

Strategic Insight

Where Is Iran Headed?

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In the course of the past twenty years, Iran has undergone profound social and demographic transformations. These changes have sharply altered the nation's social structure, and have produced a population that is increasingly youthful, literate, urbanized, politically conscious, and even globalized. Increasingly materialistic and secular in outlook and orientation, the children of the revolution—those who were born after or shortly before the 1979 revolution that toppled the shah—lack the Islamic and/or leftist idealism and fervor of their parents' generation that was responsible for ousting the monarchy. Instead, they are much more interested in improvements in their standards of living and the removal of irksome restrictions on their social and personal lives. They also want to be governed by a democratically elected leadership that is responsive to their needs rather than a group of self-perpetuating, self-righteous, and sanctimonious individuals who justify their exclusive grip on power by depicting themselves as the emissaries of God on earth.

In light of these developments, it is not surprising that Iran's population has, whenever it has been given an opportunity to do so, responded in an overwhelmingly positive fashion to the reform movement's promises of socio-political liberalization and democratization. Internal weaknesses within the reformist movement and, more importantly, fierce resistance and opposition from the so-called conservative camp, however, have up to now impeded the reformers from implementing their agenda. Fearful of losing their enormous political and, by implication, economic power, the conservatives have rendered the reform movement essentially impotent, and have prevented the reformers from delivering on their promises to the Iranian electorate. Meanwhile, with their standards of living declining and their expectations remaining unfulfilled, Iranians have become increasingly dissatisfied and despondent, losing faith in the ability of the reformers to change meaningfully the nature of the Islamic Republic. They have begun, therefore, to question the very legitimacy of a system that is not in accord with their values, and is proving itself incapable of responding to their economic, social, and political demands. The fundamental transformations in the nature of Iran's society, combined with the delegitimization of the system, are gradually but inexorably eroding the foundations of the Islamic Republic. As a result, the stage is being set for a political transition that will alter Iran's formal arrangement of power, and will turn the country into more of a secular (though not necessarily democratic) republic. The primary question is whether this transition will take place through peaceful and incremental or sudden and violent means.

Post-Revolutionary Transformations in Iranian Society

According to the conventional measurements of modernization, Iran today is more, not less, modernized than it was in 1979. Indeed, Iran is presently an overwhelmingly urban, literate, and interconnected country in which the nuclear family is fast replacing the extended family, and where an increasing number of women are working outside their homes. While in 1976 Iran's urban population accounted for 47 percent of the nation's overall population, in 1996 the percentage of people living in Iran's urban centers had risen to 61.3. The expansion in the size of the nation's urban population has coincided with the expansion of literacy and education. From 1976 to 1999, the overall literacy rate rose dramatically from 48 percent to 82 percent. In 1979, there were less than 700,000 Iranians with college degrees. By the turn of the millennium, this figure had shot up to more than 4 million, with an additional 2 million

completing their university education. Meanwhile, among the children of the revolution (15-24 year olds) literacy has become virtually universal.

Women have achieved by far the most dramatic gains in literacy and education. Prior to the revolution, families from traditional sectors of society were very reluctant to allow their daughters to attend secular schools. As a result, the female literacy rate hovered around 35.5% in 1976. With the Islamization of education and society, and the establishment of a clerical regime, religiously inclined households relented, allowing girls to become educated. By 1996, the female literacy rate had reached 74.2 percent. In recent years, the number of women entering university has surpassed the number of men by a few percentage points. The advancement of women's education has had a number of profound political implications. Due to their higher levels of education and sophistication, women in Iran have become increasingly confident, self-assured, and assertive. They have also grown to be highly resentful of their status as second class citizens in the Islamic Republic. They look upon the legal and cultural discriminations against them with increasing disdain, and have, in recent years, played an indispensable role in electing reformers to office.

Another group whose level of educational attainment and general awareness has increased significantly since the revolution is the villagers. In rural areas, the literacy rate rose from 30.5 % in 1976 to almost 70% in 1996. Fearful of the ramifications of rural migration to the cities, the Islamic Republic has strived to improve life in the countryside. Indeed, with the exception of the politically connected upper class, among Iran's social groups, the villagers have benefited the most from the reign of the clerics. Many villagers are now endowed for the first time ever with electricity, gas, running water, paved roads, secondary schools, and clinics. A few villagers are even purchasing such gadgets as TV's, refrigerators, and even satellite dishes. But even the regime's triumph in enhancing the quality of life for the villagers has turned out to be a Pyrrhic victory. The regime's policies have failed to stem the tide of migration from the rural areas to the cities. Meanwhile, greater literacy and exposure to modernity have widened the horizons of the villagers. Greater knowledge, in turn, has raised their expectations, prompting them to become resentful of their relative deprivation vis-a-vis the more privileged segments of society. In the 1997 presidential election, the 1999 city council elections, the 2000 parliamentary elections, and the 2001 presidential election the villagers voted overwhelmingly for the reformers. The political awakening of the villagers, who have traditionally been unconcerned with political affairs, has contributed to the widening of the gap between the unelected and unaccountable upper class ruling elite and the Iranian society.

Meanwhile, just as the villages have become more modernized, Iran, particularly during the period of economic reconstruction coinciding with Rafsanjani's presidency, underwent a perceptible improvement in the quality of its communications and transportation infrastructure. Even the most remote parts of the country became connected to the national network. As a result, the nation became far more integrated and interconnected, as people across Iran became increasingly cognizant of the developments as well as the patterns and trends shaping the destiny of the country. At the same time, the regime found it impossible to cut off Iran from the rest of the world. Especially in the 1990's, the availability and the use of VHS, CD, satellite dishes, and the Internet became more pervasive. Moreover, the more than 3 million Iranian expatriates kept in close contact with their brethren inside Iran, keeping them apprised of the global political, economic, and cultural trends. Iran's youthful population, therefore, have become increasingly globalized, in tune not only with what is occurring inside the country but also with developments taking place in the world.

Rising Dissatisfaction

The increasing sophistication of Iran's population has raised their expectations, which the regime has been unable to meet. The most pressing problem is economic. GDP per capita is now only a quarter of what it was in 1979. Due to Iran's population explosion in the first decade after the revolution (when 2 million babies were born every year), about one half of the nation's population is under 15, and a colossal 65 percent is under 25. Although more than a million individuals enter the workforce every year, the economy is already hard pressed to create 400,000 jobs per annum. According to the statistics put out by the government itself, Iran presently has an active population (16-64 year olds) of 19 million people, about 3.5 million of whom are unemployed. People under the age of 30 currently constitute about 80 percent of

the unemployed. Unemployment is due to expand geometrically in the next five years, as at least 5.5 million high school graduates are expected to enter the job market. In recent years the phenomenon of skilled unemployment has become endemic, as increasing numbers of college and university graduates have joined the ranks of the unemployed. Unable to attain gainful employment, increasing numbers of young people have been forced to postpone marriage. Meanwhile, addiction, depression, and promiscuity, particularly in the ranks of unemployed and disgruntled youth, have assumed alarming proportions.

To create jobs, the government has to encourage massive amounts of investment in the Iranian economy. But a bloated and corrupt public sector, a climate of extreme political uncertainty, and an apparent lack of clear direction have undermined confidence. As a result, investors (domestic and foreign) have largely refrained from risking their money in the Iranian market. Moreover, while unsuccessful in isolating Iran, America's sanctions against the Islamic republic have exacerbated its economic woes. The mutual hostility between Iran and the world's sole remaining super-power has badly damaged confidence, providing additional reason for both domestic and foreign investors not to risk their money in the Iranian economy—particularly in the cash starved and labor intensive non-oil sectors.

Meanwhile, as could have been expected, after recovering from the initial shock of their humiliating electoral defeats, the upper class as well as its conservative representatives have moved quickly to prevent the reformers from altering the nature and prevailing power arrangements of the Islamic Republic. Many, including the economically formidable Islamic Coalition association (whose members control most of the non-oil commerce in Iran), the leaders of the Bonyads (para-state foundations that control 40 percent of the Iranian economy), and many other high ranking officials as well as their relations (referred to as the power Mafia in Iran for having used their power to accumulate vast fortunes) are genuinely afraid of losing their power, privileges, wealth, and perhaps eventually even their heads. Many traditional and extremist conservatives are also truly concerned that the reformers' attempts at democratizing the system will expunge the Islamic nature of the regime, eventually paving the way for the ascendancy of secularism and western style decadence. The conservatives, therefore, acting in concert, have effectively prevented the reformers from implementing their agenda. While the extremist fringe have advocated the use of physical violence in order to forcibly remove the reformers from elected institutions, the traditionalist and moderate conservatives—fearful of instigating a popular uprising— have been generally content to thwart the reformist agenda through peaceful means.

In the meantime, as Iranians are fast losing faith in the ability of reformers to deliver on their promises, mounting economic privations, irksome social, personal, and cultural restrictions, and the continued dearth of political freedoms and accountability are further diminishing the regime's legitimacy in the eyes of much of the middle and lower classes. Under such circumstances, conspicuous consumption on the part of some members of the upper class, combined with the increasing pervasiveness of corruption is serving to further alienate the people from the prevailing order. Disillusionment is particularly acute in as much as Khomeini's had been essentially a moral revolution, a return to Islamic ideals.

The Future

Up to now, Khatami has wasted his enormous popularity by refusing to lead the reformist camp in a resolute and determined fashion. Fearful of destabilizing or perhaps even undermining the Islamic Republic, to which he is unquestionably devoted, he has consistently refused to mobilize or utilize the enormous popular base of the reformist movement as even a bargaining chip against his political adversaries. Unlike Khatami, however, the opponents of reform have displayed exceptional determination and resolution in preserving and promoting their interests. Acting in a pusillanimous and hesitant fashion, Khatami even abandoned the student movement, one of his core constituencies, during the summer 1999 student uprisings. Instead of using the middle and lower classes against the upper class, he has consistently urged caution upon his followers, only expressing regret and sorrow for the arrest, imprisonment, and suppression of his allies. Averse to risk taking, Khatami has also occasionally lamented the fact that he does not have sufficient power to ensure that the laws of the land are faithfully executed. Even at his most despondent moments, he has only issued empty threats at resignation, which he has subsequently retracted. He has, however, consistently issued stern warnings concerning the

coming of a massive social explosion. Such an uprising, he has maintained, could occur if the ruling elite continue their intransigence, and prevent the reformers from implementing their agenda.

Most recently under pressure from his beleaguered allies (some of whom have begun to desert him) and cognizant of his declining popularity, Khatami has admitted to the failure of the reform movement. He has also stated that he will ask the Iranian parliament to enact legislation that would augment the power of the president in order to enable him to see to it that the Iranian constitution is faithfully implemented. If such legislation is vetoed by supervisory conservative institutions, Khatami has threatened to either call for a referendum to clarify powers that ought to be granted to the nation's elected institutions or to resign. It remains to be seen how the conservative factions, which have up to now demonstrated no willingness to desist from their inflexibility and intransigence, will react to Khatami's more assertive posture. It also remains to be seen whether Khatami will revert back to his cautious and conciliatory demeanor, or will continue to act in a determined fashion.

The fundamental shifts and transformations in Iran's social structure and the increasing delegitimization of the ongoing system are bound to transform the nature of the Iranian polity, and usher in a more secular order that is in greater accord with the dispositions of the population. Whether this political transition will occur through revolutionary or evolutionary means depends upon the actions and reactions of the reformers and the conservatives as well as the ability and the willingness of the Iranian populace to take part in coordinated or uncoordinated uprisings. The ability of the reformers to carry out all or part of their agenda can delay or prevent a political cataclysm. The efforts of the political and economic oligarchy to maintain its exclusive hold on power in the face of growing popular dissatisfaction, however, may eventually result in the emergence of a cohesive political opposition that could organize and mobilize a cross section of the populace against the existing order. Even if a cohesive opposition does not emerge, continued conservative intransigence is likely to result—as Khatami and his reformist allies have consistently warned—in the eruption of spontaneous riots and uprisings that can assume the form of a mass movement, and shake or even shatter the foundations of the Islamic republic. Whether coordinated or uncoordinated, however, popular uprisings can only succeed if the nation's armed forces become insubordinate, and defect to the side of the masses. As the Iranian revolution of 1979, the ouster of Marcos in the Philippines in 1986, and the overthrow of Milosovich in Serbia in 2000 illustrate, armies in repressive regimes can quickly collapse in the face of massive and sustained popular uprisings.

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