middle East, Afghanistan, the Caspian Sea region, Asia, Africa, and Central America made abundantly clear that Foreign Minister Manouchehr Mottaki no longer had the president’s full confidence. Mottaki saw this move as an encroachment on the Supreme Leader’s foreign policy turf, calling

1. “Ahmadinejad Sworn in for Second Time in Iran, but Then Takes Swipe at West,” *Daily Mail*, August 9, 2009, at <http://www.dailymail.co.uk/news/article-1204274/Brown-Obama-Sarkozy-Merkel-snub-Ahmadinejad-refuse-officially-congratulate-Iran-election-victory.html> (November 21, 2011).
2. Robert F. Worth, “Ex-President in Iran Seeks Referendum,” *The New York Times*, July 19, 2009, at <http://www.nytimes.com/2009/07/20/world/middleeast/20iran.html> (November 21, 2011).
3. Ali Sheikholeslami, “Iran Forces’ Chief of Staff Criticizes Ahmadinejad Aide over Islam Remarks,” *Bloomberg*, August 10, 2010, at <http://www.bloomberg.com/news/2010-08-10/iran-forces-chief-of-staff-criticizes-ahmadinejad-aide-over-islam-remarks.html> (November 21, 2011).
4. Kaveh L. Afrasiabi, “Ahmadinejad Envoys Stir Trouble at Home,” *Asia Times*, September 10, 2010, at http://www.atimes.com/atimes/Middle_East/LI10Ak01.html (November 21, 2011).

it a “weakening of Iran’s diplomatic apparatus.”⁵ Mottaki owed his post to the Supreme Leader, who had installed him as a “pragmatist” in the ministry.

The sometimes public battle between Mottaki and Ahmadinejad culminated in December 2010, when Ahmadinejad abruptly dismissed him as foreign minister while Mottaki was in Senegal on an official state visit.⁶ The Supreme Leader remained quiet about the affair, but many in the Majles publicly protested the lack of decorum and the untimeliness of the dismissal.

When Intelligence Minister Heydar Moslehi purportedly bugged the president’s offices to spy on Mashaei, Ahmadinejad objected, and Moslehi tendered his resignation in mid-April. This time the Supreme Leader made the unprecedented move of reinstating Moslehi and publicly ordering him back to the office. Ahmadinejad, who had never before been confronted so directly by Khamenei, withdrew from official meetings for more than a week. He resumed his official duties only after a meeting with the Supreme Leader.

Ahmadinejad’s critics were emboldened by Khamenei’s public chastisement of Ahmadinejad. On May 8, Ahmadinejad proposed consolidating eight ministries into four, merging the Industries and Mines Ministry with the Commerce Ministry, the Housing and Urban Development Ministry with the Roads and Transportation Ministry, the Welfare Ministry with the Labor Ministry, and the Oil Min-

istry with the Energy Ministry. Ali Larijani, Speaker of the Majles and a leading critic of Ahmadinejad, called the decision to merge the ministries without the legislature’s approval illegal.⁷

In the ensuing drama, Ahmadinejad dismissed the oil minister and acted as temporary caretaker of the Oil Ministry days before a critical OPEC meeting in which Iran’s oil minister, as the rotating OPEC president, would preside over discussions to increase production and relieve the upward pressure on oil prices. The Iranian parliament quickly called the move illegal⁸ and blocked Ahmadinejad’s plans to preside at the OPEC meeting, forcing him to nominate a temporary caretaker for the Oil Ministry.

The jostling between the Majles and Ahmadinejad continued with arrests of Ahmadinejad’s and Mashaei’s allies in the presidential court on charges of sorcery and witchcraft, stemming from a video made by Ahmadinejad’s staff about the emergence of the Twelfth Imam and animosity toward Mashaei. Foreign Minister Ali Akbar Salehi faced impeachment hearings on June 21 for appointing a deputy who was forced to resign three days later under corruption charges.⁹ The merger of the oil and industry ministries was not approved, and an inquiry was initiated into charges of improper vote-buying by Ahmadinejad during the 2009 elections—a charge that the Green Movement has long leveled against the contested elections.¹⁰

5. Golnaz Esfandiari, “Ahmadinejad Encroaches on Supreme Leader’s Foreign Policy Turf,” Radio Free Europe/Radio Liberty, September 8, 2010, at http://www.rferl.org/content/Ahmadinejad_Encroaches_On_Supreme_Leaders_ForeignPolicy_Turf/2152407.html (November 21, 2011).
6. William Yong, “Iranian Leader Suddenly Fires Top Diplomat,” *The New York Times*, December 13, 2010, at <http://www.nytimes.com/2010/12/14/world/middleeast/14iran.html> (November 21, 2011).
7. Radio Free Europe/Radio Liberty, “Ministry Merger Sparks Tension Between Iranian President, Parliament,” May 11, 2011, at http://www.rferl.org/content/ministry_merger_sparks_tension_iran_president_parliament/24097973.html (November 21, 2011).
8. Radio Free Europe/Radio Liberty, “Iranian Lawmakers Say Ahmadinejad Ministry Move Illegal,” June 1, 2011, at http://www.rferl.org/content/iran_lawmakers_ahmadinejad_oil_ministry_move_illegal/24211778.html (November 21, 2011).
9. Golnaz Esfandiari, “Iranian President Ahmadinejad Could Face Impeachment,” Radio Free Europe/Radio Liberty, June 25, 2011, at http://www.rferl.org/content/iran_president_ahmadinejad_could_face_impeachment/24246328.html (November 21, 2011).
10. Neil MacFarquhar, “A Divine Wind Blows Against Iran’s President,” *The New York Times*, June 22, 2011, at <http://www.nytimes.com/2011/06/23/world/middleeast/23iran.html> (November 21, 2011).

Some have charged that Mashaei is behind all of Ahmadinejad's woes, but Ahmadinejad has refused to withdraw his support of Mashaei, undermining this claim. Ahmadinejad's hard-line opponents, who would move to impeach the president if the Supreme Leader gave his tacit approval, now refer to Ahmadinejad's inner circle as "the deviant current," distinguishing them from adherents of the Green Movement, whom they call "the heads of sedition."

Iran's Economy in Shambles

Iran's faltering economy has exacerbated internal political tensions. Despite possessing the world's third-largest proven oil reserves, Iran is producing less than 4 million barrels per day—far below its potential capacity and the pre-revolutionary oil production levels of 6 million barrels per day. Iran's oil industry has been hampered by gross mismanagement, corruption, inadequate investment, lack of technology, and a lack of skilled technocrats, who have fled the country. Sanctions and Iran's arduous negotiating style have driven foreign investment away from Iran, resulting in the deterioration of extraction and refining capacity.

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Nonetheless, oil exports supply 80 percent of Iran's revenue. Yet this revenue has not solved the fundamental problems that threaten the country's

stability. Some estimates place the unemployment rate at 15 percent,¹¹ and Iranian youth, who comprise over 65 percent of Iran's population of 72 million, face very high unemployment rates. As a result, Iran is suffering from the world's largest brain drain, according to the International Monetary Fund (IMF).¹²

Squeezed by the international sanctions on gasoline imports, Iran cut gasoline subsidies in December 2010 and then cut bread and wheat subsidies. To avert unrest from the resulting price increases, the government provided monthly cash payouts of \$40 per household, which offset a portion of the savings from the cuts in subsidies. Some companies that relied on subsidized energy were also partially compensated, but details of those payments have not been published.

The IMF dispatched a mission to Iran for Article IV consultations between May 28 and June 9. At the conclusion of the consultations, the IMF issued a statement that painted a very rosy picture of Iran's economy, surprising independent economists and Iran watchers. The IMF statement "commended the authorities for the early success in the implementation of their ambitious subsidy reform program."¹³ The subsequent Article IV report, released on August 3, notes that Iran's annual average inflation decreased from 25.4 percent in 2008/09¹⁴ to 12.4 percent in 2010/11.¹⁵

The IMF bases its figures on data provided by Iranian authorities and IMF staff estimates. Yet the latest figures (May 2011) from the Iranian Central Bank show that prices of consumer goods have increased by more than 26 percent on an annual

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11. Unofficial estimates place the unemployment rate in Iran at much higher than—even twice—the official rate of 1 percent. However, all available statistics and estimates are based on statistics provided to the IMF by Iranian officials.
 12. William J. Carrington and Enrica Detragiache, "How Extensive Is the Brain Drain," *Finance & Development*, Vol. 36, No. 2 (June 1999), at <http://www.imf.org/external/pubs/ft/fandd/1999/06/carringt.htm> (November 21, 2011).
 13. Press release, "Statement by IMF Article IV Mission to the Islamic Republic of Iran," International Monetary Fund, June 13, 2011, at <http://www.imf.org/external/np/sec/pr/2011/pr11228.htm> (November 21, 2011).
 14. The Iranian fiscal year starts on March 21. Thus, "2008/09" refers to the fiscal year from March 21, 2008, to March 20, 2009.
 15. International Monetary Fund, "Islamic Republic of Iran: 2011 Article IV Consultation—Staff Report," *IMF Country Report* No. 11/241, August 3, 2011, at <http://www.imf.org/external/pubs/ft/scr/2011/cr11241.pdf> (November 21, 2011).

basis and that general inflation, including services and energy, has increased by 19.7 percent.¹⁶ The Iranian Central Bank report was based on March 2011 data, which may not reflect the true impact of the subsidy cuts. Members of the Majles have criticized Ahmadinejad for not releasing economic data that could show how much the country has saved by ending the subsidies. Nonetheless, the IMF report claims that removing the subsidies has saved the country nearly \$60 billion, or 15 percent of GDP.

In the same report, the IMF revised its earlier estimates of Iran's economic growth from negative growth to 3.5 percent in 2009/10 and 3.2 percent in 2010/11. Independent economists had estimated that the Iranian economy was shrinking. Nonetheless, Iran's real GDP growth rate of 3.2 percent in 2011 is only half the average growth rate of other oil-producing countries in the region over the past three years. With oil prices above \$100 per barrel, Qatar experienced real annual GDP growth of 20.0 percent in 2011; Iraq, 9.6 percent; Saudi Arabia, 7.5 percent; and Kuwait, 5.3 percent.¹⁷

Over the years, international sanctions have increasingly affected Iran's economy, contributing to lackluster growth, crumbling infrastructure, lack of access to international banking and credit, and declining foreign direct investment. Ordinary Iranians have felt the effects of sanctions and their government's erratic macroeconomic policy in defiance of the West. The number of international banks that can conduct business with Iranian banks shrinks with each new round of sanctions. The bazaar merchants—an important political constituency—have seen their ability to buy supplies on credit erode severely. Iranians cannot send money abroad, nor

can Iranians abroad easily send remittances home. Most European companies refuse to refuel Iranian passenger planes, and Iran has responded by not refueling the same airlines (e.g., Lufthansa and Air France), resulting in fewer flights between Europe and Iran.

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Iranians also blame the sanctions for higher inflation and the high cost of running a business. Businesses have laid off workers, and many export companies find it increasingly difficult to continue operations. The media have reported on government-owned factory workers walking out after not being paid for months.¹⁸

Paradoxically, some sanctions have created opportunities for those with ties to the government and the Islamic Revolutionary Guard Corps (IRGC), widening the gap between rich and poor in Iran. The so-called *nouveaux riches* Iranians seem little affected by the sanctions because they import their luxury goods through neighboring states or just pay higher prices for black market goods.

These differences between the haves and have-nots have been palpable in the streets of Tehran. A *Washington Post* reporter who recently visited Tehran wrote, "The new wealthy are buying Porsches, getting caviar delivered to late-night parties, and eating \$250 ice creams covered in edible gold at what's billed as the highest rotating restaurant in

16. Central Bank of the Islamic Republic of Iran, General Directorate of Economic Statistics, "Consumer Price Index for All Urban Consumers, Farvardin 1390," May 2011, at <http://www.cbi.ir/simplelist/8106.aspx> (November 21, 2011).

17. International Monetary Fund, *World Economic Outlook: Tensions from the Two-Speed Recovery Unemployment, Commodities, and Capital Flows*, April 2011, at <http://www.imf.org/external/pubs/ft/weo/2011/01/> (November 21, 2011).

18. Parisa Hafezi, "Iranians Rich and Poor Caught in Sanctions Net," *Real Clear World*, July 6, 2011, at http://www.realclearworld.com/news/reuters/international/2011/Jul/06/iranians_rich_and_poor_caught_in_sanctions_net.html (November 22, 2011).

the world.”¹⁹ Not surprisingly, Transparency International ranked Iran 146th out of 178 countries on its Corruption Perceptions Index.²⁰ The inequality against which Ahmadinejad campaigned appears to be weighing heavily on his administration, just as the political winds have turned against him.

Despite his defiant rhetoric denying the impact of sanctions on Iran’s economy and daily life, the threat of sanctions against Iran’s gasoline imports prompted Ahmadinejad to undertake an ambitious subsidy reform program in December 2010. To meet domestic demand for gasoline imports, the Islamic Republic claims to be converting petrochemical plants into refineries, boasting that the conversion of two plants has already helped to meet demand. The quality of the gasoline cannot be verified, and Tehran can hardly bear any more pollution, but Iran appears to be meeting its domestic need for gasoline at least for now.

Sanctions have also hurt Iran’s economy as a whole by diminishing oil export payments. India, Iran’s second-largest crude oil buyer, is a prime example. Indian refineries have been forced to halt payments for Iranian crude oil supplies since December, when India’s central bank canceled a long-standing clearing mechanism and a subsequent effort to pay through an Iranian-controlled German bank was also halted.²¹ However, Indians have found a way around the sanctions by directing payments through Turkey since August 1. China is currently the biggest importer of Iranian crude oil and apparently has no trouble clearing payments for its supplies.

Yet the combination of high inflation, unemployment, corruption, deep financial inequalities, and crumbling infrastructure, especially in the oil fields

and refineries, is brewing a perfect economic storm for Iran’s rulers. But the high price of oil and the willingness of others who defy sanctions on political, ideological, or financial grounds is keeping Iran’s economy afloat and its ruling elite in command for now.

Maintaining Pressure on Iran’s Regime

The Obama Administration’s engagement policy has manifestly failed to alter Tehran’s behavior or even induce Iran to enter a meaningful dialogue. President Barack Obama extended an olive branch in his inaugural address and repeated the offer in his first interview as President with the Al Arabiya news channel: “if countries like Iran are willing to unclench their fist, they will find an extended hand from us.”²² Regrettably, Iran’s Islamist dictatorship is unwilling to unclench its fist, not only due to its unwavering hostility toward the United States, but also because its fist is tightly clenched around the neck of the Iranian people, whom it fears will overthrow it.

The Supreme Leader and other members of the ruling elite have repeatedly shown their lack of interest in dialogue with the U.S. and either deny the existence of their nuclear weapons program or are defiant about it (largely to domestic audiences). As long as Khamenei and his circle are in power, no deals will be struck on the nuclear front. Any hope for an Iranian government that will not threaten peace and security in the region and that will act like a responsible member of the international community lies with the Iranian opposition.

Therefore, the United States should:

- **Recognize that Iran’s regime remains implacably hostile.** A keystone of the regime’s Islamist

19. Thomas Erdbrink, “Iran’s Rich Eat Ice Cream Flecked with Gold as Poor Struggle to Survive,” *The Washington Post*, August 6, 2011, at http://www.washingtonpost.com/world/middle-east/irans-rich-eat-ice-cream-covered-in-gold-as-poor-struggle-to-survive/2011/07/20/gIQAyKUmwI_story.html (November 22, 2011).

20. Transparency International, “Corruption Perceptions Index 2010,” at http://www.transparency.org/policy_research/surveys_indices/cpi/2010/results (November 22, 2011).

21. Rakesh Sharma and Eric Yep, “India Starts Clearing Oil Dues Via Turkey,” *The Wall Street Journal*, August 1, 2011, at http://online.wsj.com/article_email/SB10001424053111903520204576481920305311688-1MyQjAxMTAxMDAwMTEwNDEyWj.html (November 22, 2011).

22. Adam Hutton, “Obama Addresses Muslim World on Arab Television,” CBS News, January 27, 2009, at http://www.cbsnews.com/8301-503544_162-4754691-503544.html (November 22, 2011).

ideology is unceasing opposition to the United States, vilified as the “Great Satan.” The regime’s *raison d’être* and principal claim to legitimacy is that it will lead Muslims, not just Iranians, to resist the influence and defeat the power of the United States and the West. The theocratic regime will not genuinely consider making a grand bargain with the United States any more than it would condone a deal with the devil.

The recently foiled plot to assassinate the Saudi Arabian ambassador in Washington, D.C., is a reminder of the regime’s willingness to use terrorism against its foreign enemies and its own people. The Obama Administration’s naïve attempts to engage Iran’s rulers by demonstrating its good intentions have failed to elicit anything except for Tehran’s contempt.

- **Recognize that the Supreme Leader, not the president, leads Iran.** Ayatollah Khamenei is empowered by Iran’s constitution to function as the ultimate arbiter of Iran’s state policies. He has undermined Ahmadinejad just as he undermined Ahmadinejad’s predecessor, reformist President Mohamed Khatami.

Khamenei has clearly demonstrated to Ahmadinejad that his power depends entirely on Khamenei’s support. If Ahmadinejad accepts this quietly, he will most likely look to the parliamentary elections in March 2012 to usher in some of his allies. Rumors have also been circulating for a long time that Ahmadinejad is grooming Mashaei as his successor, which may explain the growing vehement opposition to Mashaei. Branding Mashaei and his circle as the deviant current has effectively paved the way for the Guardian Council to reject the candidacy of anyone from this group in the 2012 parliamentary elections and the 2013 presidential election.

There is a slight possibility that Ahmadinejad could be impeached before his term ends in 2013. Even though some members of the Majles, clergy, and ruling elite have their differences with Ahmadinejad, impeachment proceedings and

questionings of Ahmadinejad have been put on hold. However, Ahmadinejad’s hard-line opponents are ready to pounce if the Supreme Leader indicates his displeasure with the president again. Khamenei’s silence implies that they should wait for now, but the power struggle has left Ahmadinejad weakened and more vulnerable.

- **Support free elections in Iran.** Iran’s rulers have operated behind a pseudo-democratic façade that partially cloaks the theocratic dictatorship. This cynical arrangement is no longer acceptable to long-suffering Iranians who made their opposition clear in massive demonstrations following Ahmadinejad’s rigged reelection in 2009.

Although the Obama Administration’s muted reaction to Iran’s stolen election disappointed Iran’s democratic opposition, the Administration has an opportunity to adopt a stronger and more principled position on Iran’s upcoming parliamentary and presidential elections by objecting to its arcane vetting process and supporting democratic change. The upcoming parliamentary and presidential elections can provide the United States with an opportunity to throw its support behind the popular opposition in Iran and to demonstrate its support for democratic change. However, such change is virtually impossible without reforming Iran’s current constitution, which is a major barrier to genuine democratic change.²³

The Guardian Council will almost certainly disqualify members of the Green Movement from the elections. The U.S. should formally protest the disqualifications of candidates, many of whom have already served in the Majles, and expose the vetting process as the sham that it is. Such a move could also benefit allies of Ahmadinejad who will run for office but could also be vetted by the Guardian Council. However, a U.S. protest against the undemocratic process, regardless of the U.S. opinion of those being denied their rights, would underscore U.S. support for a fair and transparent democratic pro-

23. See Steven Groves, “Advancing Freedom in Iran,” Heritage Foundation *Backgrounder* No. 2019, March 26, 2007, at <http://www.heritage.org/research/reports/2007/03/advancing-freedom-in-iran>.

cess in Iran. Naming members of the Green Movement who have held office in prior governments would further strengthen such statements and communiqués.

The United States and its allies should also recommend installing international election monitors. The Iranian regime will certainly refuse such interference in its internal affairs, but the recommendation should be made and pursued with an appeal to international bodies. If the Islamic regime retorts with a demand to send their own election observers to U.S. presidential elections, the U.S. should welcome such a move if Iran reciprocates.

- **Engage with Iran's people, not the regime.** The Obama Administration should stop trying to curry favor with the regime in Tehran and give much greater support to the Iranian opposition. Although the regime's thugs in the Revolutionary Guard, Basij militia, and police have driven protesters off the streets, the regime faces a deteriorating economic situation, greater international isolation, and growing sanctions that will make it increasingly unpopular in the future. Iran's opposition has been sorely disappointed in the Obama Administration's weak response to its struggle for freedom. Exasperated protesters have chanted "Obama, Obama—either you're with them or you're with us."²⁴

Regrettably, most Iranians have the impression that the United States is focused exclusively on the nuclear weapons issue. Statements by U.S. government officials during the 2009 demonstrations showed neither robust support for the peaceful and valiant means that Iranians were taking to demand their civil rights nor any outrage at the seemingly obvious injustices of the election process. American officials later issued statements in support of the Green Movement and the "democratic aspirations of the Iranian

people," but they may have come too late to change perceptions inside Iran.

To most Iranians, the U.S. objective seems to have been to engage with whichever faction "won" the sham election. The fact that members of the P5+1 met with the newly installed members of the Ahmadinejad cabinet shortly after the massive demonstrations against the election gives further credence to this view.

The United States needs to state clearly and demonstrate that it stands with Iran's people, not with the regime. Washington should mount a high-priority public diplomacy campaign to expose and denounce the regime's manifold human rights abuses and should target sanctions against a much broader array of regime officials who are responsible for ordering the abuses.²⁵ This could reassure Iranians that the United States is more interested in supporting their drive for freedom than in trying to reach a shortsighted deal on the nuclear issue that the regime will likely ignore.

- **Refrain from endorsing specific expatriate opposition groups.** Washington should support the advance of freedom in Iran without throwing its support behind any particular political group. During the 2009 demonstrations and in all demonstrations before and since, no names of any expatriate Iranian groups or candidates were mentioned in chants, on placards, or on posters, nor were any insignia of such groups used. The same people who defied brutal repression by chanting Mir Hossein Mousavi's name also could have recited names of expatriate dissidents they support.

Nothing would serve the Iranian regime more than U.S. endorsement of candidates who have little or no support inside Iran. It would also demonstrate to the Iranian people that their struggles mean little to the United States, even

24. Robert Worth, "Dissidents Mass in Tehran to Subvert an Anti-U.S. Rally," *The New York Times*, November 4, 2009, at <http://www.nytimes.com/2009/11/05/world/middleeast/05iran.html> (November 22, 2011).

25. See Mehdi Khalaji, "Axis of Abuse: U.S. Human Rights Policy Toward Iran and Syria, Part II," testimony before the Subcommittee on the Middle East and South Asia, Committee on Foreign Affairs, U.S. House of Representatives, September 22, 2011, at <http://www.washingtoninstitute.org/html/pdf/KhalajiTestimony20110922.pdf> (November 22, 2011).

Mujahedeen-e Khalq

Lately, some former and current U.S. government officials have publicly thrown their support behind Mujahedeen-e Khalq (MEK, or the Mujahedeen Khalq organization). They cite the MEK's history of armed struggle and actions against the Islamic Republic of Iran as proof of its legitimacy. The MEK falsely claims that it has a vast base of support inside Iran. In fact, it has a wide base of detractors, regardless of political affiliation, inside Iran who revile it for betraying their country during the Iran–Iraq war and fighting as an ally of Iraqi dictator Saddam Hussein.

Moreover, when the MEK moved its operations to Iraq, mostly to a camp called “Ashraf,” the nature of the group changed from that of an opposition group to that of a cult. Elizabeth Rubin, a journalist who visited Camp Ashraf in 2003, exposed the group's bizarre rituals and cult-like adoration of Maryam Rajavi, its leader.²⁶ In a recent *New York Times* article spurred by the current show of support for the MEK among some high-ranking current and former U.S. policymakers, she gave an updated account of the group and demonstrated that it remains unpopular inside Iran and that some prominent endorsers seem ignorant of the cult-like status and some subversive activities of the group.²⁷

This underscores the MEK's strong lobbying presence in Washington. These data show that support of such a group by U.S. officials would only demonstrate to ordinary Iranians that the United States is not concerned about the loss of life during the Iran–Iraq war and does not understand the real opposition inside Iran. To Iranians, the MEK is a group of traitors.

Moreover, the MEK has American blood on its hands. It reportedly assassinated at least four U.S. military officers in Iran before the 1979 revolution. The MEK was formed as an anti-Western Marxist/Islamist revolutionary group that staged terrorist attacks against the Shah's regime, supported the seizure of the U.S. Embassy in 1979 and the holding of American hostages, and supported the Soviet invasion of Afghanistan later that year.²⁸

when they risk their lives to oppose a regime that is its sworn enemy.

- **Ratchet up targeted international sanctions against the regime.** Recent data from inside Iran show that economic sanctions have not only harmed Iran's economy, but also exposed inequalities inside Iran to the embarrassment of the revolutionary regime, which claims to have taken power from the privileged few. However, sanctions alone cannot halt Iran's nuclear weapons program or topple the regime. They can only

drive up the economic, political, and diplomatic costs that the regime must pay for its hostile policies and help to create the conditions for its eventual overthrow.

Effective sanctions require widespread international cooperation in enforcing them over a prolonged period. Washington should take the lead and press other concerned states to impose the strongest possible unilateral and multilateral sanctions on the regime for its human rights violations, support for terrorism, and breaches of

26. Elizabeth Rubin, “The Cult of Rajavi,” *The New York Times*, July 13, 2003, at <http://www.nytimes.com/2003/07/13/magazine/13MUJAHADEEN.html> (November 22, 2011).

27. Elizabeth Rubin, “An Iranian Cult and Its American Friends,” *The New York Times*, August 13, 2011, at <http://www.nytimes.com/2011/08/14/opinion/sunday/an-iranian-cult-and-its-american-friends.html> (November 22, 2011).

28. For more information on the MEK, see Michael Rubin, “Monsters of the Left: Mujahedin al-Khalq,” Middle East Forum, January 13, 2006, at <http://www.meforum.org/888/monsters-of-the-left-the-mujahedin-al-khalq> (November 22, 2011).

its nuclear nonproliferation commitments. The United States should pay particular attention to enforcing existing sanctions against Iran's energy sector and encouraging other countries to impose new bans on investment in Iran's ailing oil and gas industry.²⁹

Washington should also consider imposing strong sanctions on Iran's central bank, which has played a role in financing Iran's nuclear weapons and ballistic missile programs as well as facilitating money transfers from sanctioned Iranian banks to terrorist groups such as Hezbollah. On November 19, the Obama Administration invoked the PATRIOT Act to warn that all Iranian banks, including the central bank, pose a "primary money laundering concern." This strengthens disincentives for trading with Iran, but imposing a ban on transactions with the central bank would apply far more pressure on Iran's trading partners to cut back their dealings with Tehran.

Imposing sanctions on foreign entities that conduct transactions with the central bank could reduce Iran's oil exports by driving oil-importing countries and firms to seek alternative sources of oil. This would make it harder for Tehran to obtain hard currency and would reduce the regime's oil export revenues.

The United States and its allies should also impose targeted sanctions on the regime's brutal security forces, particularly the Islamic Revolutionary Guard Corps, which has assumed an increasingly prominent role in propping up the regime. Former and current IRGC officials who run various sanctioned entities inside Iran have been and should be individually named for their illicit activities. Travel and financial restrictions on these individuals, who benefit greatly from Iran's economic malaise and are reviled by the Iranian public, would also garner much support from anti-regime activists and dissidents.

For example, the U.S. Office of Foreign Assets

Control has sanctioned Khatam al-Anbia, the industrial division of the Revolutionary Guards. Yet its commander, Brigadier General Rostam Ghasemi, was named oil minister by Mahmoud Ahmadinejad and approved by the Majles. Ghasemi has been sanctioned by both the U.S. and the European Union (EU) because of his activities as the head of Khatam al-Anbia Industries. The Europeans have considered lifting the sanctions on Ghasemi since he became oil minister to allow him to travel to Europe to attend OPEC meetings. The EU lifted sanctions on Ali Akbar Salehi when he became foreign minister in December 2010, reasoning that he needed to travel due to his position. However, they should not lift sanctions on either one and should not excuse any other official who has committed sanctionable actions simply because he has been elevated to higher office.

Evidence collected from the recent foiled assassination plot against Saudi Ambassador to the U.S. Adel Al-Jubeir has implicated high-ranking officials in the IRGC, the Quds Force, and the Iranian government. These officials and others involved in this and other civil and human rights violations should be named and subjected to international financial and travel sanctions. All implicated parties, regardless of position, should be named and shamed if the evidence indicates that they colluded in such activities. It is high time for Iran's leaders to learn that the international community will no longer overlook their behavior to preserve international political decorum.

Conclusion

Iran will remain a hostile power that poses threats to its neighbors, the United States, and the Iranian people as long as the current regime remains in power. Rather than trying to reach an illusory accommodation with the regime, which will surely be violated, the Obama Administration should robustly support the demands of the Iranian

29. See Ariel Cohen, James Phillips, and Owen Graham, "Iran's Energy Sector: A Target Vulnerable to Sanctions," Heritage Foundation *Background* No. 2508, February 14, 2011, at <http://www.heritage.org/Research/Reports/2011/02/Irans-Energy-Sector-A-Target-Vulnerable-to-Sanctions>.

people for their universal human rights and greater freedom.

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