

Iranian presidential election: candidates debate strategic shift

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4 June 2009

The campaign for Iran's June 12 presidential elections has been dominated by debate over national strategy between the four candidates allowed by the clerical Guardian Council to run. Amid a global economic crisis and expectations of a shift in US foreign policy after the election of President Barack Obama, significant sections of the Iranian bourgeoisie are seeking to change the social and diplomatic policies pursued by incumbent President Mahmoud Ahmadinejad.

Ahmadinejad scored an upset victory in the 2005 election after denouncing the "oil mafia" of powerful officials who control Iran's oil revenues. He has since become one of the Washington's main antagonists in the Persian Gulf. His government has supported Islamist organizations and parties targeted by US imperialism, such as Hamas in Gaza and Hezbollah in Lebanon, and pursued a nuclear program denounced by Washington. He has stoked tensions with Israel, while repeatedly calling into question the mass extermination of Jews in the Nazi Holocaust. He has been demonized regularly in Western mass media, and the Bush administration refused to publicly negotiate with his government.

In the current campaign, a broad consensus has emerged among all the candidates in favor of closer relations with the US, as well as for imposing austerity measures against the working class. This includes Ahmadinejad and the ex-commander of the Revolutionary Guard, Mohsen Rezaei—the candidates of the conservative, religious "principlist" faction—and the more Western-oriented reformist candidates, ex-Prime Minister Mirhossein Mousavi and ex-Speaker of Parliament Mehdi Karroubi.

Ahmadinejad himself signaled support for a shift, sending a letter to Obama on November 6 congratulating him on his victory. He appealed to Obama, writing that "The great civilization-building and justice-seeking nation of Iran would welcome major, fair and real changes, in policies and actions, especially in this region."

Karroubi, who declared his candidacy last August, has criticized Ahmadinejad for his administration's repressive measures, especially against university students. He also confronted Iranian Supreme Leader Ali Khamenei after the 2005 presidential elections, alleging electoral fraud. In a May 21 speech on Iranian public television, he said: "One major reason I have felt impelled to enter the election is that those in the state are infringing on the freedom of the people, more specifically by filtering the candidates and the presence of organized military forces in the past elections."

In the same speech, Karroubi criticized Ahmadinejad's relations with other countries: "It is not either confrontation or surrender. We can have interaction with them based on our national interest. What

we see is that our Republic is also under threat because of these irrational policies."

Soon after Obama's inauguration in January, reports emerged that the US State Department was drafting a letter to Iran, proposing negotiations. On February 10, Ahmadinejad announced that he was willing to negotiate with the US "in a fair atmosphere with mutual respect."

On February 8, ex-President Mohammad Khatami, a reformist who held office from 1997 to 2005 and pursued a free-market policy of opening Iran to European and Asian investors, joined the race temporarily. However, he withdrew five weeks later in favor of Mousavi, apparently calculating that Mousavi's more conservative image would create fewer expectations in reformist voters and less opposition from principlists.

The *New York Times* quoted reformist analyst Saeed Laylaz, an economist who edits the business daily *Sarmaye* (which translates as *Capital*): "There are many who think even if Khatami gets elected, he will face the same obstacles that he did when he was president before." Laylaz added, "There are serious concerns that they won't let Mr. Khatami win under any circumstances, even if it means rigging the elections."

As he withdrew his candidacy, Khatami told the Mehr news agency: "Opponents want to divide my supporters and supporters of Mousavi. It is not in our interest. Also, some conservatives are supporting Mousavi.... Mousavi is popular and will be able to execute his plans, and I prefer he stays in the race."

As prime minister from 1981 to 1989, Mousavi oversaw social austerity measures imposed to finance the Iran-Iraq war. At the time, he was a proponent of normalizing relations with the US and recognizing Arab regimes. In the lead-up to the American Iran-Contra scandal in the late 1980s, as the US and Israel sold weapons to Iran, Mousavi organized arms purchases from Israel and oversaw the repression of opposition to the negotiations with US officials on weapons—including the execution of prominent Iranian politician Mehdi Hashemi, who had led a Tehran demonstration against these covert arms deals.

In the Western press, Mousavi is widely treated as the most viable challenger in the elections.

In a May rally, Mousavi explained his appeal: "Our people are looking for stable management skills and stable policies that can bring them a sense of relief and freedom." Speaking in Isfahan, he criticized Ahmadinejad for "doing things that defame Iranians throughout the world. The nation has not given you that right.... You've undermined the might of the nation through your uncalculated actions and have taken us to the point where the value of our passports is equal to that

of a country like Somalia.”

In March, Ahmadinejad signaled his willingness to carry out further social cuts against working people. He submitted a budget to the Iranian parliament calling for the elimination of government subsidies that keep water, gasoline, natural gas, and electricity prices low. This would ostensibly allow the government to implement “targeted subsidies” that would be given only to the poorest layers of the population, thereby reducing state spending.

Some reformists supported the budget cuts. Leylaz said he considered the budget a “very great decision,” adding that if it had been proposed by a reformist, “there would be so much opposition and disruption that the plan would be doomed to failure in its earliest stage.” However, several reformist newspapers criticized the measure. It ultimately foundered in the face of opposition by Ali Larijani, the conservative speaker of parliament who was also Iran’s nuclear negotiator. Larijani rewrote the budget bill without the subsidy cuts, and defeated an appeal by Ahmadinejad at the Guardians Council.

The other principlist candidate, Mohsen Rezaei, announced his candidacy only on April 22. Famous for his victory at the 1981 battle of Khorramshahr during the Iran-Iraq war, Rezaei has mainly attacked Ahmadinejad on foreign policy issues, calling for a more pro-US line. In a May 11 interview with the German daily *Der Tagesspiegel*, he said that “the foreign policy change of Obama should be trusted.”

He continued: “The US is no longer interested in military adventures throughout the globe and this creates a healthy atmosphere for dialogue. When the US changes we should change our attitude as well. We can play our role in the peace process in the Middle East, for example.” In a previous press conference cited by the *Wall Street Journal*, he described Ahmadinejad’s foreign policy as “provocative” and “adventurous.”

For the Iranian bourgeoisie, the possibility of improving relations with Washington poses a sea change in its global prospects. Though Iran carries out most of its trade and investment with US capitalism’s European or Asian rivals, Tehran’s confrontational relations with Washington plays an even larger role in the country’s economic and political life. Currently, the US strangles foreign investment in Iran’s infrastructure, limits the development of its energy trade, blocks its access to international financial markets, and threatens it with military attack. It occupies two of Iran’s neighbors, Iraq and Afghanistan, and is preparing to intensify an undeclared war in a third—Pakistan.

The Iranian bourgeoisie may hope to improve its currently bleak economic situation through access to US investment. Since Ahmadinejad took office in 2005, the annual inflation rate has increased from 11 to 25 percent, as the rise in energy revenues due to high oil prices has flooded the stagnating Iranian economy with cash. Industrial output has consistently declined amid high unemployment. Inflation in prices for food and other basic commodities, together with a wave of plant shutdowns, have caused a number of demonstrations throughout Iran.

Tehran has already provided valuable support to Washington both in Iraq, where in 2007 it isolated the anti-US Mahdi Army militia of Shiite cleric Moqtada al-Sadr, and in Afghanistan. A Shiite country, Iran is hostile to the bitterly anti-Shiite Taliban, which the US occupation displaced.

A US-friendly regime in Tehran would eliminate substantial fears that have arisen in recent years about US access to the region’s energy supplies. There have been concerns in Washington that China may obtain direct overland pipeline access to Middle Eastern oil and gas through Central Asia or Pakistan to Iran; or that India might succeed

in arranging a proposed Iran-Pakistan-India (IPI) pipeline. If the regime in Tehran were aligned with US strategic and energy interests, such developments would pose less of a threat to Washington.

The Obama administration’s actions suggest that it is currently considering an improvement in relations with Tehran, and the Western press has called attention to US plans for negotiations with Tehran.

In a May 20 article, the *New York Times* commented, “Mr. Obama’s strategy is based on a giant gamble: That after the Iranian elections of June 12 the way will be clear to convince the Iranians that it is in their long-term interest to strike a deal, trading their ability to produce their own nuclear fuel for a range of tempting rewards. For months, White House and State Department strategists have been debating just what incentives to offer the Iranians up front, and in what order. But they start with the prospect of opening the spigots of investment in Iran’s decrepit oil infrastructure, and even recognizing—and aiding—a civilian nuclear capability for Iran, as long as the country kept its hand off the nuclear fuel.”

The *Times* added that, should Iranians refuse to negotiate, the Obama administration was preparing to negotiate sanctions with China and European countries to totally isolate the Iranian economy. As the US media—notably investigative journalist Seymour Hersh’s pieces in the *New Yorker*—have repeatedly reported in past years, the Pentagon has prepared a number of plans for military action against Iran under such conditions.

Close US-Iranian ties would not be unprecedented—under the Shah, from 1953 to 1979, Iran was Washington’s main proxy state in the Middle East. However, this bitter history points to an important factor in US-Iranian relations: US imperialism has always insisted that the oversight and distribution of Iran’s oil revenues be subordinated to the profit interests of the US-based energy conglomerates.

In 1953, US and British intelligence arranged the overthrow of Iranian Premier Mohammed Mossadeq after the latter arranged passage of a law nationalizing Iran’s oil industry in 1951. They installed the Shah, who ruled through military dictatorship until his overthrow in the 1979 Iranian Revolution, spearheaded by powerful strikes, especially among the oil workers. At this point, the US isolated Iran commercially and diplomatically, in a vindictive policy pursued to this day.

A rapprochement with Washington would doubtless mean an acceleration of the moves underway by both Ahmadinejad and the reformists to cut subsidies and concentrate oil revenues even more tightly in the hands of the Iranian ruling elite, in preparation for deals with US corporations and finance capital. In the end, closer relations between Tehran and Washington will only be cemented at the expense of the Iranian masses, who will see further cuts in their living standard, and of American working people, who would pay for it through continuation of the ruinous American military expenditures in the Middle East and Central Asia.



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